

LEGISLATIVE ASSEMBLY

Wednesday 27 June 2001

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

Mr Speaker offered the Prayer.

BILLS RETURNED

The following bills were returned from the Legislative Council without amendment:

Corporations (Administrative Actions) Bill
Corporations (Consequential Amendments) Bill
Corporations (Ancillary Provisions) Bill

HOUSING BILL

Second Reading

Debate resumed from 22 June.

Mr HUMPHERSON (Davidson) [10.02 a.m.]: I lead for the Opposition on the Housing Bill. I will elaborate the Opposition's views on aspects of this bill. The bill proposes to consolidate the existing three Housing Acts into one Act. The objectives of the bill are to continue and expand the functions of the New South Wales Land and Housing Corporation, to merge the Home Purchase Assistance Authority into the corporation, and to dissolve the HomeFund Advisory Panel. The Opposition understands and appreciates those objectives and does not have any deep concerns about them. The revamped Land and Housing Corporation will have slightly redefined primary roles. Those primary roles will be to: provide public housing, including the provision of rental rebates; acquire and/or develop land for urban development or public purposes; make residential land available; promote orderly and economic urban development; manage the Home Purchase Assistance Schemes; and to act jointly or independently in providing housing and/or land, including to act as Landcom or as the Land and Housing Corporation.

I understand that there are two primary changes in the bill. I thank the Minister for the time given to the Opposition to discuss those matters with his staff. The two issues that the bill seeks to change are tenant fraud and partnerships with the non-government sector. The Opposition does not have deep concerns over these two issues. However, the bill is intended as a clean-up and tidy-up bill, and there are two other elements that need to be reviewed. I would appreciate the Minister's response to those two concerns and, subject to that response, the Opposition will determine what it will do. The Opposition will not move amendments, divide or oppose the bill in this Chamber. If it were to move amendments and divide, it would be in the Legislative Council. It will depend on the nature of the information given to the Opposition.

The Minister in his second reading speech acknowledges that between five and ten per cent of tenants—potentially more—deliberately or inadvertently may be abusing the privilege of accommodation that taxpayers have given to them. Changes are necessary to give greater powers to the department. There needs to be a greater intent, even under the current powers, to pursue tenants who abuse the privileges given to them. Quite simply, the waiting list of just under 100,000 people in New South Wales is the lowest proportion of tenant turnover in public housing in Australia. This indicates that review is not as effective and rigorous as it ought to be. The Opposition believes that the review should be more rigorous, not just in respect of the income of those people in public housing, but of the people who move into those tenancies and do not disclose their incomes. The Government has identified that aspect in the Minister's second reading speech as one that it is interested in pursuing and the Opposition thoroughly supports that intent.

Evident in reports that the Opposition receives through its housing hotline is that there are genuine tenants on that waiting list of 98,000. Also clear from that hotline is that people are abusing the system and they ought not to be given solace or wide latitude but should be dealt with firmly, with allegations of abuse investigated and evidence pursued. Some tenants may not only abuse tenure; they may vandalise their properties, for example, commit arson. Moreover, some people engage in extraordinary levels of anti-social

behaviour, which impacts severely on neighbours and nearby residents in publicly provided housing. They should not be dealt with lightly. Quite simply people who engage in anti-social behaviour to that extent should be dealt with sooner by permanent eviction. Numerous examples have been brought to our attention in relation to the Casino area. Problem tenants in that area are simply moved to another area in the same region and, given their previous track record, they will repeat their practice and will continue to cause great disturbance. That not only imposes costs and resource demands on the department and the Police Service, but it causes great distress to those nearby, particularly elderly residents. These people should not be given wide latitude.

The new powers proposed in the bill predominantly focus on the ability to demand income details on other tenants within a tenancy. We support that change. The Opposition is aware of examples in which the primary tenant has a partner, relative or person with a business interest, other property interests or undisclosed income who is also living in public housing. That is a clear breach of the intent of public housing and prevents those who need public housing from accessing it. The Opposition supports any changes that will improve the problems of fraud and abuse in the public housing system.

I shall give another example. A tenant and her partner have public housing property at 5/2 Ivanhoe Place, Macquarie Park. Since the beginning of this year, she has rented the property to another private tenant and she and her partner now live on the Northern Beaches in a friend's home. They derive income from an illegal rental, and that is in breach of the tenancy agreement and the principle of taxpayers providing public housing. The woman and her partner work full time. Her car remains in the garage of unit 5 but she rents the garage of unit 2 from another public housing tenant, to store furniture and homeware. The Minister should investigate that example, because sadly it occurs far too often. People in public housing should acknowledge that if their circumstances change, they should inform the department and move on. They should think again before abusing their privileges.

Another example relates to the public housing tenants of 4/1 Eyles Street, Telopea, a couple who travel overseas for the best part of the year, mainly in the Middle East where they have family and property interests. They appear to use the residence at Telopea only as a place to stay during summer in Australia. Another example is the public housing tenant of 4/9 Lascelles Street, Narraweena, who has moved to Taree where the family owns a property, yet her daughter still resides at the Narraweena property in a three-bedroom townhouse. The daughter is not a legitimate tenant and, as a single person, ought not to be living in a three-bedroom townhouse when needy families require that accommodation. The department has been trying to address these matters but needs more authority and power to do so. It is important that the department has flexibility to accommodate different tenants in the same neighbourhood.

A further example is a couple who have allegedly lived for 16 months in unit 7, 11-15 Smith Street, Wentworthville. They retain the tenancy but live elsewhere, only returning to collect their mail. Many people are desperately waiting for public housing and they should have priority, not those who do not have a genuine need. No honourable member would disagree with that comment. The Minister should investigate the examples I have given and if tenants are ineligible and are abusing the system, they should be refused public housing.

The second primary area of change in the bill relates to partnerships and the provision of housing in partnership or joint ventures with the non-government sector. The Opposition supports that change whether it is with local government, non-government organisations or the private sector. We are keen to use all reasonable means possible to provide a range of housing and locations to suit the great diversity of people who need access to public housing. The changes to the Act will extend the options available to the department to enter into various forms of joint ventures, particularly using non-government land, and the Opposition supports that flexibility.

The Parliamentary Secretary said in his second reading speech that the driving force was cuts to Federal Government funding. That is a complete misnomer. That was only a 1 per cent or \$3 million efficiency cut in Federal funding to New South Wales, and to other States in recent years. It is insignificant compared to the broader \$500 million gross budget for the Department of Housing. When one looks at the track record of the Government over the past six or seven years a \$3 million cut is no explanation for the fact that in 1994-95 approximately 2,800 homes were built to provide public and community housing in New South Wales, yet that figure has now dropped to 1,100 or 1,200. It is unexplained by a reduction of 1 per cent in Federal Government funding; rather, it is a diversion of funding by this Government into other purposes. The housing available in New South Wales has diminished substantially, as has the number of homes being sold.

Public housing may be sold where the demand no longer exists or the market rental is equivalent to that paid to access public housing. During 1999-2000 the number of properties sold by the Government was 880

compared to 300 homes sold in 1994-95, the year before the Carr Labor Government came to office. The number of properties being sold has accelerated under this Government and those homes are not being replaced with the housing development program. Something needs to be done to address the commitment to waiting lists and to maintain and extend the stock of public housing in New South Wales.

In the past six years the number of people on the public housing waiting list has increased by more than 10,000, an increase of 2,000 a year. At any one time more than 3,000 homes are vacant in New South Wales. The average turnover, according to national figures, is almost five weeks, that is, 34 days to relocate families. If that were managed more efficiently, obviously more people could be accommodated in public housing more rapidly. Specifically, housing that remains vacant is more likely to be the subject of vandalism, which costs in the order of \$14 million to \$15 million a year. Occupation of that housing diminishes the likelihood of vandalism and the consequent cost to the taxpayer.

The Coalition is supportive of a genuine approach to private partnerships to provide housing. We believe the private sector can do a good job in this respect. However, we want assurances that those housing partnerships, when they come into effect, will operate in a transparent fashion. I acknowledge that this requires the consent of the Treasurer. However, any deal involving a joint venture with the private sector in providing property or land, whether by private treaty or lease arrangements, needs to operate transparently. In that way, everyone will know that no extraordinary deal has been done and that taxpayers' rights have been protected.

I come now to the inclusion in the bill of two provisions carried over from previous housing Acts. The three current New South Wales housing Acts to be superseded by this bill are the 1912, 1976 and 1985 Acts. The 1912 Act includes provision in respect of what are called housing areas. As I see it, the power conferred by this particular provision is an anachronism now. It is a power that preceded local government as we now know it, the Environmental Planning and Assessment Act and the planning processes of this State. This provision enables the Minister, through gazettal, to identify and declare an area of land a housing area. No constraint applies to the length of that declaration. If a government changes its mind at some point of time and lifts the declaration, there is no stipulation to the consequences, or to whether any compensation should flow in respect of properties blighted by such a declaration.

The provision specifies that an owner who makes improvements to buildings on such land cannot seek any compensation in respect of those improvements. Moreover, except with the consent of the Government, owners are precluded from selling the declared land or even leasing it within the 12-month constraint period. That is a significant burden to place on property. The provision may well have been used sparingly in recent years, but today such a power no longer ought to be part of such an Act. If the Government has a desire to identify areas for future housing, it has those powers under other legislation. It can acquire land in other ways without having to rely on this sort of heavy-handed, non-consultative anachronistic provision, which dates back to the last century. Neither the Government nor the Minister should have the power to blight a property in a manner that could have occurred in the last century.

The second provision I wish to address is the Treasurer's ability to retain revenue raised from the sale of land and property by the Department of Housing. Clause 65 enables the Treasurer and the Minister to define the criteria under which money from the sale of certain lands will be taken from the housing area and form part of consolidated revenue. If, as has happened, the rate increases at which New South Wales public housing properties are sold, and the public housing stock is plateauing, all of the money raised should be retained in the public housing sector. This clause enables such a proposal to be avoided. I do not know why any government would want to retain a provision that enables the Treasurer to siphon off money from the sale of public housing and thereby deny those in great need access to housing at an earlier stage.

I ask the Minister to justify why that clause ought not to be removed. If the justification argument is unsatisfactory, the Opposition will look to remove that clause from the bill in the upper House. I will not accept as an excuse a bland statement such as, "When we sell off this property, all the money goes back into the department," without clear and transparent proof that that sum of money has been added to the housing budget provided by the State Government, as opposed to the Federal Government, and that the totality of that housing budget has all been expended in the housing area. There is evidence, from the increase in property sales and the revenue from those sales, that the Government has loosened its commitment to spending money that it has allocated in a budget and effectively, through one means or another, has allowed the Treasurer to rake back some of the money that has been allocated to the housing sector.

As a quick example, I would refer honourable members to the 1999-2000 budget allocation of some \$502 million. As is often the case, 75 per cent of that allocation is not State Government money but

predominantly Federal money, with a certain amount from the Rental Bond Board. It was projected in the budget that \$47 million would be raised from property sales. The actual revenue for that particular year, as was disclosed in an annual report, was some \$114 million, net of sale costs. Clearly, that is a substantial amount over and above the projected revenue.

There is anecdotal evidence that the gross budget for the Department of Housing in that financial year did not increase by the amount of the increase in sales. Sales exceeded budget by something like \$67 million, yet the housing budget was not increased by the same amount. The obvious question is: Where did the money go? If the Act enables the Treasurer and the Minister from time to time, at their whim, to divert such money into consolidated revenue for spending in other areas, that is treating public housing tenants, particularly those in need, with contempt. Having said that, I conclude by indicating that the Opposition will not oppose the bill in this House. The Coalition reserves the right, subject to the response from the Minister, to move one or two amendments in the upper House. I look forward to his advice.

Dr REFSHAUGE (Marrickville—Deputy Premier, Minister for Urban Affairs and Planning, Minister for Aboriginal Affairs, and Minister for Housing) [10.28 a.m.], in reply: I thank the honourable member for Davidson for his contribution to the debate on this bill. A number of issues that he raised have very little to do with the legislation, and some of those probably would be better discussed during the estimates debates later this week. However, I point out to the honourable member that it was this Government that brought in the good neighbour policy, which said that tenants have responsibilities and not just rights, and attested to the Government's preparedness to take people who behave inappropriately before the Residential Tenancies Tribunal and, if appropriate, secure their eviction.

If the honourable member wants to raise any individual cases of tenancies being abused, I am happy to receive that information, have it fully investigated and take appropriate action. But I sound this warning: What the honourable member has said in the past on a number of issues has been wrong. I would suggest that he would be on very thin ice if he asserts that people are abusing the system—only to find out later that his information is wrong. In that circumstance, I believe those people would have a strong case of defamation against him.

The honourable member for Davidson referred to clause 36, which allows the Minister to recommend to the Government that certain areas be declared housing areas. It is very unlikely that this clause will be used, but it is important to maintain it. It has been in the Act since 1912 and was used reasonably recently in the 1980s to ensure that there was no profiteering from major infrastructure development and no mass homelessness as a result of that development. We hope that this power will not be used because the planning system will be improved. However, there will be a delay in using the planning system that will prevent exploitation. This is a stopgap measure that will avoid invoking the planning system to ensure that there is orderly use of certain land that may be directly affected by an event—whether a natural event, an act of God or a major infrastructure development paid for by government or the private sector. It is important that we are able to prevent mass homelessness in one hit. I hope that we will not have to use this measure as the planning system should kick in after some months and work effectively towards that goal. However, this protective mechanism is necessary and will come into force in the unlikely event of mass homelessness.

Clause 65 refers to funds separate from those in the Commonwealth-State Housing Agreement that the State Government allocates to housing. It provides that any assets accruing from the sale of houses be returned to the Consolidated Fund. I would have thought that all governments would support this measure. It would certainly be very hard for a Treasurer or shadow Treasurer to accept that a government will not have a say in how it spends its money and that its spending decisions will be blocked. In the unlikely event that no more public housing was needed, should we have to maintain public housing expenditure because the legislation does not allow that money to return to State resources? If need is dramatically greater elsewhere, should we be prevented from using State resources to meet that need because some legislation says that we must devote a certain amount of expenditure to another area? Should this funding be locked in place forever and never used for any other purpose?

The idea of telling future governments that they cannot spend money as they choose is an unusual one—particularly if it emanates from the other side of politics. I agree that we should spend more money on public housing and I will argue that case, but I believe governments should play a role in making funding decisions rather than insisting legislatively that the expenditure of any funds in addition to the Commonwealth-State Housing Agreement—which has already been agreed—should be maintained only for housing and not determined by the democratic process. That would be an inappropriate route to follow.

As the honourable member for Davidson said, this is a tidying-up bill that contains several important measures. I invite the honourable member to provide information about anyone who is abusing the public housing system. I would welcome that information and will follow it up. We do not want such abuse to occur. There is a great need for public housing—those in the private rental sector face a difficult situation—and we should ensure that we make the best and most efficient use of the money that the Government has on trust from the people of New South Wales. I welcome Parliament's support for the bill.

Motion agreed to.

Bill read a second time and passed through remaining stages.

LIQUOR AMENDMENT (GAMING MACHINE RESTRICTIONS) BILL

Second Reading

Debate resumed from 25 June.

Mr OAKESHOTT (Port Macquarie) [10.34 a.m.]: Three bills are about to pass through this House: the Liquor Amendment (Gaming Machine Restrictions) Bill, the Gaming Machine Tax Bill and the Liquor and Registered Clubs Legislation Amendment Bill. The Coalition will not oppose any of those bills, but we repeat our assertion regarding cutbacks in the Department of Gaming and Racing and the backlog of work in areas such as the Licensing Court. It is one thing to introduce pretty legislation to Parliament but another to introduce measures that will work on the ground. Despite this legislation and the assurances of the Minister for Gaming and Racing and the Government, the Opposition does not believe the Government is committed to dealing with the significant issues of compliance, monitoring, enforcement and regulation in the gaming, liquor and racing industries in New South Wales. The three bills that I have mentioned are proof of that.

What are the current responsibilities of the Minister for Gaming and Racing? The TAB has been privatised and we have seen the somewhat questionable flicking of the central monitoring system, which will remove all departmental responsibility for revenue collection and monitoring. The police are now playing a much larger enforcement role—as evidenced by incidents at the weekend. Therefore, we must ask: What does the Minister do? I believe his responsibilities are in four areas: compliance, enforcement, licensing applications and licensing prosecutions. The Minister has failed his responsibilities—there are four big crosses—in all those areas. The Minister has no responsibilities; he is doing nothing to enforce and regulate properly liquor and gaming in New South Wales. That is disappointing, and I believe the Minister's failure to take a strong lead in this area reflects poorly on the industry. The community is looking to the Government for direction, but that is not forthcoming at present.

The industry would love to see the appointment of a group of untouchables within the Department of Gaming and Racing. It would love to see regulatory bodies take a firm lead and deal with issues promptly—not two or three years after the event. Unfortunately, as confirmed by its internal documents, the Government is dragging its feet on this issue. Treasury now runs the show and it has made substantial cuts to the budget of the Department of Gaming and Racing. This has reduced the department's work to a minimum and, as a result, every Friday and Saturday night in any location around New South Wales there is irresponsible service of alcohol. Drunks are wandering our streets. I am more than willing to take the Minister to a location of his choice to show him what is happening on our streets.

Mr Face: Point of order: I have previously taken this point of order against the honourable member for Port Macquarie. The three bills that he has mentioned are quite restrictive. The Liquor Amendment (Gaming Machine Restrictions) Bill is simply an administration bill. Mr Speaker, I know that you and your predecessors have shown some latitude to honourable members in debate—particularly to shadow Ministers—but the line of argument being followed by the honourable member for Port Macquarie is not new. We have heard these comments before—you must almost rule him out of order for tedious repetition under standing order 159. I understand that the honourable member is trying to make a point, but most of his comments are not relevant to the legislation before the House. This bill is extremely restrictive. The honourable member may get some leeway from the liquor bill, but the other bills are quite simple and straightforward and have absolutely nothing to do with the honourable member's comments.

Mr SPEAKER: Order! I admit that I was not listening as closely to the debate as I perhaps should have been. However, I ask the honourable member for Port Macquarie to comply with the standing orders.

Mr OAKESHOTT: The Minister is flicking responsibility for these matters to areas such as Treasury—an issue that is relevant to debate. We have in New South Wales an environment in which revenue collection from liquor and gaming appear to be more important to the Government than the priority issues that serve the public interest—compliance, monitoring and enforcement. These issues are regarded as secondary issues. The Government is so reliant on the revenue from liquor and gaming that it is not willing to deal responsibly with important issues that are in the public interest. Whilst the Opposition will not oppose all these pretty pieces of legislation that are being introduced in the Parliament, across-the-board cutbacks within the department make this sort of legislation ineffective.

Mr Face: Point of order—

Mr SPEAKER: Order! I am aware of the matter the Minister intends to draw to my attention. The Minister has correctly pointed out that the bill is prescriptive: it seeks to extend the freeze on poker machines. The bill does not deal with the administration of the Department of Gaming and Racing, the administration costs of the department or any of the other matters the honourable member for Port Macquarie seeks to highlight. If he wishes to draw the attention of the House to those matters he will have an opportunity to do so at the appropriate time.

Mr OAKESHOTT: I accept that the Minister is yet to introduce an upcoming gaming package. The Minister said earlier that this debate was relevant to that upcoming gaming package. I hope that all honourable members recognise the significance of this issue—the significance and importance of legislation such as this that is passing through this Parliament. I represent the country area of Port Macquarie. The honourable member for Murrumbidgee and the honourable member for Lismore, who are in the Chamber, also represent country areas. Hoteliers in country areas are greatly interested in this upcoming gaming package.

One of the issues that has been raised in debate is whether this legislation will have an impact on the number of poker machines available for country hoteliers. Will the legislation limit their opportunity to fulfil their quota—a quota promised to them by this Minister for Gaming and Racing? Will this legislation limit their ability to come back to the Government once this gaming package has been delivered, as has been stated publicly by inside sources? Country hoteliers will be restricted in the number of machines to which they can have access. Several years ago this Minister promised to deliver on that quota—a highly political issue that was fully supported by the hotel industry.

We are about to see country hoteliers lose out. They will not be able to fulfil their quota. They were not as quick as city hoteliers to fulfil their maximum quota. I would like to hear from the Minister whether this legislation is of relevance to country hoteliers. Will it place restrictions on their ability to fulfil the quota promised to them by the Minister in 1997? What are the Minister's views in relation to hardship provisions? In recent months the Australian Hotels Association has been lobbying to try to get hardship provisions included in the upcoming gaming package—an issue of relevance in this debate because of the extension of the freeze on poker machines.

From a country hotelier's point of view I would be interested to hear the Minister's views in relation to that issue. I have been intrigued by debate relating to the upcoming gaming package. This is yet another example of Della Boscultation—consultation that takes place behind closed doors. I am referring to a whole new definition of the word "consultation". The community does not see it; industry is limited in what it can access; and, during that process, we are not able to access fully and fairly information that will become legislation. We witnessed that over the last fortnight in relation to workers compensation legislation. Government members were not able to access information relating to substantial reform. I think we are entering a whole new era of Della Boscultation—the consultation you have when you do not have consultation. It is a front and it does not provide for good legislation. It is not good public policy. The Government has far too much power and it is centralising that power around a handful of people, which is dangerous for public policy in this State. This gaming package is yet another example of that.

Mr Face: Point of order: Three bills will be debated today. I understand that the Opposition spokesman has had limited time within which to examine this legislation. However, I am seeking guidance as to whether those three bills could be debated together, as the honourable member for Port Macquarie appears to be jumping from one bill to another. This bill relates to restricting the use of poker machines. It has nothing to do with the gaming package.

Mr Oakeshott: You should have asked me before.

Mr Face: We could deal with all three bills at one time. In that way the honourable member would be required to make only one speech, which would save the time of the House. I am sure that the honourable

member will only repeat what he is saying now in debate on the other legislation. However, the provisions in this bill are fairly limited. Perhaps the honourable member has confused this bill with the taxation bill.

Mr SPEAKER: Order! The Minister may deal with that matter in reply. The honourable member for Port Macquarie is at liberty to allude to the manner in which he believes the Minister, the Government and the department have come to this arrangement.

Mr OAKESHOTT: The legislation will result in an extension of the freeze on poker machines. There has been no consultation in relation to that extension. No information has been released that relates to the upcoming gaming package. It is one thing to consult with industry lobby groups, but I am referring to groups such as Chester Carter's and problem gambling organisations. The Wesley group, another leading problem gambling organisation, said that it has not even met with the Minister. If we are talking about legislation for the betterment of the broader community, I hope consultation is held with all groups and not just a certain community sector.

The Opposition will not oppose this legislation. We do want to hear the Minister's views about the impacts on country hoteliers. We want to hear whether hardship provisions are in or out. Now might be the opportunity also for the Minister to reflect on current cheque-cashing arrangements, which are not working in many centres throughout regional New South Wales and are significantly impacting on many rural lifestyles and industries. The exemption clauses are not working appropriately in certain centres, as has been made very clear in the most recent edition of *Hotel News*. Let us have proper community consultation. Let us have the debate about the proposed reforms, instead of this toeing and fringe. None of us, including the Minister, is fully aware of what the proposed package will contain. The program is being run by a handful of people who are centralising power in a dangerous way, similar to what happened with the workers compensation legislation. Let us get it all out in the open and debate it.

Mr FACE (Charlestown—Minister for Gaming and Racing, and Minister Assisting the Premier on Hunter Development) [10.51 a.m.], in reply: I shall try to inform the House about what the Government is doing, but before doing so I say to the honourable member for Port Macquarie that he should not mislead the House with throwaway lines like, "You haven't met Chester Crater." Chester Crater is domiciled in the Hunter region. I have regular contact with him because I happen to live in the area; in fact, I had lunch with him only three weeks ago at the Bogey Hole Restaurant. The honourable member should not exaggerate or mislead the House. The honourable member is developing a regular pattern of misleading this House by making statements that are just not true. That does nothing for his credibility.

The Government is continuing the freeze by legislation rather than by regulation. The freeze was imposed by regulation because the Government needed to move quickly to prevent a sudden increase in the number of hotel gaming machines. The honourable member would be aware of that as he expressed concern about it. The need for the freeze arose as a consequence of media speculation about the Government's gaming reform package. It was more appropriate to continue the freeze through this amendment to the Liquor Act because that course is consistent with the approach taken in respect to the freeze on gaming machines under the Registered Clubs Act. The amendments will also ensure that the State cannot be required to pay compensation in respect of the freeze, consistent with the freeze on gaming machines in registered clubs.

The honourable member said the bill should contain an exemption for financial hardship similar to that for registered clubs. The bill is intended to continue the status quo until the Government announces details of the gaming machine reform package. It is important that gaming machine numbers in hotels remain steady until that announcement. The honourable member would know from media speculation and from talk around the industry traps that that will not be a long period of time. The details of a complete reform package will be announced in the very near future. It would not be appropriate to introduce hardship exemptions for hotels when the Government is so close to announcing a complete reform package for hotels and registered clubs. A hearing will be set when that is imminent.

The honourable member asked why the Government was not ready to announce its reform package. Despite what he might think, gaming regulation is a highly complex area. The Government wants to make sure that it gets the reforms right. That has been the reason for the continued delay. Growing community concerns about increases in gaming machines must be considered and balanced against the interests of the industry. The position of hoteliers and registered clubs must be, and are being, taken into account. The issues are complex and the Government is giving them proper and detailed consideration. This measure will maintain the status quo in a legislative form until that stage is reached in the very near future.

Motion agreed to.

Bill read a second time and passed through remaining stages.

GAMING MACHINE TAX BILL

Second Reading

Debate resumed from 21 June.

Mr OAKESHOTT (Port Macquarie) [10.55 a.m.]: I apologise to the Minister in relation to the reference to Chester Crater during debate on the previous legislation. I have the wrong name, but will come back to the House with the name of the right fellow. He was at a lunch with Chester Crater. I acknowledge that the Minister is right on that point, as hard as it is to say that in this House! I will provide the name of the other person involved, who is someone of significance and was expressing concerns. He has not yet met the Minister despite having a significant role in the process.

The object of the Gaming Machine Tax Bill is to consolidate legislation relating to gaming machine taxes. It provides for the imposition of tax on profits from gaming machines in hotels and registered clubs. As I mentioned in debate on the gaming machines restrictions bill, this bill effectively flicks responsibility from the Department of Gaming and Racing to Treasury by a devolution of ministerial powers. The bill demonstrated that Treasury is giving first priority to revenue collection from liquor and gaming rather than social responsibility by compliance monitoring and enforcement, which should be key priorities in any public interest test. Once again, it is disappointing that we are seeing the destruction of the Department of Gaming and Racing in New South Wales.

This bill also makes fairly substantial assumptions about the introduction of the central monitoring system. Concerns have been expressed that commencement of the system has been delayed until September and may be delayed even further. I was concerned to read in a recent news release about the delay to the central monitoring system that the TAB is examining ways to overcome communication problems in relation to 12,000 poker machines, including the development of specially designed software. I had hoped the development stage had long gone and that the industry would not still be trying to develop appropriate software. The media release also referred to the fact that the Liquor Administration Board and the Department of Gaming and Racing are working towards a solution with manufacturers. I would have hoped that we were well beyond working towards solutions with manufacturers and were nearer the delivery stage of this important part of the Government direction on monitoring and compliance of all poker machines in New South Wales.

The inability to link up 12,000 machines is a significant problem in New South Wales. I hope the Minister will outline to the House the problems with the central monitoring system and give guarantees that it will be introduced on 1 January or in the very near future. A delay like this to one of the cornerstones of government is a major concern for the House and for the broader community. We will be on the lookout for further delays to the central monitoring system. When compared with the \$1.2 billion the Government is collecting from gaming machine taxation, the outgoings pale into insignificance, for example, the \$12.5 million that is spent on problem gambling.

Cuts to departmental staffing have been substantial. With \$1.2 billion coming in, it does not make sense to forget about monitoring, enforcement and compliance issues. The compliance division of the Department of Gaming and Racing has been almost wiped out. It has four teams of five, plus a few administrative staff—a staffing allocation of around 27. If the honourable member for Dubbo were to walk into the Dubbo office of the Department of Gaming and Racing he would find one staff member. If the honourable member for Wagga Wagga were to walk into that department's Wagga Wagga office he would find one staff member.

If the Minister for Gaming and Racing, who talks so proudly about the Hunter district, were to walk into the Newcastle office of the Department of Gaming and Racing he would find three people there, two of whom are waiting for reallocation. Effectively there is only one full-time position in the Newcastle office, and that is completely inappropriate. The Dubbo office is understaffed by one or two staff members, as is Wagga Wagga, and Newcastle is operating on at least half its allocated staff. The Department of Gaming and Racing has significant problems despite the fact that a considerable amount of government revenue is generated from this area. The return to monitoring, compliance and enforcement is minimal; the return to the broader social issue of problem gambling is minimal; and the return to regulatory bodies such as the Licensing Court is also minimal.

Although this is an administrative gaming tax bill, it is appropriate to refer to the Licensing Court and the significant backlogs in that court. On the most recent figures 11,106 applications, 46 casino prosecutions and

an extraordinary 1,117 general prosecutions are pending. The Licensing Court's own annual review states that these significant waiting times are not getting shorter—they are getting longer. What does it recommend to deal with the problem? Because it has almost admitted that it will not get any money out of Treasury, it recommends that legislative changes be considered to remove or limit issues. This is the same problem faced by the Department Gaming and Racing.

Mr Face: Point of order: Once again the honourable member is taking licence. The document he is referring to is the Attorney General's report; it relates to the Licensing Court. This bill has nothing to do with the Licensing Court. This bill will consolidate various taxation Acts. I understand you will grant the honourable member some latitude, but he raised this matter in an urgency debate yesterday afternoon. One does not have to be Einstein to work out that he is reading from a document relating to the Licensing Court which is freely available from the Attorney General's Department. It has nothing to do with this bill.

Mr SPEAKER: Order! The honourable member for Port Macquarie will return to the leave of the bill.

Mr OAKESHOTT: The Gaming Machine Tax Bill is relevant to the \$1.2 billion tax that has now been collected by Treasury. The point I am making is that it is unfortunate that Treasury does not recognise that significant liquor and gaming regulation and reform are needed, and is unwilling to spend the money to address those issues. The Minister made this point in 1999 when he was talking about the forward estimates. He was having his own internal fight with Treasury over this very issue. I had hoped he would support this argument to try to get more funding for his department, not only to protect his compliance division and his broader staffing allocations within the department, but also to deal with the backlog and waiting times within the Licensing Court. I hoped the Minister would support these comments and support an attempt to crack the revenue collection of Treasury and its tightfisted approach to putting anything back into the liquor and gaming industries.

The point is that legislative changes are being considered as part of this annual review, not access to additional funding. This is the same argument the department used with regard to cutbacks, despite the fact that we are talking about a \$1.2 billion industry. It referred to the need to make substantial changes to the Act so it could deal appropriately with legislation before the House. It is bringing the bar of compliance down to meet Treasury cutbacks. This is the argument of the Licensing Court in this most recent document. It says it will have to bring down the bar of compliance, enforcement and prosecution because of the substantial cutbacks by Treasury. That is a disappointing approach to enforcement and regulation in the industry.

I hope that, for once, the Minister for Gaming and Racing will take the fight to Treasury and win. I hope the flicking of responsibility for this \$1.2 billion revenue collection to Treasury does not mean that all the social obligations of that revenue collection are lost to the Government. I hope the Minister will take it upon his shoulders to fight the good fight in the public interest, to get a decent return from the \$1.2 billion for expenditure on the broader issues of problem gambling, the backlog and waiting times at the Licensing Court, and his own department. It amazes me that he is opposed to this course.

Mr Face: Point of order: I take a point of order on relevance. The honourable member for Port Macquarie is obviously a very slow learner. He has been brought to task several times. I might even seek out some eminent rulings of former speaker Rozzoli if the honourable member is going to be allowed to ramble every time a bill comes before the House. He is getting out of hand. What he is saying is not relevant to the bill. I ask you to bring him back to the leave of the bill. He is wasting the time of the House. There are other ways he can raise these matters. Your Speaker brethren have already ruled that way.

Mr ACTING-SPEAKER (Mr Mills): Order! Earlier the Speaker delivered a ruling on an earlier point of order, and I agree with his remarks. I ask the honourable member for Port Macquarie to confine his remarks to the leave of the bill. I remind him that former Speaker Rozzoli ruled that the member leading for the Opposition may deal with tangential matters for a sentence or two but should then return to the matter being debated.

Mr OAKESHOTT: I would have concluded by now if the Minister did not take points of order. We are talking about \$1.2 billion in revenue, but the department is getting stripped. I hope the Minister will get access to more money to prevent operational structural reform—I think that was the term used in estimates, but in anyone's language it means cutbacks. As I said, I hope the Minister will fight the good fight to get increased funding for his department to enable it to deal with problem gaming and the significant backlog in the Licensing Court of New South Wales. Although I agree that this is an administrative bill, I hope it does not mean that the

Minister will continue his slumber. This is an opportunity for him to fight the good fight in the public interest. He no longer has to deal with the financial issues. He now has full responsibility to deal with compliance, enforcement and regulation. The Minister is the number one man when it comes to dealing with social obligations and responsibilities. That is the challenge, but I doubt that we will see any change.

Mr FACE (Charlestown—Minister for Gaming and Racing, and Minister Assisting the Premier on Hunter Development) [11.09 a.m.], in reply: I shall respond to several matters raised by the honourable member for Port Macquarie. First, I hope that the honourable member did not send the person who skulked inappropriately into the Newcastle office of the Department of Gaming and Racing the other day.

Mr Oakeshott: Tell the House!

Mr FACE: The honourable member raised the issue of staff numbers, which coincides with the message I received. A person who went into the Newcastle office, although not objectionable, refused to give a name. That person asked about staff numbers in the office and whether I visited that office from time to time. Naturally, that raised the antenna with regard to security, although I am not worried about that aspect.

[*Interruption*]

All I am saying is that the person was asking most inappropriate questions. The honourable member for Port Macquarie raised this matter.

Mr Oakeshott: It is nothing to do with me.

Mr FACE: Someone went to the office to check on staff numbers, would not give a name and then made an off-handed comment. When the person was finally challenged he ran out, saying, "I used to work with him." I am not suggesting the honourable member sent that person.

Mr Oakeshott: You are suggesting that.

Mr FACE: The honourable member raised the issue of staff numbers in the House.

Mr Oakeshott: You are suggesting it.

Mr ACTING-SPEAKER (Mr Mills): Order! The Minister and the shadow Minister will cease conversing across the table and direct their remarks through the Chair.

Mr FACE: If someone went to that office the other day at the behest of the honourable member for Port Macquarie—

Mr Oakeshott: It wasn't me, but now that you have raised it, talk us through it.

Mr FACE: The honourable member says that he did not send that person to the Newcastle office.. I do not take it lightly when people in my department are obliged to deal with someone who refuses to give a name. Most people who visit these offices are well known to the staff and go there to make inquiries about various things. They are entitled to do that and should do that, because the department is about service delivery. I am happy that the honourable member has made it clear that the person did not go to the Newcastle office at his behest. I must emphasise that the problem did not relate to security. It is unusual that only a few days after someone went to the Newcastle office and asked about numbers the honourable member raised the issue of staff numbers in this debate.

Mr Oakeshott: I referred to Dubbo and Wagga Wagga as well. Anyway, so what if I did?

Mr FACE: What did I just say?

Mr Oakeshott: What did you just say? It was rubbish.

Mr ACTING-SPEAKER: Order! The Minister and the shadow Minister will cease conversing across the table.

Mr Oakeshott: This is rubbish.

Mr ACTING-SPEAKER: Order! I call the honourable member for Port Macquarie to order. The honourable member for Port Macquarie has completed his contribution. The Minister now has the call. I appeal to the Minister to cease conversing across the table with the honourable member for Port Macquarie and to concentrate on the bill.

Mr FACE: The Government has been making these changes since 1999, when it determined that the agency responsible for the collection of racing and gaming taxation would be transferred from the Liquor Administration Board to the Office of State Revenue. The changes in gaming taxation provisions described in the Gaming Machine Tax Bill are consistent with the approach taken recently in a similar bill currently before the Parliament relating to racing taxation which enables the Office of State Revenue to administer betting taxes. It also takes a similar approach to the transfer of administrative responsibilities for the collection of Keno duty and racing revenue undertaken in July 2000 and January 2001 respectively. The bill makes machinery amendments to reflect the new location and functions of the responsibilities relating to gaming machine taxation within the Government.

One might ask why gaming machine taxation provisions are being transferred to a new Act. This is a consequential result of the Government's decision to transfer responsibility for gaming taxation revenue from the Liquor Administration Board to the Office of State Revenue. A number of legislative amendments are required in the Liquor Act, the Registered Clubs Act and the Taxation Administration Act. As I said, it is similar to what happened with racing; various aspects of racing were covered by different Acts. Rather than make a series of amendments to the above Acts, the required amendments have been considered with the consolidation of a stand-alone Act to be titled the Gaming Machine Tax Act 2001. This is an efficient and effective method of presenting the current amendments. It will also be of benefit in terms of any future amendments to gaming taxation that may be necessary.

The honourable member for Port Macquarie referred to the centralised monitoring system [CMS]. The centralised monitoring system will monitor 100,000 gaming machines in more than 3,200 sites throughout the State. As honourable members can appreciate, this is a vastly complex task, but significant progress has been made since the issue of the CMS licence. The honourable member may care to listen to this as he asked me questions about the CMS. I am as concerned as he is about progress of the CMS. My director-general and those involved are meeting, and they are to report to me on a fortnightly basis. I repeat: I am concerned that progress on the CMS has not been made. There is nothing like the CMS anywhere else in the world in the sense of the enormous job of connecting all the gaming machines; it is a very large number of machines.

The changes in the Gaming Machine Tax Bill simply reflect the location of relevant functions that will be required once the CMS is fully operational. They do not enforce substantial changes to the system or make policy demands on the system. However, the changes will assist in the overall aim of enhancing gaming integrity, improving service to clubs and hotels and streamlining administration for all involved. I have no difficulty with updating the House regularly. The sooner people realise that the task is difficult the better. Hopefully, departmental staff will meet the parameters, yardsticks or whatever one wants to call them, that I have set. As I said, I have instructed my staff to report on a fortnightly basis until such time as there is certainty that the CMS will be operational sooner rather than later. I commend the bill to the House.

Motion agreed to.

Bill read a second time and passed through remaining stages.

LIQUOR AND REGISTERED CLUBS LEGISLATION AMENDMENT BILL

Second Reading

Debate resumed from 21 June.

Mr OAKESHOTT (Port Macquarie) [11.17 a.m.]: The Opposition will not oppose this bill, which amends the Liquor Act 1982 to make further provision with respect to the sale of liquor, the granting of liquor licences and the management of licensed premises. The bill also amends the Registered Clubs Act 1976 with respect to office-bearers of registered clubs and the payment of club membership fees, and for various other purposes. I do not intend to speak at length on the bill. I simply make the point that this legislation will result in more work being loaded on the Department of Gaming and Racing and the Licensing Court. Schedule 1 to the bill relates to liquor sales by hoteliers at functions held at other premises and to managers of premises licensed

to corporate licensees. These provisions will result in extra work for the Licensing Court and the Liquor Administration Board. The list relating to remote sales of liquor is substantial and includes telephone and Internet sales. This is a whole new area of prosecution. How will the remote sale of liquor be regulated, considering the staffing allocations I have already mentioned and the backlog in the Licensing Court?

While the proposal looks pretty on paper, the way in which it will function with additional work being loaded onto the Minister's department makes me cynical about the prospect of real change. In addition, the effect of item [5] in schedule 1 will be extra work for the Licensing Court. The amendments to the Gambling Legislation Amendment (Responsible Gambling) Act 1999 which deal with regulating card-operated gaming machines are a necessary response to new technology that allows access to financial resources of the player otherwise than by storage of information on the card. I gather that is similar to the provisions of item [7] in schedule 2. I ask the Minister to provide some advice on those amendments during his reply.

The provisions suggest that the department will be able to access additional information on individuals who are playing various machines. I may have misinterpreted the provisions, but on my reading of the amendment there seems to be a broadening of the ability of the department to access financial records. I will stand corrected if I am wrong, but to my mind that is the way the provision reads. If that is the case, I would like the Minister to reflect on some privacy issues of the individuals involved. Having made those points, I reiterate the point I made in other debates: The department has been slashed and burned; the Licensing Court has a backlog because it is underresourced; and the department's own internal documents refer to issues that simply cannot be dealt with if cutbacks are to continue.

I again refer to the document I mentioned earlier, that is, the internal departmental document dated November 1999 wherein the department put to Treasury the impact of the reduction in funding. The department listed 18 tasks that it would not be able to carry out appropriately or would have to discontinue if the cutbacks were implemented. In an estimates committee last week, the director-general, Mr Ken Brown, made the strong point that all the budget savings had been met. Therefore, the document to which I have referred comes into play. That document lists the consequences of those budget savings.

It is quite extraordinary that the first of the 18 jobs listed in the document for discontinuation is the implementation of the initiatives contained in the Gambling Legislation Amendment (Responsible Gambling) Act relating to harm minimisation. The department's internal documents—to which the Minister, the Treasurer and the Premier had access—state in black and white that owing to the cutbacks that this Government will deliver, and has delivered over the last two years, 18 activities will have to be wound back or discontinued. Those activities include implementation of initiatives contained in the responsible gaming legislation. That, more than anything, demonstrates my point: All sorts of pretty legislation are being passed by this Parliament, but they mean nothing on the ground.

Mr Face: Point of order: I make the same point of order as those I took in debates on two previous bills. This bill relates to hotel functions, race club governors licences and liquor harm minimisation reviews. It relates to seven or eight specific matters dealing with the Liquor Act. It has nothing to do with the estimates committee, which is the place for the honourable member to raise those sorts of matters. He can also raise them in debate on the appropriation bills. During that debate he did make a small contribution as part of his shadow portfolio responsibility, but during this debate he is simply repeating what he said during debate on the previous two bills. Mr Acting-Speaker, I ask you to bring him back to the bill.

Mr ACTING-SPEAKER (Mr Mills): Order! I have the gist of the Minister's point of order. The honourable member for Port Macquarie was certainly in order until he started reading large slabs from the typed document that he has in front of him. He has now spent a couple of minutes addressing the document, which is not within the leave of the bill. I ask him to return to the subject matter of the bill.

Mr OAKESHOTT: Without reflecting on the Chair, I actually have not read anything from this document. I have referred to one point in the document, which is an internal ministerial document which relates to the problems that the department would face in the implementation of the responsible gaming legislation if the cutbacks were to take place. As confirmed last week, cutbacks have taken place. I have not read from the document. I am more than happy to table it, if that is what the Chair and the Minister desire. I would happily take the Minister to any location on any night of the week. We are kidding ourselves if we think that the issue of under-age drinking, for example, has been appropriately addressed. We are kidding ourselves if we think that issues such as false identities are being appropriately addressed. We are kidding ourselves if we do not think that there are drunks walking around the streets on any night of the week in any city in this State. I hope the Minister

does not think that what he has done over the last six years has addressed appropriately any of those issues. The Government's own internal documents show that responsible gaming legislative packages are not being delivered as they should be.

Mr Face: Point of order—

Mr ACTING-SPEAKER: Order! The honourable member for Port Macquarie will resume his seat. I intend to anticipate the point of order.

Mr OAKESHOTT: I am about to conclude.

Mr ACTING-SPEAKER: Order! If the honourable member is about to conclude, he might care to do so by addressing the bill.

Mr OAKESHOTT: I am just saying that legislation of this type and all that has been said by honourable members in this place is nice. All honourable members support the bill and want to see it work. But I wish that Treasury would provide the Minister with a decent allocation of staff and decent funding for the Licensing Court so that we can have proper and thorough regulation compliance and enforcement in this State, so that legislation of this type will work in the public interest.

Mr FACE (Charlestown—Minister for Gaming and Racing, and Minister Assisting the Premier on Hunter Development) [11.26 a.m.]: After this debate concludes, I think I will obtain a job description for compliance officers and inspectors. The honourable member for Port Macquarie is obviously under a misapprehension. He keeps saying that he will take me out and show me what is happening, and he wants me to have thousands of compliance officers running around doing all the things that the police already do. Does the honourable member understand that there are thousands of police officers in this State and that their duties are to make certain that liquor laws and various legislative enactments are observed?

Mr Oakeshott: When was the last Licensing Court action? They don't do it.

Mr FACE: The honourable member for Port Macquarie should take that up with somebody else.

Mr ACTING-SPEAKER: Order! The tolerance of the Chair is exhausted. The Minister and the honourable member for Port Macquarie will cease the antagonistic conversation that is being conducted across the table. They will comply with the standing orders and direct their remarks through the Chair.

Mr FACE: The responsibility of compliance inspectors is, in the main, to deal with complaints and the various aspects of their duties that involve regulations. What the honourable member for Port Macquarie has put to the House in debate on three different bills is that my department should employ virtually hundreds more inspectors to do the job that is already being done by the police. The honourable member for Port Macquarie would only have to refer to the administrations of my predecessors—even those of his own political persuasion when the department was known as the Chief Secretary's Department—to realise that compliance officers have never been appointed in such strengths that would enable them to simply wander around. The honourable member obviously is acting under the mistaken belief that that is what a compliance officer's job entails.

Officers of my department supplement police activities from time to time and inspect premises as a consequence of complaints. I repeat that the honourable member is completely mistaken if he thinks I have an army of people who go around licensed premises or throughout this city and this State on a regular basis undertaking matters that police already deal with and are charged to deal with by virtue of their powers of arrest and other powers that pertain to police activity. The arguments advanced in the House by the honourable member for Port Macquarie are quite ludicrous.

In response to a couple of matters raised by the Opposition spokesman, I advise the House that in relation to use of the Internet by minors and enforcement of the law, the proposed measures are designed to enhance enforcement of the law if a breach is detected by the police. I emphasise "detected by the police". The bill clarifies the obligations of licensees and couriers with regard to the sale and supply of liquor in circumstances other than traditional bricks and mortar licensed venues—in other words, the bottle shop.

The bill also serves as a warning that care must be taken when accepting orders and delivering liquor to private homes. As I said in my second reading speech, in various other parts of the world, especially in America,

a raft of people are attempting to deliver liquor door-to-door to juveniles. Appropriate sanctions are provided if licensees or carers fail to comply with the ordering and delivery requirements set out in the amendment. Minors will also commit an offence if they take delivery of liquor. In other words, the bill also puts an onus on minors. Licensees who do not implement the control measures at the ordering stage will be liable to a maximum penalty of \$2,200.

If liquor is delivered to a minor, the licensee and the person who delivered the liquor will each be liable to a maximum penalty of \$5,500. A more significant maximum penalty of \$11,000 and/or 12 months imprisonment applies if the offence occurs in aggravated circumstances, for example, if young children or large amounts of liquor are involved. That is the same penalty that currently applies to the sale and supply of liquor in licensed venues. I included that new provision in legislation a couple of years ago because of my concern about secondary purchase and service, that is, where a person physically purchases liquor. In recent times there have been many instances of parents inviting all and sundry to functions conducted within the precincts of their homes and many of those attending have been juveniles.

I do not need to remind members what occurred in the Leigh Leigh case in a beachside suburb in the Hunter region. An 18-year-old and a 20-year-old purchased what was effectively half a utility load of several varieties of alcohol and, as we know, eventually the young girl was assaulted, raped and finally murdered. When I became Minister the penalty for such an offence was no more than a few hundred dollars. These days those found guilty of that offence could face a fine of \$11,000 or 12 months imprisonment, or both. I do not believe providing for a penalty of that size is going overboard; it simply acknowledges the seriousness of the offence. A minor who takes delivery of the liquor would be liable to a maximum penalty of \$1,100. A person who orders or requests a minor to take delivery of the liquor, a lesser offence, would be subject to a maximum penalty of \$2,200. To aid enforcement, it is proposed that the offences will attract on-the-spot fines of \$55 for minors, and 10 per cent of the maximum penalty for adults.

The nature of home delivery makes it appropriate for the legislation to provide defences to prosecution for offences committed in certain circumstances. For example, it will be a defence to a prosecution if a minor accepts a delivery of liquor and it is proved that the minor was ordered or requested by his or her parent or guardian to take delivery. In other words, we do not want to be unreasonably harsh on young persons who purchase liquor that their mother or father asked them to purchase. The provision refers to the action that must be taken by the licensee and the courier to avoid delivering the liquor to a minor. A defence to a prosecution for this offence is provided if it can be proved that the licensee and the courier took the required action.

The bill simply responds to technology. Whilst there is not a large body of evidence to suggest that it is a major problem, I would be less than responsible if I did not try to foresee the problems that may arise in the future and respond to them in same way I responded to what happened in regard to the extension of hotel function licences. For example, I am sure the honourable member for Lismore, who was himself in the liquor industry, would not in his wildest dreams ever have thought that his licence would be extended to cover areas from Lismore to Sydney during the Olympics.

The honourable member for Port Macquarie raised card-based provisions. The bill simply widens the existing regulation-making powers to ensure that all aspects of card-based systems can be controlled. The card-based gaming provision amendment simply makes definitional changes to current provisions. When the provisions were drafted, they assumed the systems would be operated using smart cards. In fact, the system that has recently been trialled and will be introduced into New South Wales uses magnetic-stripe card technology, which involves the use of cards that are linked to accounts. No actual information is kept on the card, as it is with smart cards. The magnetic-stripe card works like a bank card to provide a link to a person's account. The changes allow the regulations to make regulatory restrictions on accounts, as well as cards.

The provisions of the banking legislation have been one of the major problems with cashless gaming. Honourable members may be aware that concerns were expressed about moneys being placed into the revenue account of a club or hotel, and being lost if the club or hotel were to go into liquidation. Under that legislation the liquidator would have the first call on those moneys. A person who had money in the revenue account of licensed premises would expect at the end of the day that that money would be available and that a liquidator would not have the first call on those moneys. Those matters, therefore, had to be addressed. I hope I have answered the Opposition's concerns. However, I would be happy to address any further concerns that members opposite may have if I am given notice of them. I commend the bill to the House.

Mr ACTING-SPEAKER (Mr Mills): I welcome to the gallery students from Burwood Public School. Their local member is the Minister for Police, who is present in the Chamber. I trust that the students will have an informative and educational visit to the Parliament this morning.

Motion agreed to.

Bill read a second time and passed through remaining stages.

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

Second Reading

Debate resumed from 20 June.

Mr WHELAN (Strathfield—Minister for Police) [11.38 a.m.], in reply: It is nice to see the students and teachers of Burwood Public School, a famous and historic school, in the gallery today. The Government's policy objectives in relation to on-street parking are enhanced road safety, enhanced traffic flow, and equitable access to parking space for motorists. I am pleased to note that the Opposition is 100 per cent behind the Government's objectives and that it supports the Government's decision to transfer responsibility for on-street parking enforcement to local government. The honourable member for Epping has indicated that the Opposition has no problems with the Local Government Amendment (Enforcement of Parking and Related Offences) Bill insofar as it relates to provisions for the future employment of parking patrol officers currently employed by the Police Service.

One of the main considerations in making arrangements for the transfer of this function to councils has been the protection of the employment and entitlements of those who are currently employed by the Police Service as parking patrol officers. The function will only be transferred to councils that agree to offer employment to parking patrol officers currently employed in their areas. Salary rates will be at least equal to the officers' current salary rates. All leave entitlements will be paid out by the Police Service. Superannuation entitlements as at the date of transfer will be funded by the appropriate superannuation fund, and superannuation coverage will continue through local government superannuation schemes. Parking patrol officers who accept offers of employment from councils will be paid up to 20 weeks salary as a termination payment under the terms of the Employment Protection Regulation 1995. Also, in cases where parking patrol officers cannot be offered employment by councils for medical reasons, they will be paid up to 52 weeks salary on termination of their employment with the Police Service in accordance with the managing displaced employees policy.

The Opposition is happy with these provisions for the future employment of parking patrol officers, but has taken exception to the other main provision of this bill, that is, the provision regarding the sharing of revenue from parking infringements between the State and councils. The honourable member for Epping has foreshadowed a number of amendments to the bill. One of the amendments seeks to limit the councils with which the Treasurer may make arrangements to share revenue to Sydney, North Sydney and South Sydney councils. Another amendment seeks to limit the duration of revenue sharing with North Sydney and South Sydney councils to a maximum of five years.

The third element of the second amendment provides that all revenue collected through infringements be shared equally between North Sydney and South Sydney councils and the State. The proposed amendments are rejected because they are financially irresponsible. Net revenue from parking infringement notices issued by the parking patrol officers currently employed by the Police Service is paid into the Consolidated Fund. In considering future arrangements for the enforcement of on-street parking, the Government considered the potential impact on the Consolidated Fund and hence future State budgets. It would be irresponsible not to do so. The Government took into account the findings of the Auditor-General to the effect that the parking enforcement function as managed by the New South Wales Police Service is not as efficient or effective as in other States, nor is it as efficient or effective as when performed by council employees in some council areas where the commissioner has authorised councils to undertake the function.

Consequently, the Government decided to give councils the authority to undertake parking enforcement. Clearly, one inevitable outcome of more efficient and effective performance of the parking enforcement function will be increased revenue. Many councils stand to gain a substantial ongoing revenue stream as a result of the Government's decision to hand over the parking enforcement function to them. In fact,

interdepartmental committees examining these issues considered that it is likely that better management of the function would result in a revenue stream sufficient to maintain the current contribution to the Consolidated Fund as well as providing councils with a useful revenue stream.

The Opposition's proposed amendment to limit the sharing of revenue to five years with North Sydney and South Sydney councils does not make sense. It would mean that in five years time State revenue will drop. Under the Government's proposal everybody wins. Under the Opposition's proposed amendments, only those councils win and the Government is left with less revenue with which to fund services to its taxpayers. The three councils to which the amendment proposes to limit revenue-sharing arrangements—Sydney, North Sydney and South Sydney councils—stand to gain the most from parking enforcement, and I understand that it is expected that revenue-sharing arrangements with those three councils would be sufficient to ensure the maintenance of the current revenue stream to the Consolidated Fund. But it would be foolish for the Government to limit itself by legislation to making arrangements with those councils in case they are not interested in taking on the function under the terms decided by the Government.

If those councils are not interested, the Government needs the flexibility to enter into revenue-sharing arrangements with other councils who are interested in taking on the parking enforcement function. The amendment which seeks to allocate the money from parking infringements equally between these councils and the State is inappropriate because those arrangements would in fact disadvantage those councils compared with the arrangements which the Government proposes. The Government proposes that councils take their costs out of the gross revenue and then share what is left with the State. The Opposition's proposal would see gross revenue shared between the State and those councils and each council would then have to pay its costs out of its share. In conclusion, I stress that the main reason for transferring the function of parking enforcement to councils is to ensure that parking enforcement meets the Government's policy objectives of enhanced road safety and traffic flow and equitable access to parking space for motorists. I commend the bill to the House.

Motion agreed to.

Bill read a second time.

In Committee

Clauses 1 to 3 agreed to.

Schedule 1

Mr TINK (Epping) [11.45 a.m.], by leave: I move Opposition amendments Nos 1 and 2 in globo:

No. 1 Page 3, schedule 1, line 8. Omit "a council". Insert instead "the council of Sydney, North Sydney or South Sydney".

No. 2 Page 3, schedule 1. Insert after line 11:

- (4) An arrangement with the council of North Sydney or South Sydney:
 - (a) may not be entered into after the end of the period beginning on the date of assent to the *Local Government Amendment (Enforcement of Parking and Related Offences) Act 2001* and ending on the fifth anniversary of that date, and
 - (b) if entered into during that period, ceases to have effect at the end of that period, and
 - (c) must provide for the money to which it applies to be allocated in equal portions between the council and the State.

These amendments are designed to ensure that all local government areas other than North Sydney, South Sydney and the city of Sydney, receive 100 per cent of the revenue they gain through the enforcement of traffic matters. In relation to North Sydney and South Sydney councils that revenue will be split 50:50 with the State Government for five years and thereafter it will go wholly to those councils. In relation to the Sydney City Council arrangements have already been entered into between the Government and that council. The amendments are designed to formalise those arrangements. I thank Mr David Mills from Parliamentary Counsel's office for drafting the amendments accordingly. Section 694 of the Local Government Act provides for any penalty, fine or forfeiture recovered by, under the direction of or for the benefit of the council to be paid to the council. The bill already provides that the money the council collects is paid to the council.

As I understand it this bill seeks to change section 694 effectively to provide for the Government and councils to enter into arrangements. The amendments are designed effectively to nullify that proposal and to

reinstate the provisions of section 694, except in relation to the three councils I have mentioned. As I indicated earlier, the Local Government and Shires Associations, Mr Woods and the elected heads of every local government area in New South Wales—city, regional and rural—have considered this issue at length and agree with the amendments. The Lord Mayor of the City of Sydney has made no comment either way as that council is already provided for. Effectively these amendments have the complete support of every council in the State affected by this bill, with the exception of the Sydney council.

I agree with the Minister that this matter relates to road safety and traffic flow, which all honourable members agree go hand in hand. In his frank speech in reply the Minister conceded that the Police Service—and this is no reflection on parking patrol officers, who do an excellent job in difficult circumstances—has not made a priority of traffic and parking enforcement. I hope that local government will give that matter a much higher priority because local government has a better understanding than the State-based Police Service of the particular demands on small businesses who need effective enforcement of parking rules to ensure that parking spaces are turned over, as required by law, and that customers can come and go, so that the businesses can get a reasonable flow of business.

It has become clear in recent evidence given to the Staysafe committee that parking restrictions around pedestrian crossings—particularly school crossings during school morning, lunch and afternoon school peak periods—are not being enforced. Councils are much better able to do that type of work than the Police Service and are more in tune with the local requirements. I believe that those areas will be more adequately resourced. That leads me to the point that local government, if it is to resource these areas, needs the revenue to do so. The Government has been taking revenue it has received from parking fines and putting that into consolidated revenue.

The money raised from parking fines should be put back into the enforcement of parking rules and the provision and enforcement of road safety measures. For all local roads that councils directly fund, this money is most appropriately spent at the local government level. The bill, as well as the policy behind it, is aimed at getting much more serious about enforcement of street parking, but recognises that significant economic and safety issues are involved. That is why the Opposition believes that the revenue from parking fines should be directed to that purpose, to those who will be doing the work, and that means the councils.

Apart from anything else, a significant amount of money will have to be spent on the recruitment of personnel, if this legislation is to be followed through effectively, as we all hope it will be, through local government. That is because the fact of the matter is that the number of parking patrol officers has been allowed to run down to seriously low levels over recent years. If the law is to be enforced effectively, there will be an immediate need for a significant increase in recurrent spending to ensure the provision of an adequate number of personnel to enforce the laws, which we all hope will now be enforced. That, amongst a host of other reasons, is why the money raised from parking fines should go to local councils.

As I have said, there is a great deal of scope for urgent work to be done to improve local roads under the control of councils. As the Minister has conceded, this all goes to the issue of traffic flow, which is so vital to road and traffic safety. For those reasons the Opposition strongly presses the amendments. We believe that local government is best able to handle this work. But it needs to be adequately resourced to do so and, accordingly, should be given the money raised from parking fines.

Mr WHELAN (Strathfield—Minister for Police) [11.52 a.m.]: The Opposition has proposed amendments to the Local Government Amendment (Enforcement of Parking Offences) Bill. As I indicated earlier, the purpose of this bill is to facilitate the Government's decision to transfer responsibility for the enforcement of on-street parking regulations from the New South Wales Police Service to local councils. The Opposition's proposed amendments relate to the bill's provisions for arrangements to share revenue between councils and the State. One of the amendments seeks to limit the councils with which the Treasurer may make an arrangement to share revenue to Sydney, North Sydney and South Sydney councils. It also seeks to limit the duration of revenue sharing with North Sydney Council and South Sydney City Council to a maximum of five years. The third part of the amendment would require that all revenue collected through infringements be shared equally between North Sydney and South Sydney councils and the State.

The proposed amendments should be rejected because they are financially irresponsible. Net revenue from parking infringements issued by the parking patrol officers currently employed by the Police Service is paid into the Consolidated Fund. In considering future arrangements for the enforcement of on-street parking, the Government considered the potential impact on the Consolidated Fund and hence future State budgets. It

would be irresponsible not to do so. The Government took into account the findings of the Auditor-General to the effect that the parking enforcement function as managed by the New South Wales Police Service is not as efficient or effective as in other States. Nor is it as efficient or effective as when performed by council employees in some council areas where the commissioner has authorised councils to undertake the function. Consequently, the Government decided to give councils the authority to undertake parking enforcement.

Clearly, one inevitable outcome of more efficient and effective performance of the parking enforcement function will be increased revenue. Many councils stand to gain a substantial ongoing revenue stream as a result of the Government's decision to hand over the parking enforcement function to them. In fact, the interdepartmental committees examining these issues considered that it is likely that better management of the function would result in a revenue stream sufficient to maintain the current contribution to the Consolidated Fund as well as providing councils with a useful revenue stream. The Opposition's proposed amendment to limit the sharing of revenue relating to North Sydney and South Sydney councils to a period of five years does not make sense. It would mean that in five years time State revenue will drop. Under the Government's proposal everybody wins. Under the Opposition's proposed amendments, only those councils win, and the Government would be left with less revenue with which to fund services to its taxpayers.

I move on to the proposed amendment to limit the councils with which arrangements to share revenue can be made to Sydney, North Sydney and South Sydney councils. These three councils are the ones which stand to gain the most from parking enforcement, and I understand that it is expected that revenue-sharing arrangements with those three councils would be sufficient to ensure the maintenance of the current revenue stream to the Consolidated Fund. But it would be foolish for the Government to limit itself by legislation to making arrangements with these councils in case they are not interested in taking on the function under the terms decided by the Government. If those councils are not interested, the Government needs the flexibility to enter into revenue sharing arrangements with other councils that are interested in taking on the parking enforcement function, even if it means sharing the revenue.

The amendment which refers to allocating the money from parking infringements equally between North Sydney and South Sydney councils and the State is an inappropriate amendment because it would in fact disadvantage councils compared with the arrangements which the Government proposes. The Government proposes that councils take their costs out of the gross revenue and then share what is left with the State. The Opposition's proposal would see gross revenue shared between the State and the council and the council would then have to pay its costs out of its share.

In conclusion, I stress that the main reason for transferring the function of parking enforcement to councils is to ensure that parking enforcement meets the Government's policy objectives of enhanced road safety and traffic flow and equitable access to parking space for motorists. The bill as it stands has been carefully thought through and drafted to ensure that loss of revenue to the State is minimised. I recommend, therefore, that the Opposition amendments be rejected.

Question—That the amendments be agreed to—put.

The Committee divided.

Ayes, 36

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

Noes, 51

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

Question resolved in the negative.

Amendments negated.

Schedule 1 agreed to.

Bill reported from Committee without amendment and passed through remaining stages.

AUDIT OFFICE**Report**

Mr Acting-Speaker (Mr Mills), pursuant to the Public Finance and Audit Act 1983, tabled the report entitled "Better Practice Guide—Internal Financial Reporting", dated June 2001.

Ordered to be printed.

STATUTE LAW (MISCELLANEOUS PROVISIONS) BILL**Second Reading**

Debate resumed from 20 June.

Mr HARTCHER (Gosford) [12.07 p.m.]: I am assured by the Government that this legislation is simply legislation of a procedural or mechanical nature and that it does not involve any substantive change to the law or to the practice of government. On that basis the Coalition raises no objection to its passage in the Legislative Assembly. However, the Coalition reserves its right to further consideration of the bill when it is dealt with in the Legislative Council.

Motion agreed to.

Bill read a second time and passed through remaining stages.

SYDNEY WATER CATCHMENT MANAGEMENT AMENDMENT BILL

Bill introduced and read a first time.

Second Reading

Mr DEBUS (Blue Mountains—Attorney General, Minister for the Environment, Minister for Emergency Services, and Minister Assisting the Premier on the Arts) [12.09 p.m.]: I move:

That this bill be now read a second time.

This bill proposes a simple change to the Sydney Water Catchment Management Act which will clarify the Sydney Catchment Authority's financial powers. Before turning to the substantive provisions in the bill, let me first provide the House with the necessary background information. The Sydney Water Catchment Management Act was enacted to ensure the better protection of Sydney's drinking water supply catchment areas. Its introduction was a key part of the Government's response to the 91 recommendations arising out of the Sydney Water inquiry into the drinking water contamination event of 1998. In broad terms, Mr McClellan QC, who carried out the inquiry, recommended the creation of a new body to take a leading role in catchment management; the introduction of stronger planning controls; improved water quality monitoring; the initiation of on-the-ground action to clean up the catchments; and continuing support for community involvement in catchment protection. An integral part of the Act was the creation of the Sydney Catchment Authority [SCA] as a statutory corporation representing the Crown.

The primary responsibilities of the Sydney Catchment Authority are to manage and protect Sydney's drinking water catchments and the infrastructure under its control; protect and enhance the quality of Sydney's drinking water; supply bulk water to suppliers like Sydney Water; and undertake research and education programs. I am pleased to inform the House that the Sydney Catchment Authority has become a key player in ensuring a comprehensive, whole-of-government approach to issues affecting Sydney's water quality. To better protect the catchments, the authority is working closely with other government agencies, the 16 local councils in the catchments, the catchment communities, industry bodies, environment groups and land-holders. Significantly, the Sydney Catchment Authority is now a key player in delivering on the recommendations of the Sydney Water inquiry.

In terms of stronger planning controls, this Government took the immediate step of implementing State environmental planning policy No. 58. This planning instrument will be in place until the new regional environmental plan takes effect. The Sydney Catchment Authority has also improved the regime of water quality monitoring. In the past financial year it has spent around \$6 million testing water in catchments and on the dams. The authority, in conjunction with Sydney Water and the Department of Health, has instituted a regime of water quality testing that is better targeting contamination risks. As part of the authority's water-testing program, it has increased its testing of protozoa, in line with Mr McClellan's recommendations. The authority is significantly increasing its scientific knowledge about water quality threats.

The authority is initiating on-the-ground action in the catchments, targeting soil erosion, on-site septic systems, weed infestations, pests, stormwater, sewage treatment plants and industry waste. In fact, during this financial year the authority has invested \$21 million into projects within the catchments. For example, the authority is continuing to support community involvement in catchment protection. It is working with councils to target these risks to water quality. The authority is working with community groups like Landcare to target risks on local creeks within the catchments. The authority has also fulfilled a major educational role by educating communities in the catchments and in Sydney about the importance of healthy catchments.

I turn now to the bill. The Crown Solicitor has advised that the Sydney Water Catchment Management Act 1998 should be clarified to ensure the authority is unambiguously brought within the operation of section 21 of the Public Finance and Audit Act 1983. Accordingly, the intention of this bill is to insert provisions into the Sydney Water Catchment Management Act to clarify the authority's financial powers. These amendments will insert a new division 5, "Financial Provisions", into the Act. The provisions will create a Sydney Catchment Management Fund. The creation of the fund will clarify the authority's powers to receive moneys, and, out of that fund, to spend public moneys so it can properly fulfil the important responsibilities that have been given to it by Parliament.

For instance, the Sydney Catchment Management Fund will clarify the powers of the authority to receive moneys from Sydney Water and its other customers from the sale of water; receive moneys from any sale of the authority's assets; receive fees in return for service; and receive penalties and fines as part of offences against this Act or its supporting regulations. The fund will also clarify the powers of the authority to spend public moneys, so that it can implement its capital works program; give effect to any of its plans of management; provide financial assistance to people and organisations who are working in partnership with the SCA; and meet any costs incurred by the authority in the exercise of its functions. As the proposed amendments are entirely consistent with the intention of Parliament when the Sydney Water Catchment Management Act was enacted in 1998, the amendment will be taken to have commenced operation on 8 January 1999, the date on which the authority was constituted. The office of the Auditor-General has been advised and is aware of the proposed amendments. I am advised that no concerns have been raised.

The Sydney Catchment Authority is playing a critical role in safeguarding the quality of Sydney's drinking water. The authority, together with Sydney Water, is providing a multibarrier approach to the

protection of the drinking water of more than four million people living in Sydney, the Illawarra and the Blue Mountains. It is providing a first-line defence in the protection of Sydney's water, by reinvesting sales of bulk water back into critical infrastructure projects that target contamination risks in the catchments. Parliament gave the Sydney Catchment Authority critical responsibilities to manage the catchments and protect the quality of Sydney's drinking water when it passed the Sydney Water Catchment Management Act. This amendment clarifies the financial powers of the authority so that it can properly meet its obligations under the Sydney Water Catchment Management Act and its operating licence. I commend the bill to the House.

Debate adjourned on motion by Mr Fraser.

INSURANCE (POLICYHOLDERS PROTECTION) LEGISLATION AMENDMENT BILL

Second Reading

Debate resumed from 20 June.

Mr O'DOHERTY (Hornsby) [12.15 p.m.]: I lead for the Opposition on this bill. The Opposition will not oppose the Insurance (Policyholders Protection) Legislation Amendment Bill. However, we have some serious concerns about the operation of the bill, in particular as it relates to the insurance tax, which is a measure that is running concurrently through the House as a bill cognate to the Appropriation Bill. Taken together, these two measures represent the Government's response to the need to compensate those who are disadvantaged because of the collapse of HIH Insurance. In this State that relates specifically to two insurance schemes, the compulsory third party motor vehicle insurance scheme and the home owner warranty insurance scheme. It is our contention generally in relation to the HIH matter that as those two insurance schemes are statutory schemes for insurances required by the State and are established under State legislation, the State has an ongoing responsibility to ensure their prudential stability. We believe the State failed its obligations to do that on behalf of the many thousands of policyholders in these two schemes.

When the royal commission is established and under way we want the Ministers responsible for those two forms of insurance to be among the first to be called before the royal commission to account for New South Wales apparently having no idea that there would be a massive problem in those two schemes affecting tens of thousands of policyholders in New South Wales. The State established the schemes under State legislation, and the State has responsibility to ensure that the schemes are working. All members of this House have received numerous representations on behalf of builders in their own electorates, builders who today still cannot get insurance as a result of the flat-footed response of the New South Wales Government.

Mr Watkins: Come off it!

Mr O'DOHERTY: The New South Wales Government established the scheme and the New South Wales Government allowed HIH to come in at the very last minute. At the very last minute the Government allowed HIH to provide insurance under this scheme. There is a responsibility on the Government and the Minister for Fair Trading, on whose shoulders it now falls—he was not the Minister at the time; that was the honourable member for Penrith—to explain—

Mr Watkins: That is why we are paying for it.

Mr O'DOHERTY: The Minister says, "That is why I am paid for it". That is exactly right.

Mr Watkins: No, that is why we are paying out to the poor people who have been hurt by this.

Mr O'DOHERTY: The Minister has an enduring responsibility to explain to people why HIH was allowed to come in at the very last minute and why there was no ongoing monitoring of the prudential stability of the company and thus when the collapse occurred people were left high and dry. I acknowledge that it is not easy to re-establish home owner warranty insurance to keep the building industry going but it has been a long while since the collapse of HIH and still some builders cannot get insurance. A fundamental shift is occurring in the market. I am not understating or misunderstanding the complexity of putting together packages that will enable the building industry to continue.

The Government needed to be more proactive in establishing the ongoing viability of the scheme. Many thousands of people who have been affected by the HIH collapse still hold the Government responsible

for not having been able, firstly, to maintain the stability of the scheme and, secondly, to put something in place immediately HIH collapsed to ensure that builders had ongoing protection. Jobs have been lost as a result of the Government's flat-footed response. Whether the Minister likes it or not, he is accountable and responsible for what the Government has done following the collapse of HIH. That is one set of issues, but I will not labour the point.

The next set of issues relates to the two measures before the Parliament: the bill we are currently debating and its relationship to the new insurance tax established by the Government. The New South Wales Government's approach is to say that the burden for protecting the interests of those people disadvantaged by the HIH collapse should fall to policyholders and shareholders of insurance companies still operating in both compulsory third party insurance and home owner warranty insurance in New South Wales. That is not the same approach as that taken in Queensland, where a levy was put in place against people registering their motor vehicles, and it is not the same approach as that taken by the Commonwealth, which has ensured that the burden of rescuing those people affected by the HIH collapse falls to all taxpayers from general revenue.

The New South Wales Government has undertaken a policy approach that makes responsible current policyholders and shareholders of insurance companies operating in New South Wales. The Government has assessed the current liability arising out of HIH as being in the order of \$600 million. The other night at the estimates committee hearing we questioned the Treasurer about this, and during a briefing two or three days ago I asked Treasury officials about the assumptions that underlie the \$600 million liability. As I understand it on the basis of that briefing, Treasury has assessed the gross liability from HIH as being about \$600 million, based on certain assumptions. Firstly, it is based on an assumption of liabilities of \$530 million for compulsory third party motor vehicle insurance. That figure is based on assessments done by Treasury in relation to HIH. So the figure is based on some actuarial calculations. Secondly, Treasury has estimated \$70 million of gross liabilities in home owner warranty insurance. That estimate is based not on actuarial advice but on advice from a number of sources, including the provisional liquidator, and the experience of other companies operating in this area. In other words, it is not an actuarial calculation but an estimate.

Therefore, we expect that the amount of \$600 million may prove to be quite different. There is a possibility—and it was raised by the Treasurer when we asked him about this in the estimates committee hearing the other night—that the gross liability arising from HIH will be less than \$600 million. This is important because the Government has chosen to use the figure of \$600 million as the basis on which it will tax the insurance industry \$69 million into perpetuity. The Government will provide \$50 million up front. I understand that that \$50 million is not recoverable—it will not be recovered, so that is a taxpayer contribution. However, the remainder of the \$600 million will come from the \$69 million tax on the insurance industry into perpetuity.

That will affect insurance companies in this way: their share of the market in the areas of compulsory third party motor vehicle insurance and home owner warranty insurance will determine the share of the \$69 million tax that they pay. I am advised that the cost to one of the largest players in the field, NRMA Insurance, will be something like \$15 million in a year. The NRMA has advised me—this is from memory; I may have the figure slightly wrong—that its result for the last six months was about \$3 million. In other words, the \$15 million that the NRMA will be taxed may be less than the dividend it will pay to its shareholders in 12 months.

So one can see a direct impact on the operation of that insurance company, the owners of which are, since the NRMA was demutualised, mums and dads throughout the community who have invested in the NRMA. The Government needs to understand the impact that its tax will have on the operation and, potentially, the viability of insurance companies, not all of which are as large as the NRMA or whose ownership is spread as wide as that of NRMA Insurance. In this insurance tax measure the Government has said that this amount is not able to be passed on directly to policyholders. However, in the estimates committee hearing the other night the Treasurer repeated what he said in his statement about a month ago when he established this tax. He said that he fully expected that the Government's new tax will be passed on indirectly to policyholders. That will also have a big impact on the market.

The market is going through significant changes because of the withdrawal of HIH from the market in the first place. Clearly, HIH was selling low so it was already distorting the market in these two areas as well as the other insurance areas in which it operated. Policies have already been adjusted upwards. Certainly, constituents have already started to tell me that that is happening. Lo and behold! Their insurance renewals are for a higher amount than they paid previously. Insurance companies are saying that because HIH has been

removed from the market they need to adjust up the assumptions on which that market was operating. Clearly, HIH is now in liquidation as a result of the settings it made for the cost of its policies, compared with its benefits and payouts.

At a time when the market is already shifting upwards—that is, the cost of insurance to constituents is increasing—the Government has introduced a tax of \$69 million on the insurance industry, which the Treasurer has admitted will be passed on indirectly to policyholders. In turn, that will have an impact on the cost of policies to our constituents. The Opposition is greatly concerned that the Government may have done something that will potentially affect the viability of insurance companies and have a direct bearing on the ability of our constituents—the people whom we represent in this Chamber—to afford insurance.

Our constituents cannot avoid this insurance. In terms of the State statutory scheme, this is compulsory third party motor vehicle insurance—green slips—and home owner warranty insurance. By law builders must take out home owner warranty insurance before they enter into a contract. Of course, that affects the viability of builders; in turn that affects jobs in the building industry, the size of building companies, the amount of work done in the community and the cost of doing that work. It will affect everyone throughout the community.

The Opposition is greatly concerned that the Government has not been able to calculate the economic impact of this measure. We have not seen from the Government an economic assessment of the impact of this insurance tax. I ask the Minister to tell me in his reply why the Government has not done an economic impact assessment. If the Government has done an economic impact assessment—and I do not believe it has—what is its assessment of the economic impact of this measure? In a recent briefing from Treasury and Department of Fair Trading officials I raised this very matter, and we canvassed issues such as whether the result of all of the measures I have just discussed, including the Government's insurance tax plus the general changes in the market as a result of the HIH collapse, will mean that a number of building companies, for example, may no longer be viable. Some evidence exists that that is already happening.

Notwithstanding what I said earlier about accountability and responsibility, I thank the Minister for Fair Trading, who is at the table, for his efforts in trying to fix up this terrible mess. But evidence already exists that the insurance that is currently being offered will be prohibitive for some small builders. I suspect that in the market we are already beginning to see a collapse of some small building operators and an aggregation of companies into larger units. Independent contractors may be left non-viable because the insurance that they have to take out as a result of a number of other events that have taken place in the industry.

If independent contractors are not able to operate as independent contractors, that will have a direct impact on small business in New South Wales. It is surely a good thing for a government to promote the growth of small and medium enterprises. The Minister for Small Business continually talks about the way in which this Government attempts to help small business, but if this particular government policy were to result in independent building contractors giving up their own business and trying to work as a contractor for somebody else, that reflects a direct effect on small business which partly is a result of deliberate government policy. For that reason, the Opposition wants to see the economic analysis of the impact of the Government's stated policy in dealing with the HIH collapse.

The Opposition wants the Government to provide an assurance that when the impact of the insurance tax is monitored alongside the other impacts of the collapse of HIH, including the shift in the cost of insurance in the marketplace, and if it is demonstrated that builders are having to give up their businesses as a result of it, the Government will make adjustments to the tax or, indeed, will abolish the tax. The Opposition furthermore wants an assurance from the Government that if this tax demonstrably adds to the cost of compulsory third party insurance in a way that makes that insurance too expensive for people in our communities, it will reduce or abolish the tax. The third assurance sought by the Opposition is by way of confirmation of what the Treasurer said in the recent estimates committee hearing.

I was intrigued to hear the Treasurer say that the Government had promised the insurance industry that if the Government's estimate of total liabilities, \$600 million, turns out to be wrong, and if those liabilities are less than that amount, it will also reduce the taxation—that is, the insurance tax, or the new \$69 million insurance tax. The Opposition wants the Government to give the further assurance that it will work towards elimination of the insurance tax within a very short time. This is not a tax that the Opposition can support in an enduring sense. The Opposition cannot support an ongoing tax of an enduring nature on the insurance industry to build up a slush fund against the possibility of future incidents of insolvency. The Government needs to come up with a better solution.

The solution represented by the bill, including the Policyholders Protection Fund [PPF], is born out of a crisis, but that should not be the end of the matter. The legislation must be reviewed within a very short time to see if it is possible to come up with a solution that does not hold existing companies responsible for the liabilities of a company that is no longer in the market, because of the distortions that that will impose on the insurance industry. I ask the Minister at the table to repeat those assurances but to go further than the Treasurer went recently in relation to the future of this insurance tax. This tax should be a short-term one, and the Opposition does not want to see it applied in perpetuity.

The insurance industry has also asked me to raise some serious concerns about a provision in the Insurance Protection Tax Bill which makes it an offence not to pass on the costs of the tax. The Treasurer said that he expects the insurance industry to pass on the costs of the tax. The Insurance Protection Tax Bill provides for a serious penalty to be imposed on those who do not pass on the tax. If my memory serves me correctly, the penalty is 110 penalty units, which makes the offence very serious. How those two matters can be reconciled is beyond me. In another place there should be a discussion about the way in which clause 21 of the Insurance Protection Tax Bill applies, because the Government may be making it absolutely impossible for insurance companies to operate in those circumstances.

The Opposition also wants the Government to say that it will seek to recover funds from the HIH liquidators. That is certainly provided for in the bill that is currently before the House, but it would be good to hear the Government confirm on the record that it will seek to recover funds from the HIH liquidation. When the Government does this that should also have an impact on the rate of insurance tax that is being levied in order to pay for the Policyholders Protection Fund, which is the subject of debate currently. In other words, if the gross liability of HIH turns out not to be \$600 million and if the Government recovers \$100 million, or \$200 million, or \$300 million—whatever the figure is—on behalf of people who need that money, the money will go back into the Policyholders Protection Fund. That will, in turn, reduce the amount that the Government is levying on existing policyholders through the insurance tax; otherwise, people will be paying twice.

It is very important for the Government to continue to reassure the Opposition that this taxation measure will not merely establish a big slush fund and become a general cost of having insurance in New South Wales. That would continue to place insurance in New South Wales at a higher rate than applies in other States. That rate is already higher than the rate that applies in other States. I point out—and the people in the gallery would know this—that the rate paid by people for compulsory third party insurance, the green slip premiums, has continued to increase, despite the Government's bare promises to bring the cost down. This bill is another measure that will make those taxes increase again.

If that is necessary in the short term because of the HIH crisis, that is something that the Opposition does not like, but we think that people will be prepared to live with it, provided that they are given an assurance from the Government that when the crisis is dealt with the tax will no longer apply and the rates for compulsory third party insurance will decrease again. I would like the Government to clear up another matter in relation to this bill. The matter arises from a discrepancy that I recently raised with the Government's Treasury advisers. In the Minister's second reading speech he referred to the additional money that had been advanced from the Consolidated Fund to establish the Policyholders Protection Fund and to the possibility of an advance from the Consolidated Fund into the Policyholders Protection Fund from Treasury which may, notwithstanding, be recovered. He said that this bill provides that the PPF will be able to basically repay the Consolidated Fund for amounts that are advanced. However, the arrangement is ambiguous. The Minister stated:

The funds raised by the insurance protection tax will be appropriated into the Policyholders Protection Fund, a special deposit account. In addition to the tax revenue, the fund will receive money advanced from the Consolidated Fund to meet the claims from compulsory third party and home owner warranty insurance claims. The Government has contributed \$50 million up front to start paying claims.

Indeed, that money has been advanced according to the current budget. The Minister went on to state:

In addition, it will loan money to the fund while the tax is insufficient to meet claims on the fund.

Item [2] of schedule 1 inserts a new section 16H, which is headed "Policyholders Protection Fund to reimburse additional money advanced from Consolidated Fund". That is potentially ambiguous. I am not an expert on interpretation of Acts, but I believe that the heading will not necessarily be binding if its meaning arises in any legal proceedings. The wording of new section 16H is a little ambiguous. It says:

If the Treasurer determines that money standing to the credit of the Policyholders Protection Fund is not needed for payments to the Building Insurers' Guarantee Fund or the Nominal Defendant's Fund in accordance with this Part, the Treasurer may pay an amount of money from the Policyholders Protection Fund (up to the amount advanced to the Policyholders Protection Fund by the Treasurer) into the Consolidated Fund.

It was pointed out to me recently that the portion in parentheses probably makes it clear that the only amount that can be paid back from the Policyholders Protection Fund [PPF] into the Consolidated Fund is the amount that has been advanced by the Government from the Consolidated Fund into the PPF. However, the matter is not completely clear to me, and I ask that the Minister provide an assurance to make it absolutely plain that the Policyholders Protection Fund is not just a slush fund for the Government. I have no reason to doubt that the Minister will provide such an assurance, but I wanted to place our objections on record.

If the Policyholders Protection Fund is receiving \$69 million in perpetuity from the insurance industry as a tax, the very last thing we want is for that to simply become another hollow log or slush fund for the Government so that it can, whenever it feels like it, raid money from that insurance tax and put it back into the Consolidated Fund. This Government is very good at that. The amount of dividends that are coming from statutory authorities indicates the extent to which the Government is milking from the Consolidated Fund money that is supposed to be used for other purposes. Of course, this has been a very high-taxing government. This Government taxes the people of New South Wales more than any other government in the history of this State. We do not want this to be another one of those measures.

If there is any justification at all for the insurance tax, it is only to get us over this particular crisis. We do not want that tax to go on into perpetuity. We want the Government to find better ways of spreading the burden for this level of insolvency that has suddenly arisen. We do not want the insurance tax to simply become a normal part of the insurance industry's costs; we do not think that would be fair. One of the reasons we do not want that to happen is that we are concerned that the rising costs of insurance, because of the tax and other measures, may cause fewer people to take up insurance. I will return to that matter in a moment. We seek an assurance from the Government that this is binding and that what the Minister said in his second reading speech is correct: that the only amount that can be taken out of the Policyholders Protection Fund and repaid to the Consolidated Fund is any amount that has been appropriated from the Consolidated Fund into the PPF. In other words, we seek an assurance that the insurance tax will not wind its way back into the Consolidated Fund, thus enabling the Government to spend the money on some of its wasteful schemes and its poor administration of the State of New South Wales.

I return to affordability of insurance, which is a very significant problem for the community. The insurance industry is now under great pressure as a result of the collapse of HIH Insurance. I have already referred to the fact that premiums are going up, and that the Government's tax will ensure that premiums go up even further. We hope and demand that that is only a short-term measure. If, as a result of the HIH collapse, the Government's new tax and other movements in the market people stop taking up to insurance in the areas that are not compulsory, whenever large-scale disasters occur in the future governments will have to continue to provide assistance to people who do not have insurance. It is not in the interests of the community that people are not able to afford insurance, and the Coalition raises that as a general concern.

It is a matter of great concern that many people do not have insurance to cover their costs when natural disasters occur, such as the recent floods in the Wollongong area, the Sydney hailstorm, and other natural disasters. The taxpayer provides assistance to those who are not covered by insurance—as the taxpayer should. Indeed, that is one of the reasons we have government. However, it is certainly in the community's broadest interests, and in the interests of every individual, that people are able to afford insurance. We therefore ask the Government to consider the tax burdens it imposes on people, including stamp duty and the general costs involved in running a business, which mean that they are not able to afford insurance, bearing in mind that this State has higher tax burdens than any other State.

We have continually asked the Government, and we ask it again today, to be serious about the matter and to consider conducting an independent inquiry into the taxation burden on business in New South Wales. We cannot continue to place that level of pressure on markets without it having an adverse impact. That adverse impact can be measured by the number of people who can no longer afford insurance and the number of businesses that can no longer afford compulsory building insurance. Individual building contractors are forced to wind up their sole trader businesses, which in turn has an adverse impact on employment and a whole range of impacts in the community. We are not talking about isolated adverse impacts but about real impacts on people who have to insure their businesses, their homes and their motor cars, and get on with their lives.

If the New South Wales Government distorts the market to the point where insurance gets out of the reach of ordinary Australians very significant social impacts will result. It is not just a hypothetical matter; it is a reality. A further objection that has been raised with the Coalition as a result of the Insurance (Policyholders Protection) Legislation Amendment Bill relates to loss assessors who have done work relating to the HIH

Insurance collapse and on behalf of people who are owed money by HIH. Under the bill, those loss assessors will be forced to hand to the Government all documents relating to such work, but will receive no recompense for doing so. Indeed, a large penalty will apply if they do not comply with that provision. The provision also relates to people who operate businesses in the financial services area. Once again, a decision by this Government will seriously affect their viability.

New sections 103X and 103Y provide, in general terms, that people who hold documents relating to the collapse of HIH must deliver those documents to the Government if asked to do so. However, there is no provision for recompense to loss assessors for the work involved in providing such documents. The bill provides a maximum penalty of 20 units for non-compliance with the provision, and therefore makes non-production of the documents a serious offence. The people who have raised the matter with the Opposition have said that they have no difficulty making available to the Government documents relating to the work they have done in assessing HIH losses and the work they have done on behalf of clients, but that they would like some payment for their work. One of those loss assessors wrote to the Opposition in the following terms:

I, like many other citizens of New South Wales, am in full agreement of assistance being given to the victims of the HIH collapse.

The victims of HIH are not limited to those that had policies with them; they also include employees and service providers.

I understand that the scheme that is being set up is not being funded by general revenue ...

Any settlement of these claims requires substantial work. If the Government were to start this work now it would cost substantially more than the work that has already been carried out, due to lack of experience and the time that has elapsed. The claims cannot be settled without this information.

The loss assessor went on to say that it is manifestly unfair that those documents be simply demanded from people who do the work as part of their commercial work in the community, yet they will receive no payment for doing so because the bill makes it an offence if they do not hand over the work that they have done on behalf of their clients. The Coalition reserves the right to consider amendments to the bill in another place. We are still consulting with the insurance and loss assessing industries, amongst others. I believe that it is a very reasonable concern on the part of people who work in the financial services sector that under the bill not only are they not paid for the work they have done in assessing HIH losses but if they fail to hand over that information they will be committing a serious offence which will cost them 20 penalty units. I therefore ask the Government to address that matter and to provide a response.

In summary and conclusion, the Opposition is still consulting with the industry and may have some specific amendments which need to be considered in another place. The legislative process has been so rushed this week that the Opposition has to make that general statement. The Opposition does not like the insurance tax, the way it operates and its implications if it goes on into perpetuity—which at the moment the Government has provided for. It is difficult at this late stage for this Parliament to unravel the measures that the Government has already put into place. The Coalition has weighed up its general dislike for the way the insurance tax distorts the market, the way it makes companies responsible for the losses of a competitor who is no longer in the market at a time when the market is already undergoing significant adjustment, and the fact that it will add to the cost of insurance, and that cost is shared by many millions of investors—mums and dads—and shareholders.

We do not like all those things, but the Coalition weighed that against the very real need to provide some immediate assistance for those people who are victims of the HIH collapse. Because of the two pieces of legislation before the Parliament which have to work together in a fairly complicated way to start providing assistance fairly quickly, the Coalition has decided on balance not to oppose these measures. The Policyholders Protection Fund may be able to operate on the basis of government contributions alone, and in the future perhaps that is a fairer way to do it so that all taxpayers are contributing to the need to guard against future insolvencies. That is something that we believe, as a matter of philosophy, should not be borne by those people who currently have insurance. The Treasurer is wrong. It cannot be isolated only to the so-called bigger profits of the so-called bigger insurance companies. There are many smaller players in the field, and this affects all of them and it may therefore affect their viability.

Taken together, balanced against the need to provide some immediate protection for those people facing very real hardship as a result of the HIH collapse, the Coalition has decided not to oppose this measure. We do that, however, against a sincere and strong request of the Government to provide some assurances. I have outlined many of those assurances in this debate, but I will restate a couple of them. The Coalition wants the assurance that this tax will not go on forever. It wants the assurance that if \$600 million is not required, and when, hopefully, some money is recovered from HIH, the level of the tax will be commensurately reduced as

soon as it is known that \$600 million is not the figure that the Government is aiming for. That would immediately reduce the burden that the tax industry is now bearing unequally. The Coalition wants an assurance that the Government will not make this continue at the same level in perpetuity. With those caveats, I indicate once again that the Opposition will not vote to oppose this bill.

Mr WATKINS (Ryde—Minister for Fair Trading, Minister for Corrective Services, and Minister for Sport and Recreation) [12.53 p.m.]: I thank the Opposition for its support of this bill. I am sure that the Treasurer in the Legislative Council will take the opportunity to answer many of the questions raised by the shadow Treasurer, and I leave it for him to do so. I will address a couple of matters in relation to the responsibility for the collapse of HIH. It is clear that New South Wales is not responsible for the prudential supervision of insurers. New South Wales has made the requirement to hold types of insurance compulsory, but cannot be held responsible for the solvency of federally licensed insurers. The Federal Government's Australian Prudential Regulatory Authority [APRA] supervises insurers and is certainly responsible for ensuring that insurers working in the marketplace in our economy are viable. I am afraid that APRA has let down the Australian community in recent months.

There were some technical questions about new section 16H in relation to loans. I am assured that only loans to the Policyholders Protection Fund [PPF] can be repaid to the Consolidated Fund. The tax money cannot be clawed back to the Consolidated Fund. The amendments to sections 16A to 16M are designed to do just that: only loans advanced from the Consolidated Fund can be paid back to the Consolidated Fund. I am pleased that the honourable member spoke about the social impact and victims because that is behind the Government's response, especially in assisting people who have insurance either under the Motor Accidents Authority or home warranty. As all honourable members would accept and recognise, real pain was experienced by consumers in those two areas and others, such as professional indemnity insurance and public liability insurance, where tales have been told of human tragedies because of the collapse of HIH.

The State Government has stepped forward with a rescue package to try to assist those consumers who have been hurt, and it has been working. That is why the Government has done what it has. It has been motivated by care for those needy people in our community. I agree that there are still problems. I am glad that the shadow Treasurer acknowledged that some work has been done to try to assist. That work continues, and I will not be satisfied until every builder who wishes to work is back at work, if it is an insurance problem that is stopping them. The collapse of HIH should not have happened. I am pleased that the royal commission is looking into that matter. It is essential that we have confidence in the insurance industry in a modern economy such as ours. In closing, I again thank the Opposition for its support of this legislation.

Motion agreed to.

Bill read a second time and passed through remaining stages.

[Mr Deputy-Speaker left the chair at 12.57 p.m. The House resumed at 2.15 p.m.]

THE SHIRLEYS

Ministerial Statement

Mr CARR (Maroubra—Premier, Minister for the Arts, and Minister for Citizenship) [2.15 p.m.]: Today I had the pleasure of meeting 25 members of The Shirleys who are in the gallery with us today. I must admit that when I was told I was going to meet The Shirleys I thought a rock group was to be shown into my office. In fact, The Shirleys is a social club, and the one qualification for membership is that your first name be Shirley. Members are from all walks of life, and they enjoy all activities from lawn bowls to arts. The Shirleys came to Parliament as guests of that hard-working member, the honourable member for Miranda. He is the local member for most members of this group.

After being established in Western Australia five years ago, The Shirleys have grown to have 1,000 members right across the country. Some 200 are from New South Wales. They can be found in any walk of life. I would like to take this opportunity to congratulate the New South Wales Shirleys, who are celebrating their first birthday next week. I would like to wish Shirleys from across the country all the best when they gather in Alice Springs next year to formalise their group.

Mrs CHIKAROVSKI (Lane Cove—Leader of the Opposition) [2.18 p.m.]: As the female Leader of the Opposition, I think it is appropriate that I welcome to the Parliament the female members of The Shirleys group, although I do not know that Shirley Chikarovski has the same ring to it! I hope that today in the Parliament you will see something what we do not normally see, and that is Government members actually answering questions.

SYDNEY HARBOUR WHALE SIGHTING

Ministerial Statement

Mr DEBUS (Blue Mountains—Attorney General, Minister for the Environment, Minister for Emergency Services, and Minister Assisting the Premier on the Arts) [2.18 p.m.]: Honourable members of the House might be aware that a humpback whale entered the harbour near Middle Head this morning. The 12-metre adult whale appears to be injured—possibly the result of a collision in the open sea with a large boat. It is believed to have come into our harbour to recuperate. A visit from a whale to the harbour is always an exciting event and, naturally, people are keen to get as close as possible to have a look at it.

Mr SPEAKER: Order! The honourable member for Southern Highlands is entitled to respond, but as a matter of courtesy she should listen to what the Minister has to say. I ask other honourable members to remain silent.

Mr DEBUS: The community is encouraged to enjoy an experience of this nature, but I would appeal to people to make sure that they keep their distance from the whale. It needs a chance to recover, and it is important that it is not stressed by onlookers, particularly by people in boats, coming too close. People should remember that whales are protected and laws do apply for their safety. Boats and surfers should at all times stay 100 metres from the whale; jet skis should not approach closer than 300 metres; helicopters should keep at least 400 metres above the animal; and swimmers and divers should not approach closer than 30 metres.

The return of wildlife, large and small, to the harbour has been a phenomenon remarked upon by local environmentalists. It is the clearest and most tangible sign possible that the quality of the water in the harbour is improving. Marine life is voting with its flippers and returning to the harbour. Many citizens of Sydney already have taken the opportunity to get out and see our latest marine visitor. However, in view of the injured state of the whale, I urge all spectators to be extremely prudent in observing this massive creature from a safe distance.

Ms SEATON (Southern Highlands) [2.20 p.m.]: The Opposition is delighted to hear that a whale has entered the harbour. We are sad to hear that it is in our harbour because it is trying to recuperate from injuries. I endorse the Minister's comments that, while everyone would be very enthusiastic to look at the whale, observe its behaviour and enjoy its presence in the harbour, it is very important that we observe all relevant restrictions against getting too close to the whale, to make sure that it can recover and return to sea.

The Minister said he regarded the presence of the whale as a return of wildlife to our harbour. Before he becomes too comfortable about this particular visit today, and before he thinks that he can sit back and relax and believe this is an all-clear on our harbour environment, I remind the Minister of recent reports that our harbour is one of the most polluted in the world, with a build-up of toxic substances in the harbour and on the harbour floor. I recognise the efforts of 2,000 schoolchildren from a hundred schools on the Stream Watch campaign, and note that many of the rivers and creeks in the Sydney area are polluted. That pollution finds its way into the harbour. The Minister may ignore this if he wishes, but it is true. We would all like to see a return—*[Time expired.]*

BUSINESS OF THE HOUSE

Order of Business: Suspension of Standing and Sessional Orders

Mr WHELAN (Strathfield—Minister for Police) [2.23 p.m.]: I move:

That standing and sessional orders be suspended to allow:

- (1) The consideration of the following motion at this or a subsequent sitting of the House:
That this House notes the budget estimates and related papers for the financial year 2001-02:
- (2) Only those members who have not spoken in the second reading debate on the Appropriation Bill and cognate bills to speak to the motion for a period limited to 20 minutes each; and
- (3) Government business to have precedence of all other business for the remainder of the budget sitting.

The Treasurer has requested that the Appropriation Bill go to the Legislative Council. The Government has agreed to that request. One issue of importance is that those honourable members who have not already spoken in debate would be disadvantaged. The first part of the motion that I have moved will cure that ill. In other

words, honourable members who have not spoken in debate will be able to speak to the subsequent motion that I will move following question time today. That will enable honourable members to participate in the budget debate. They will have the same amount of time to speak in debate as they would have in debate on the Appropriation Bill.

Mr O'DOHERTY (Hornsby) [2.25 p.m.]: The essence of this motion is to deny honourable members their democratic right to speak about matters that have been raised at estimates committee hearings. Estimates committee hearings is a process instituted by this Parliament to enable honourable members to question Ministers in relation to all the volumes of the budget papers and to give them an opportunity to debate the substance of Ministers' statements. For example, Opposition members asked the Treasurer at a recent estimates committee hearing why he refused to pay back money that was inappropriately and wrongfully appropriated.

Mr SPEAKER: Order! The honourable member for East Hills will remain silent

Mr O'DOHERTY: Opposition members asked the Treasurer why he refused to pay back money that was wilfully misappropriated from people paying land tax against valuations that were demonstrably wrong.

Mr Whelan: Point of order: My point of order relates to relevance and truth. Opposition members have not asked one question on the budget.

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

Mr O'DOHERTY: The time for Opposition members to ask questions on the budget is during estimates committee hearings. That is what estimates committees are for. Honourable members are entitled to debate matters relating to the budget. The motion today by the Minister will deny them their democratic rights to debate in this place the matters that have been raised at estimates committee hearings. This is a blight on honourable members who have spoken in debate on the budget. If this motion is carried it will mean that we will not be able to debate any issues of concern to our constituents—issues that have arisen at estimates committees hearings.

Make no mistake, this motion is as undemocratic as those Government members were who refused to come into this Chamber last week. They refused to put the interests of their constituents above their affiliation to the union movement. Government members who stood in the Domain last week refused to perform their democratic duty on behalf of the people who elected them. They all stand condemned. Government members who support the motion that has been moved by the Leader of the House stand equally condemned. As members of this Parliament they have a democratic obligation to represent the interests of their constituents in this Chamber.

This motion will do one other thing, about which the Leader of the House did not tell us. Talk about openness, honesty and accountability! The second thing that this motion will do is ensure that the 440-odd private members' motions on the notice paper will not be debated during this session. We will not be able to debate the rampant grab for the Maritime Services Building [MSB] at Circular Quay. We will not be able to debate the motion of the Leader of the Opposition relating to the future of that building.

I note that the Premier is seeking to call in all coastal developments. Where does the Premier stand on this issue? He has allowed the Leader of the House to move a motion that will not enable us to debate the future of the MSB at Circular Quay. The Premier is the person who signed the paper and now he will not let us debate the future of the MSB. Honourable members will also not be able to debate the matter raised by the honourable member for Wakehurst. The Community Services Commissioner—the watchdog appointed by this Parliament to be the last line of defence for abused children in New South Wales—asked this Parliament, via the Minister, to provide him with additional powers to enable him to properly do his job. He has written to the Minister and the Minister refused to respond.

Without these powers the Community Services Commissioner cannot do a proper job of finding out what went wrong when the Department of Community Services failed to protect children who later died. What could be more important than debating that matter in this Chamber? The honourable member for Wakehurst, the shadow Minister, brought before this Chamber an amendment to the legislation—an amendment required by the commissioner. That was not done by the Minister, the Leader of the House or the Premier. Talk about leadership! The honourable member for Wakehurst is exercising leadership by bringing this matter before the Parliament. Make no mistake—

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

Mr O'DOHERTY: Government members must show leadership by giving the Community Services Commissioner the powers he needs. The Opposition opposes the motion. [*Time expired.*]

Question—That the motion be agreed to—put.

The House divided.

Ayes, 54

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

Noes, 37

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

Question resolved in the affirmative.

Motion agreed to.

VARIATIONS OF PAYMENTS ESTIMATES 2000-01

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

PETITIONS

North Head Quarantine Station

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

Willoughby Paddocks Rezoning

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

McDonald's Moore Park Restaurant

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

State Taxes

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

Malabar Policing

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

Randwick Police Station Downgrading

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

Cronulla Police Station Upgrading

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

Inner East Sydney Policing

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

Surry Hills Policing

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

Inner East Sydney Police Resources

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

Eastern Suburbs Police and Community Youth Club Closure

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

Genetically Engineered Food

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

Chatswood High School

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

Vaucluse Electorate School Closures

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

Public High Schools General Operations Grants

Petition praying that the House increase the general operations grants to public high schools, received from **Mr O'Farrell**.

Thirroul Railway Station

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

Bus Passenger Safety

Petition requesting that the practice of allowing bus passengers to stand while in transit be discontinued, received from **Mr J. H. Turner**.

M5 East Tunnel Ventilation System

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

Queanbeyan Preschool Services

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

Queenscliff Geographical Names Board Classification

Petition praying that the House reinstate Queenscliff as a suburb with the Geographical Names Board, received from **Mr Barr**.

John Fisher Park

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

Animal Experimentation

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

Manly Lagoon Remediation

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

White City Site Rezoning Proposal

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

Bega Valley Shire Council

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

REGULATION REVIEW COMMITTEE**Reports**

Mr Nagle, as Chairman, tabled the following reports:

Report on the University of Sydney Amendment By-Law 2001, dated June 2001
Report on Overseas Study Tour July 2000, dated June 2001

Ordered to be printed.

PUBLIC ACCOUNTS COMMITTEE**Report**

Mr Tripodi, as Chairman, tabled the report entitled "Industry Assistance", dated June 2001.

Ordered to be printed.

QUESTIONS WITHOUT NOTICE

TEACHER SHORTAGE

Mrs CHIKAROVSKI: My question is directed to the Minister for Education and Training. How can he guarantee parents and students in western Sydney that they will get a fair go in the allocation of teaching resources when a confidential survey of 68 primary schools in the area found that 173 classes had to be cancelled last week because there were no teachers available?

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

Mr AQUILINA: The Department of Education and Training uses a rolling operation for the staffing of schools, as vacancies may occur at any time during the year.

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

Mr AQUILINA: While the majority of permanent teacher vacancies are filled for the commencement of term one of each school year, vacancies at other times can arise through retirements, resignations, compassionate transfers and some forms of long-term leave. The department has a range of staffing strategies for difficult-to-staff vacancies in country and metropolitan schools.

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

Mr AQUILINA: These include advertising widely in the press, including interstate and New Zealand for some positions; contacting teachers who are accredited in the subject but have not included the school-of-their-preference list; referrals to recruitment agencies; and offering incentives as part of the emergency shortfall staffing strategy. The emergency shortfall staffing strategy offers permanent positions to teachers who would accept as their first appointment a position in a location where there is a shortage of teachers.

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

Mr AQUILINA: They can subsequently be transferred to other locations that they prefer, and the relocation costs are met by the department.

Mr SPEAKER: Order! I call the Deputy Leader of the Opposition to order.

Mr AQUILINA: The strategy has been particularly important in filling vacancies in difficult-to-staff country schools and also in Sydney's west.

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

Mr AQUILINA: Combined with locality allowances, accommodation subsidies and other incentives, teaching positions in country schools are being filled by high-quality job-ready teachers.

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

Mr AQUILINA: Of course, this strategy also applies to western Sydney. With the strong support of school principals the department has also appointed permanent mobile teachers to meet day-to-day relief teaching demands in difficult-to-staff schools. This is ensuring greater staffing certainty for students and their schools although it is acknowledged that, from time to time—

Mr Hazzard: Point of order: My point of order is relevance. The question related to 173 classes being cancelled in western Sydney, not New South Wales. Can you answer for the 173 classes that were cancelled in western Sydney last week?

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

Mr AQUILINA: There is more to New South Wales than western Sydney.

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

Mr AQUILINA: I am referring to western Sydney as well as other parts of New South Wales. I am giving the Leader of the Opposition a full answer. As I said earlier, the department continues to implement a number of strategies to address areas of teacher shortfall, including those in western Sydney. The strategies include keeping universities informed of the department's work force needs, targeted sponsorships for postgraduate study and training programs and vigorous promotion of teaching in areas of work force need. In February this year I announced the provision of a number of scholarships to final year teacher education students of technology and applied studies, mathematics and science. Twenty-eight applicants have accepted the offer of scholarships and have commenced the final year of their teacher training. On completion of their teacher training, up to half of the 28 scholarship holders will be appointed to schools in western Sydney.

In February I also announced an accelerated teacher training program in which skilled workers can be fast-tracked into teaching careers by undertaking an 18-month teacher education program. The training will target areas of need such as mathematics, science and technology and applied studies. Already more than 1,500 people have contacted my department and expressed an interest in this program. The first intake for this training program will be in second semester of this year. The department implements a number of strategies to attract casual teachers to New South Wales government schools. These include the future employment priority scheme, which allows casual teachers to accelerate progress to permanent appointments; the permanent employment program, casual teachers, under which up to 200 teaching positions which only casual teachers may apply for are advertised each year; and an Internet-accessible employment service through which prospective casual teachers inform principals of their availability and interest in the work.

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

Mr AQUILINA: The department works closely with universities, principals and local communities to meet the demand for teachers in country schools. Given the education load, there may be an occasional class, which, on short notice, does not have a teacher available. Given the hundreds and thousands of classes that are conducted in any one week, that is a very rare occurrence. The overwhelming majority of all our classes in all our schools do, of course, proceed. The Government is able to provide teachers for all schools in all locations. Given the strategies that are now being implemented, there will be an even greater and wider access to teachers in the future.

YENNORA DISTRIBUTION PARK

Mr TRIPODI: My question without notice is to the Deputy Premier, Minister for Urban Affairs and Planning. How is the Government helping to create jobs in Sydney's west?

Dr REFSHAUGE: I commend the honourable member for his ongoing interest in job creation in western Sydney. I am pleased to inform honourable members that I have declared Stockland's proposal for the former Yennora Wool Centre site to be a State significant development. The former wool centre is to become the most important warehouse and distribution centre for freight and merchandise in Australia. It will be a \$40 million investment generating some 300 direct jobs and also 2,000 indirect jobs. Its size, location and value mean that it will be of enormous importance to the State for freight transport and job creation. The Yennora Distribution Park will be a major generator of jobs for eastern Sydney. Once it is developed it will be worth more than \$200 million. It will be the largest undercover warehousing facility in Australia with some 280,000 square metres of lettable space. The new development involves a capital investment of approximately \$40 million and will double the number of permanent jobs from the present 300 to 600, and generate a further 2,000 jobs in the local community.

The site is strategically located on the rail line spur, which connects it to the main Sydney to Melbourne railway and Port Botany. When fully developed the site will provide a link between the economies of rural and regional Australia and the global economy. Western Sydney, which already has an economy that is greater than that of Singapore, is set to grow further as a trading hub in its own right. The unique location of Yennora offers the potential for it to be developed as a strategic interstate rail freight terminal. Most important, by integrating road and rail transport the proposal will help to relieve traffic congestion in Sydney's west by getting more freight on rail. This project will involve the staged redevelopment of the former wool centre as a warehouse storage and distribution centre for freight and merchandise. The services currently available at the wool centre will not be lost to the State but will be relocated to a site in rural New South Wales. The proposal will include redeveloping existing buildings and new development at the eastern and western ends of the site.

It is essential to ensure that the State Government's resources are available to guarantee a smooth, effective and consistent assessment regime for this highly significant enterprise. We must ensure that no confusion or delay unnecessarily complicates the progress of the development. A number of local and State planning policies currently apply to the site, including the Holroyd local plan and State Environmental Planning Policy 34. To ensure a consistent planning approach to the development, it is appropriate that there be one consent authority. The Government will do its utmost to encourage developments that will bring sustainable social and economic benefits and work for the growth of wealth across the State. At the same time we are committed to ensuring that the assessment will be rigorous and that these large projects manage their environmental impacts responsibly. I want to reassure Holroyd City Council and the local community that I will ensure that they will be fully consulted in the assessment process through ongoing and rigorous consultation. We will continue to work as partners with Holroyd council to ensure progress and sustainable jobs for western Sydney.

The Yennora Distribution Park is part of that ongoing push for post-Olympic investment in New South Wales. I am pleased to inform honourable members that since September 2000 Olympic Games my department has assessed and I have approved projects with a total cost of almost \$3 billion which will generate more than 5,000 new jobs. Key projects include the BHP multipurpose terminal, the Ridgeway gold and copper mine, the Mount Arthur North mine and the Syerston nickel cobalt mine. Major government infrastructure projects include the Karuah bypass, the Gerringong-Gerroa sewerage treatment plant, the Illawarra waste water strategy and the Canberra gas pipeline. The New South Wales development and infrastructure assessment regime is one of the most competitive in the world and is often used as a best practice model both nationally and internationally. The services of my department have been used in Auckland to help that city develop its foreshores, following the staging of the America's Cup. We are also helping the South Australia Government to develop a clear assessment procedure for major hazardous industries such as oil refineries.

During the past few years we have continually refined and reformed our processes to achieve world's best practice. As honourable members may know, I established a specialist development application unit in my department to process major developments of State or national significance. For the first time, all the planning and technical expertise will be located in the one unit to ensure comprehensive and professional assessment of the most complex new developments. We can deliver to the people of New South Wales a development assessment system that guarantees jobs and investments but does not compromise our unique environment. Both major investors in the State and key environmentalists have praised the efforts we have made since 1995 to improve the assessment process.

Environmentalists have acknowledged that a genuine attempt has been made by the Government to enhance the community's acceptance of environmental protection as part of environmental impact statements; they support our community consultation procedures. They have also recognised that we are consistently raising

the bar on the environment. The development industry has also recognised the assessment system in New South Wales as a world beater. Since 1995 the department has always completed its assessments within the statutory three-month period; never once have we gone beyond that three-month statutory period. We have delivered the goods. The planning system in New South Wales adds value. Every application we receive is improved by our assessment, and our rigorous consultation requirement ensures that the community is paramount in any decision. That will happen with the assessment of the Yennora Distribution Park: a \$40 million investment delivering 300 new direct jobs and 2,000 more indirect jobs.

COASTAL DEVELOPMENT

Mr J. H. TURNER: My question is directed to the Deputy Premier, Minister for Urban Affairs and Planning. Before the Minister decided to take over control of coastal development in New South Wales did he have any discussions with representatives of major property developers, who together contributed nearly \$680,000 to the New South Wales Labor Party coffers during the past two years?

Dr REFSHAUGE: We know what the National Party wants to do with the coastline. Remember Wal Murray and Ian Causley? Concrete the beaches. Bring the Gold Coast down to the beaches of New South Wales. We will not have a bar of that. We will not allow that. We know what the honourable member for Myall Lakes is up to with his mates from the mid North Coast who want to stop protection of the wetlands. There is no doubt that the Government will protect the beaches and coastline, no matter what the Opposition says. The Coastal Council, which represents a broad cross-section of interests, will definitely support what the Government is doing because it knows what is right. The Opposition should listen to the independent chair of the Coastal Council, who says regularly that the Government has got it right.

RYDE AND PARRAMATTA BUS SERVICES

Ms HARRISON: My question is directed to the Minister for Transport and Minister for Roads. What is the latest information on the Government's efforts to improve bus services in the Ryde-Parramatta area?

Mr SCULLY: Honourable members will recall that in December 1999 the Government purchased two private bus companies, North and Western Buses and Parramatta-Ryde Buses. That important initiative brought government buses to western Sydney the first time. In fact, that was the biggest expansion of government buses ever undertaken in the Sydney region. That purchase confirmed the Government's commitment to publicly owned rail and bus services. I think the shadow Minister was the only member of this House who opposed the purchase. I know that the community and the members representing the electorates of Ryde and Parramatta widely applauded the Government, and unions and stakeholders congratulated us. Why?

Those members, the Leader of the Opposition and other members of the Opposition, wrote to me complaining at length about the performance of North and Western. I will let the House in on a secret; let's keep it amongst ourselves. When I got the litany of complaints, so many of them from so many different members of Parliament, I said, "Let's have a look at the renewal of the contract." I got a folder and said, "Draw them all together." The Leader of the Opposition and I think Mr Photios figured in it, as did the Minister for Fair Trading, the honourable member for Parramatta and other honourable members, making pages and pages of complaints. I said, "Look, that's it; let's not renew their contract." Sorry, the Bruce Baird amendment of 1990 meant you have got to hand over the contract to them. Who was his chief of staff—Barry O'Farrell!

So here we had this worst performing private bus company in Sydney, and I as transport Minister was seriously of the view that its contract ought not to be reviewed, but I could not do that. In fact, that is why we have the transitway legislation going through Parliament—because the Supreme Court said I had to hand over those contracts to those bus companies in western Sydney. State Transit took advantage of the opportunity, rightly, with the encouragement of the Government, myself and the local members, when the private bus companies indicated that they were willing to sell, that the families wished to move on or retire. I took the opportunity of allocating public money to purchase those two bus companies.

That was roundly applauded by all except one person—one carping, whingeing, moaning individual named Barry O'Farrell. He was the only one, the ungrateful sod! Here we are looking after an area that has more Opposition members of Parliament than Government members of Parliament, but we have no thanks from that honourable member. Still, his community appreciated this action. I acknowledge that, and I say thank you to his community rather than to the member himself. State Transit, as many honourable members would know, is Australia's largest bus operator. It has more than 1,900 buses. It may surprise honourable members, but the performance of State Transit under this Government, compared with the performance of the former Coalition Government, has been a lot better.

Mr O'Farrell: That is not true. And what about telling us about Newcastle buses?

Mr SCULLY: I am sorry, Barry, we go on facts, not subjectivity. We work on objectivity—raw, hard facts. When the Coalition came to government on that black day in 1988, what a terrible experience that was not just for us in the Labor movement but for all in New South Wales. Yes, we are still trying to fix the mess that the Coalition exacted upon the people. From 1988 to 1995 there were 166 fewer buses in State Transit, or an 8 per cent drop in patronage. What a terrific performance! Under this Government patronage has increased substantially, with 500 more buses being purchased. Nearly 500 buses are either wheelchair access or low-floor models, 280 buses are low-pollution compressed natural gas models, and we have air-conditioning on our buses. We also have security cameras on all of our buses. I do not think the Coalition had any security cameras on its buses.

It was quite appropriate that State Transit take that opportunity, because not only do commuters get the concessions, the access to discount fares and access to the high-quality service that government buses are known to provide, but the people of the Ryde-Parramatta area knew that this gave them the opportunity to access the Sydney bus network. It gave them the opportunity of sharing in those resources that people in other parts of Sydney were able to enjoy. But we did not just buy the bus companies; there had to be some integration of the services. The services that North and Western provided, as I have outlined, were not fantastic; they needed to be improved. So this Government—as it does, being an accessible and consultative Government which communicates with communities—contacted 92,000 households. We sent out submissions.

Many responses were made to State Transit. I know the honourable member for Parramatta, the honourable member for Ryde and others made submissions. In fact, the honourable member for Epping made a submission, and got an additional service as a result of it. That is right, this is an inclusive Government. He keeps telling me what a great job the Government is doing with the Epping interchange. I must say I expressed surprise at getting that credit. I have some good news to tell the House. As a result of several months of consultation, with State Transit contacting communities and learning what their wishes were, and looking at ways of better integrating the North and Western and Ryde-Parramatta bus services with those of State Transit, we have managed to introduce five new direct bus services to the central business district; more frequent services to regional commercial and recreational centres; and new cross-regional bus routes between Parramatta, Chatswood and Macquarie.

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

Mr SCULLY: What has been the impact of those improvements on patronage? I think the House needs to know. Patronage has increased by 8 per cent since we introduced the better bus service—it needs to be called that—in the Ryde-Parramatta area. Members of this House need to take the clarion call to that area that better buses have been delivered to that part of Sydney. Yes, the honourable member for Keira gives a big tick to the Government.

Mr SPEAKER: Order! I call the Deputy Leader of the Opposition to order for the second time.

Mr SCULLY: What does that 8 per cent patronage improvement mean in terms of raw numbers? It is 21,000 extra commuters per week. Total weekly patronage is now about 300,000. I want to thank the people of the Ryde-Parramatta area for working with the Government and State Transit, telling us what they need and giving us the opportunity to provide the service that they need. That is stage one, which relates to the area primarily west of Chatswood and West Ryde station. The other areas in that particular region that we have now rolled out will closely mirror the performance of the rest of the region. There is more good news. As the Minister Assisting the Premier on Hunter Development and other Hunter members of Parliament would be well aware, the Government has commenced a review of buses in Newcastle. I am disappointed, as those honourable members would be well aware, that patronage of Newcastle buses has fallen.

Newcastle Buses needs to respond to the call from the community to deliver bus services where they are needed, such as in Charlestown and to the university and other areas of the Hunter. I said to State Transit, "You can't lock services in time. Just because the previous Government had the service running in that particular way does not mean that that is the best way of doing it. You actually need to review how they introduced services some years ago." We have started the consultation process with the local members, the unions and the community. In fact, we have already received 1,500 submissions in respect of this particular proposal. I want to make sure that, as far as possible, we take on board local community views and that we send the buses where they are most needed. I hope that as a result of that process we will get a result similar to the great success we have already had in the Ryde-Parramatta area.

MINISTER FOR URBAN AFFAIRS AND PLANNING FORMER STAFF

Mr BROGDEN: I direct a question without notice to the Minister for Urban Affairs and Planning. Can he assure the House that his dealings with his former chief of staff, Trish Oakley, and former press secretary, Julian Brophy, regarding the Kurnell proposal, and other planning matters, have not breached public service guidelines which make it clear that former employees should "not receive favourable treatment or access to privileged information"?

Dr REFSHAUGE: Yes, absolutely.

TOWNLIFE DEVELOPMENT PROGRAM

Mr HICKEY: I ask a question without notice of the Minister for Regional Development. How is the Government assisting small communities to invest in new economic projects?

Mr WOODS: Honourable members will recall that in December last year I announced the successful applicants from the first round of the Townlife Development program at Darlington Point in the State's south-west. The Townlife Development program is designed to act as a catalyst for projects which could lead to new economic activity, such as the development of new products or services, or the staging of tourism events.

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

Mr WOODS: Importantly, the three-year program is quarantined to small towns—small communities with populations of up to 2,500. Today I am pleased to announce that another 13 projects will be funded from the second round of applications—funding which amounts to about \$150,000. The Government is providing assistance to Lake Cargelligo Community Services Inc. for a range of community planning activities, including two workshops—a project that I am sure the honourable member for Lachlan will welcome. That work will be undertaken by a locally appointed co-ordinator and projects will include business surveys and public workshops which are aimed at increasing economic activity in the local area.

Mr Armstrong: Lake Cargelligo is the Surfers Paradise of inland New South Wales.

Mr WOODS: As the honourable member for Lachlan said, Lake Cargelligo is the Surfers Paradise of inland New South Wales. Assistance will be provided to Rylstone Shire Council for the expansion of the Rylstone-Kandos bush races—a project which will be welcomed by the honourable member for Bathurst. Those races were first held 60 years ago. Townlife funds will help to promote this event to a broader audience outside the shire. The bush races saddle up on 3 November this year and more than a thousand people are expected to attend. Assistance will be provided to Parkes Shire Council for a feasibility study to turn the old Carrington Hotel into an historic centre with a sales outlet for local arts and crafts. I am sure that the honourable member for Dubbo would be interested in that project. The hotel was damaged by fire in 1997 and the owner handed the hotel to the shire for community use. Council has already completed stage one of the refurbishment.

I am sure that the honourable member for Barwon will be pleased that Gilgandra Shire Council is to receive assistance for a business and photographic survey of Tooraweenah, as well as community planning workshops. He might mention that fact to Narrabri Shire Council. The Lockhart Progress Association, which is located in the electorate of the honourable member for Wagga Wagga, will receive a grant for a promotional publication of the shire's farming excellence. That publication will have details of 10 properties in the region. The publication, which will be distributed across Australia's eastern seaboard, will attract visitors to the area who will be able to study farming techniques and enjoy local farming attractions. The Government has not forgotten the honourable member for Burrinjuck. Gunning Shire Council will receive assistance to undertake a business survey of that shire as well as host a number of community marketing workshops under the stewardship of a locally appointed co-ordinator.

The honourable member for Monaro will be pleased to know that assistance will be provided to the Snowy River Shire Council for a racecourse events co-ordinator to develop a number of events associated with Adaminaby and the racecourse. The first round of Townlife assistance helped the shire secure Commonwealth funding to prepare a business plan to help with the planned expansion of the racecourse grounds. Bowraville Arts Council, which is located on the mid North Coast in the electorate of the honourable member for Oxley, will receive assistance to prepare for the cultural revival festival on Australia Day next year. Workshops on street performance, circus skills and kite making, to name a few, will be held throughout the year.

I advise the honourable member for Oxley that Kempsey Shire Council will receive assistance for photographic and business surveys as well as marketing workshops in Willawarrin and Bellbrook. The honourable member for Myall Lakes will be pleased to know that funding will go to the old Manning Point Chamber of Commerce for community planning workshops and a business photographic survey. Bellingen will now undertake a "shop locally" marketing campaign and business marketing workshop in Urunga, which is in the electorate of the honourable member for Coffs Harbour.

This funding is for small towns; it is not for big towns. As I said earlier, the Government is assisting small towns. It is looking after all those little towns across the State, not towns in the electorate of the honourable member for Gosford. The honourable member for Ballina will be pleased to know that Bangalow Chamber of Commerce will host the Byron All Screens Celebration Film Festival, which will run in February next year and feature more than 100 international premier films, documentaries and short films. The festival aims to market itself in the same vein as the Sundance Film Festival in the United States of America and the Pusan in Korea. Assistance will also be provided to the Wootton Community Network, which is also located in the electorate of the honourable member for Myall Lakes. The Wootton Community Network on the mid North Coast will receive funding for the establishment of a community resource centre to provide a sales outlet for local arts and crafts, a cafe, as well as an office and information services.

I have referred to important projects that are aimed directly at small towns which are so often ignored. In addition to these projects, three applicants under the program have been referred to the Main Street Small Towns program for funding consideration. Community involvement is important in the economic development of country towns—something that this Government is continuing to foster and encourage. I am also pleased to announce today that this year's community economic development conference will be held in Lismore. The conference, which is to be held from 9 September to 11 September, will bring together about 200 delegates from regional New South Wales to discuss economic development at a grass roots level. Last year's conference was held in Forbes and previous conferences have been held in Tamworth, Tweed Heads and Lithgow. Hosting the community economic development conference will provide Lismore with an opportunity to showcase itself to the rest of the State and promote what it has to offer. I look forward to seeing the honourable member for Lismore at that conference.

EASTERN DISTRIBUTOR CONSTRUCTION HOMES DAMAGE

Ms MOORE: My question without notice is directed to the Minister for Urban Affairs and Planning. Will the Minister uphold Eastern Distributor consent condition 41 which requires damaged property to be fully restored at no cost to home owners and, in so doing, set up an independent inquiry to ensure that Leighton is excluded from bidding on the cross city tunnel until there is a guarantee against any recurrence of problems?

Dr REFSHAUGE: The honourable member knows that I am concerned about the issues that she raised the other day relating to alleged damage to houses resulting from the construction of that roadway. I am setting up an independent technical assessment panel to look at each of those issues. In relation to the other matter that she raised, I will obtain advice and convey that advice to her.

ORGANIC FARMING

Mr MARTIN: My question without notice is directed to the Minister for Agriculture. What is the latest information on the development of organic farming in New South Wales?

Mr AMERY: And now for the big issue of the day. This was probably the most anticipated question around the corridors of Parliament House. I have an answer for the honourable member for Bathurst. I am pleased to update the House on what is an expanding component to agricultural industry. I refer, in particular, to the growing concern within the community about the level of pesticides and chemicals being used in the producing of agricultural produce. For many years the honourable member for Bathurst has expressed concern about this issue. Next week the honourable member and I will open a new organic farming system for New South Wales Agriculture—a matter about which I will speak later. The organic farming industry in New South Wales, which is expanding by about 20 per cent per annum, has been strongly supported by this Government and by many primary producers who now have an opportunity to tap into an expanding world market.

Australia has something like 2,000 certified organic farmers, collectively farming about 7.5 million hectares and supporting an industry worth something like \$250 million. About 600 of these farmers are in New South Wales. Most organic farmers are horticulturalists producing a range of fresh and processed fruit and

vegetables, however there is also an increasing number of organic beef cattle producers, as well as other livestock producers and cropping operations. In response to deregulation, Hastings Co-operative in Wauchope—this is a good story for the North Coast and the honourable member for Oxley should be very proud of it—is also now producing organic milk and is reportedly facing a massive demand both locally and from overseas.

The industry at the retail level in New South Wales has continued to expand over the past 10 years—from \$13.3 million in 1990, to \$24 million in 1995 to about \$50 million at present. World trade in organic produce is also continuing to expand. I am sure Country Labor members are keen to put these figures to primary producers in their constituencies, because this opens up another opportunity for farmers in the State and the nation. Worldwide, organic produce is worth about \$US20 billion, with predictions that it could reach \$US100 billion by 2006. Honourable member can see a rapid expansion of this popular type of agricultural production.

Currently, Europe, America and Japan are the major markets for organic produce. An estimated three to five million organic consumers have been identified in Japan alone. The potential for growth of our own organic industry is significant. There are excellent opportunities to help meet this ever-increasing domestic and international demand for organic produce. New South Wales is already taking advantage of some of the export opportunities that are opening up for the organic farming industry. For example, last year about 2,000 tonnes of organic rice was destined for Asian markets. Japan also takes most of the 500-tonne organic soybean crop grown in Australia, and the potential is there to export up to 20,000 tonnes of organic soybeans if we can meet the demand.

The New South Wales Government is working hard to support our organic farming industry, as the honourable member for Bathurst will certainly attest. He has been a strong supporter of the industry. New South Wales Agriculture has taken a leading role with its support for organic and biodynamic farming. It has established the Centre for Organic Farming at the Bathurst Agricultural Research and Advisory Station. As I said, shortly I will be opening, together with the honourable member for Bathurst, this new, purpose-built \$300,000 office building. The event will also mark the beginning of a three-day organic farming workshop at the centre. A range of speakers will be contributing to this workshop and a number of interstate and international visitors have indicated they plan to attend this occasion. A range of issues will be discussed, including the environmental benefits of organic farming, non-chemical weed control methods, meeting consumer demands and finding new markets for organic produce.

New South Wales Agriculture continues to support the organic industry in many ways. We now have three dedicated organic farming advisory and research staff in the department, two based in Bathurst and one in the Riverina. In the Riverina we have a certified organic demonstration farm at the Yanco Agricultural Institute. The department is also represented on a number of important industry committees associated with the organic industry, and chairs the New South Wales Organic Industry Liaison Committee. Representatives take part in national forums to improve market access and organic accreditation standards. The department also helps to develop non-chemical ways to manage pests, develop non-chemical weed control, and provide advice on sustainable cropping methods. It also holds organic training workshops for staff, prepares educational and advisory material on organic farming and conducts short courses in organic farming. It also utilises research and advisory work at other research agricultural centres around the State, including the Centre of Excellence for the Environment in Wollongbar on the North Coast.

Those issues and many others will be discussed at an Agricultural Resource Management Council of Australia and New Zealand [ARMCANZ] meeting to be held later this year. This will not only ensure confidence for consumers but will also give our farmers a strong marketing advantage around the world. As honourable members will see, the State government is working hard with the organic farming industry to develop and promote this important product and further expand opportunities for our primary producers to access the market overseas, which is rapidly growing at an impressive rate.

PUBLIC HOUSING TENANTS ASSETS

Mr HUMPHERSON: My question is directed to the Minister for Housing. Why has the Minister not dumped public housing policies, including the succession policy, which allowed two publicans to dispose of more than \$600,000 in assets over the past three years and jump the queue to occupy a taxpayer-owned million dollar terrace with water views at The Rocks?

Dr REFSHAUGE: The honourable member should know that The Rocks policy goes back generations, to the Government in which he was a backbencher. I am happy to investigate any specific information the honourable member would like to give me and I will report back to him.

Mr HUMPHERSON: I ask a supplementary question. In view of the Minister's response, will he ensure that other tenants in public housing have not divested themselves in the same manner and ensure there is no repetition in any other case in any other property at The Rocks?

Dr REFSHAUGE: If the honourable member would like to provide me with any details of matters he is concerned about, obviously we will investigate it. But to stop people divesting themselves of assets to change their circumstances is a little beyond the ability of the State Government. It cannot tell people not to sell their assets. I am not sure exactly what the honourable member is suggesting. There is no doubt that if the honourable member has evidence about any individual, we will be happy to look at it.

HERITAGE BUILDINGS

Mr COLLIER: My question without notice is to the Minister for Public Works and Services. What has the Government done to ensure that the State's heritage buildings are preserved?

Mr IEMMA: The Government has a large stock of heritage buildings, some 600 throughout the State. They include some of the State's most treasured buildings. Honourable members will be familiar with the magnificent sandstone buildings in the city—the Chief Secretary's building, the Land Titles Office building, the State Library, the Australian Museum and Sydney Hospital. The Government is committed to preserving these magnificent buildings for current and future use. This requires the skills of specialist tradespeople like stonemasons, carpenters and other artisans. Not so long ago these trades were in danger of dying out. The number of skilled artisans was dwindling and the specialist trades were not being promoted as career opportunities for young people.

Not any more! Today, specialist trades such as stonemasonry, which is needed to preserve and maintain our icon heritage buildings, are going from strength to strength. Earlier today it was my great pleasure to present special certificates to 10 young apprentices who have just received their indenture papers to work in the Department of Public Works and Services for the next four years. They were chosen from nearly 40 applicants to learn trades such as stonemasonry, carpentry and electrical work. Four of the apprentices have chosen stonemasonry as their new career. They join six other apprentices at the Heritage Stoneyard at Alexandria. I am sure honourable members wish the latest group of apprentices well in their chosen careers.

The Government is committed to promoting apprenticeship and training programs in the building and construction industry. The 10 new apprentices brings to 62 the total number of apprentices who have been indentured at the Department of Public Works and Services since 1995 to work in these specialist trade areas. They will work alongside other highly skilled craftspeople, who will act as mentors for these new young tradespeople who will carry on the great craft of stonemasonry. No ongoing restoration and conservation program of our sandstone buildings would be possible without a continuous supply of yellow block sandstone—the sandstone used in most of our historic buildings. In the mid-1990s stocks of this important quality sandstone were at an extremely low level. Indeed, they had almost run out. Suitable material had to be transported from other States for remedial work on our heritage buildings. The situation got so bad that the Government even started looking overseas for quality yellow block sandstone. We ended the crisis in 1996.

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

Mr IEMMA: The Government made a special allocation of \$11 million to purchase sandstone as it became available for use on our icon heritage buildings. Since then, the Government has been able to buy 14,000 cubic metres of high-quality sandstone from development sites and developers at Pymont and The Rocks. Today there is enough stock of yellow block sandstone to last for at least 10 years. The Government will continue its commitment to buy yellow block sandstone so that our priceless heritage buildings can be maintained for future generations.

The apprenticeship scheme and the purchase scheme are complemented by the Heritage Trades Training strategy introduced by the Government just over 12 months ago. The strategy is a joint project between the New South Wales Heritage Office, the Department of Education and Training and the Department of Public Works and Services. The strategy aims to improve and promote the profile of heritage trades throughout the building and construction industry. The courses are open to apprentices and qualified tradespeople who are keen to learn the skills necessary to conserve our heritage buildings. I am pleased to report that over the first year of its operation nearly 100 people have attended courses in Sydney and country centres, such as Lismore and Tenterfield. More than 120 people interested in the project attended a forum held in Sydney recently.

In conclusion, I am pleased to report that the Government is maintaining its commitment to preserving our heritage icon buildings, firstly, by ensuring that there is an adequate supply of skilled tradespeople in heritage trades to work on these buildings. Secondly, the Government is supporting that with funding for purchase of the material required to preserve these buildings, yellow block sandstone. I am pleased to report that we finally have sufficient supplies of yellow block sandstone. Thirdly, the Government is promoting the take-up of heritage trades in the building and construction industry, working with the Heritage Office and the Department of Education and Training through the Heritage Trades Training project.

Questions without notice concluded.

CONSIDERATION OF URGENT MOTIONS

Hunter Region Major Events

Mr FACE (Charlestown—Minister for Gaming and Racing, and Minister Assisting the Premier on Hunter Development) [3.43 p.m.]: My motion should be debated urgently because of the impending Masters Games that are to take place in the Hunter region in October this year. The Masters Games will produce tremendous economic outcomes for the Hunter region, and it is hoped that the expected number of participants will become a reality. The Masters Games is a great way to promote the Hunter region. It will be the first time the Masters Games has been held outside a major capital city. With four months to go, I encourage people not only in northern New South Wales and Newcastle, and on the Central Coast, but also from throughout Australia to participate in the 61 sports that will be held at 100 venues around the region.

My motion should be debated urgently because, as I indicated when I introduced the liquor amendment bill recently, such events bring to regional and country New South Wales economic benefits beyond the wildest imaginations of many people in terms of accommodation, the number of event participants, shopping and all the other things on which people spend their disposable income. My motion should be debated urgently because an Inter Dominion Championship heat is to be held in Newcastle next year. For the first time in the history of the Inter Dominion Championship, which has been running in all the States and in New Zealand since 1936, a feature event of the championships will be raced outside the host city, Sydney. In addition, in the past few weeks the staging of the world skills competition was awarded to the Hunter region. Once again, it is the first time this competition has ever been held outside a major capital city. Last year the competition was held in Adelaide. These matters should be debated urgently. Not only are such events of considerable benefit to the Hunter; they are an example of what can be done by other regional centres in New South Wales to further the tourism and hospitality industries, and the economic benefits that come with them.

Land Tax Valuations

Mr O'DOHERTY (Hornsby) [3.46 p.m.]: The Opposition certainly supports the development of the Hunter and the Masters Games will be a great event. However, as the Masters Games will take place in October, there is plenty of opportunity for the House to debate that matter. What is before the House is the question of urgency. My motion should be debated urgently because the valuation system is the very foundation of our system of land tax and our system of rates. There is nothing more urgent before the House at present than to debate the motion I have placed on the agenda, because it will allow us to find out from the Minister for Information Technology and the Government, representing the Treasurer, in another place why the Government has allowed to prevail a system by which valuations are deliberately overinflated. Consequently, people are being duped into paying additional rates to local councils and additional land tax to the Government.

Evidence clearly shows that there is something wrong with the valuation system that underpins both rates and land tax. That evidence includes revelations by a good Labor law firm, David Landa Stewart. One principal of that group, Mr David Singer, has conducted appeals against valuations for a number of clients. For example, in one case the value of a block of home units in the Woollahra municipality was reduced from \$25 million to \$19.5 million on appeal to the court. That represented a substantial saving in rates and on any land tax payable on that block of units. That is not the only appeal that has been successful. Dozens of appeals have been successful at the hands of this law firm alone.

In terms of the land tax paid as a result of inflated valuations, there was an overcharging of 69 per cent in land tax in Woollahra, 13 per cent in Monterey, 9.28 per cent in Willoughby, 65 per cent in Mosman, 64 per cent in Birchgrove, 12 per cent in Mount Druitt, 62 per cent in Gosford, 47 per cent in Lakemba, and 22 per cent in Canterbury. So residents across the Sydney Basin were overcharged land tax because of incorrect land valuations by the Valuer-General. This law firm successfully appealed against those valuations. Those figures are the amounts that the various land tax payers saved because of a successful appeal.

This goes to the heart of the certainty that the community should have about this State's valuation system. It raises very serious questions about the Government, which has allowed this system to prevail. The Walton inquiry in 1999 found that there had been serious concerns about valuations in a number of local government areas. The Walton report should have made the Government revisit and question the very basis of the valuation system, and hold another inquiry to determine exactly what had to be done to bring some certainty back into the valuation system. Has the Government done that? No, it has not. A report in today's press raises questions about how much the Government actually knew about that system. Today's *Sydney Morning Herald* refers to information that was obtained under the Freedom of Information Act. Documents reveal that valuers have adopted what they admitted were historically low market values of properties before 1996, leading to a distorted rise in values between 1 July 1996 and 1 July 1997.

The distortion of values raises questions about what the Minister for Information Technology knew and what directions may have been given from his office about the valuation base that the Valuer-General had to take into account when calculating the valuations. Why would the Government have an interest in inflating values? Of course, it is the Government that benefits from the initial revenue. Just two nights ago the Treasurer was asked in the estimates committee what he was going to do about refunding the amounts by which people were overcharged because of artificial valuations and what he was going to do to repay the land tax that the Government had falsely and wilfully taken. It should be remembered that the Government now knows, on the basis of the Walton report, that it was not entitled to take that tax. The Treasurer's response was:

What do you mean wilfully overcharged land tax?

At a later stage he said:

What a stupid waste of the Committee's time.

The Opposition does not think that it is a stupid waste of the time of this House to debate why the Government, knowing that taxpayers have been overcharged as a result of artificially inflated values, refuses to repay and fix the problems of the valuation system. The only conclusion that can be drawn when the Government refuses to debate this matter is that the Government has something to hide. [*Time expired.*]

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

The House divided.

Ayes, 52

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

Noes, 36

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

Question resolved in the affirmative.

DISTINGUISHED VISITORS

Mr SPEAKER: Order! I draw the attention of honourable members to the presence in the gallery of a delegation from Zhuzhou Municipal People's Congress of Hunan Province. I welcome them to the Parliament of New South Wales.

BUSINESS OF THE HOUSE**Bills: Suspension of Standing and Sessional Orders****Motion by Mr Whelan agreed to:**

That standing and sessional orders be suspended to postpone debate on the urgent motion until the conclusion of consideration of the Appropriation Bill, and cognate bills.

APPROPRIATION BILL**APPROPRIATION (PARLIAMENT) BILL****APPROPRIATION (SPECIAL OFFICES) BILL****INSURANCE PROTECTION TAX BILL****STATE REVENUE LEGISLATION FURTHER AMENDMENT BILL****Second Reading**

Debate resumed from 26 June.

Motion agreed to.

Bills read a second time and passed through remaining stages.

HUNTER REGION MAJOR EVENTS**Urgent Motion**

Mr FACE (Charlestown—Minister for Gaming and Racing, and Minister Assisting the Premier on Hunter Development) [4.05 p.m.]: I move:

That this House supports efforts to attract major events to the Hunter region.

The Hunter region has an estimated residential population of nearly 600,000 people. It has a skilled work force, an abundance of low-priced greenfield land at a fraction of Sydney prices, easy access to Sydney and it is the

gateway to the mid-north and north-west regions. It has Australia's largest tonnage export port; world competitive mining, engineering and technology; up to 15 per cent cost savings for companies relocating from Sydney; and innovative business support networks, such as Hunternet, the Business Chamber, and the Hunter Export Centre. The 2.381 million visitors to the region in 1998-99 equated to 6.071 million visitor nights, with an average stay of 2.8 nights. There are abundant hotels, motels and serviced apartment complexes, with nearly 12,000 bed spaces. That indicates that the region needs economic growth in the tourism and hospitality industries. Most people who visit the Hunter imagine a grimy industrial city, but are surprised to find clear air, elegant buildings, sophisticated services and big and beautiful beaches.

Newcastle and the Hunter are indeed beautiful venues to host major events. There are many opportunities for visitors to major events not only to come to Newcastle and the Lake Macquarie area but to go further afield to the beautiful Port Stephens and, of course, to our world-famous wine country. Newcastle, Lake Macquarie and the Hunter Valley have many quality restaurants, hotels and vineyards, with accommodation to suit various budgets. As the Minister Assisting the Premier on Hunter Development, I have been tireless in my effort to attract major events to Newcastle and the Hunter region so that the rest of New South Wales and, indeed, Australia have the opportunity to experience the beauty of the Hunter.

The Hunter region has good facilities, such as a new gymnastics and athletic sporting complex at Glendale, provided by money from the Government and, to its credit, the Lake Macquarie City Council. The Newcastle and Hunter Events Corporation was set up with State Government support to facilitate the smooth management of major events which are attracted to Newcastle and the Hunter region. The Newcastle and Hunter Events Corporation is currently planning for the eighth Australian Masters Games, which will be held in the Hunter in October this year. Some 12,000 competitors and Games officials are expected to take part in the Games. An article in today's *Newcastle Herald* states that there are 100 days to go until the Games.

Organisers of the Games estimate the economic boost of the 10-day sporting festival to be in the vicinity of \$25 million for the Hunter area. As I said recently in relation to all cities within the region and in the country, the attraction of sporting events, with everything that goes with them, has tremendous flow-on economic benefits. The Masters Games are a great way to promote the Hunter region. This will be the first time they have been held outside a major city. With only four months to go until they begin, people from north of Newcastle, the Central Coast and the rest of Australia can nominate from 61 sports available at more than 100 venues around the region. State Government support for the Games has been outstanding.

I recently announced the provision of subsidised rail transport to allow people to travel to the venues by rail, and for those outside the region a special discounted ticket will be available with their entry form so that people from the Sydney metropolitan area and the Central Coast can travel to and from the Games on the one day if they cannot afford to stay overnight. Free Newcastle bus and ferry passes is a first for a Masters Games in Australia. This support by the Government will ensure that the Games will be highly successful. I am sure the community is determined to make them the best Games ever for participants, their friends and their families—that is why they will be called the people's Games.

Another major event to come to the Hunter is the second series of heats of the Inter Dominion—one of the five great pacing races in the world—which will be held at Newcastle International Paceway next year. It will be the first time any part of the Inter Dominion series has been held away from the track of the host club. This exciting innovation brings the Inter Dominion into a statewide perspective, and into a harness racing stronghold of people who breed and race standardbreds in the region. It will offer variety in racing and attract a broad and interested audience. The length of the course will be different to Harold Park, where the other heats will be run. On Tuesday 5 March 2002 the New South Wales Harness Racing Club will use the Newcastle International Paceway to present the speed racing of the series. Over a mile, given the right climatic conditions, the record will be broken. Those records will not be seen again for five years, when the breed will be ready to go even faster.

It will be a great night of racing. It will focus the attention of Australia and New Zealand upon Newcastle and the Hunter Valley. Also, the next day the Newmarket will be held, one of the feature races of the Newcastle Jockey Club for the year. On the weekend before, the centenary show will be opened by the Governor of New South Wales. All these events will bring people into the region, where it can be showcased. Our tourist packages for the Inter Dominion will involve concerted attention to new things to see and do—the wineries of the Hunter, the beauty and the fishing and swimming at Port Stephens, Lake Macquarie's boating and a myriad of alternatives such as golfing, walking and meandering.

We are looking at this new approach as a broadening of interests for our visitors and harness racing participants and spectators at the Inter Dominion. Following the Inter Dominion is another first: Newcastle has

been selected to host in March next year the 2002 Worldskills national competition. This is the first time the competition has been held outside a capital, the last competition being in Adelaide. Worldskills Australia, formerly known as WorkSkill Australia, is an independent, non-profit organisation established to promote the standards and status of vocational training and job skills. The Hunter has once again been recognised as a place capable of hosting a major event. The Hunter region's excellent facilities and services will make it an outstanding location for the competition. For Newcastle, which has been the cradle of Australian heavy industry, it is a great honour. Conveniently located two hours from Sydney, the Hunter region has excellent transport links by road, rail and air. People from within the State and from interstate will be able to get to the area easily.

A variety of competition venues are available and price comparisons will be provided for accommodation. Venues such as the Newcastle Entertainment Centre are well equipped. Indeed, they are perfectly suited to host the activities of the competition under one roof. There will be added marquees on the showground. The Hunter region has a strong history of supporting a variety of trades from the traditional building, manufacturing and engineering sectors to growing industries such as information technology and hospitality. Only this week it was announced that many thousands of people will be bused from the region's high schools and from the Sydney metropolitan area to see the Worldskills competition to enable them to choose a vocation.

This Hunter tradition, along with the excellent infrastructure and facilities, will ensure a very successful Worldskills national competition in the Hunter region. The board of directors of the Newcastle Events Corporation, which is chaired by Michael Hill, aims to develop the corporation to continue after the eighth Australian Masters games. The board aims to conduct future major events. To this end, it will assist in the conduct of the Australian University Games in 2003. The corporation is currently negotiating to conduct or assist in other events. The Hunter Events Corporation is currently conducting a strategic review to plan for the future of the corporation. The ongoing viability of the corporation will ensure that it attracts major events to the Hunter region. The disposable income of the visitors will bring great benefit to the region. [*Time expired.*]

Mr OAKESHOTT (Port Macquarie) [4.15 p.m.]: I move:

That the motion be amended by leaving out all words after "That" with a view to inserting instead:

"this House:

- (1) acknowledges that the members for Newcastle, Maitland, Wallsend, Cessnock, Swansea and Charlestown have all previously voted on political party lines against an upgrade of Marathon Stadium and this debate is an opportunity to correct their voting record;
- (2) acknowledges the overall economic benefits to the Hunter region when the Newcastle Knights rugby league team and the Newcastle Breakers soccer team are successful, and part of being successful is having improved facilities at Marathon Stadium; and
- (3) encourages the State Government to get on with the job of attracting major events to New South Wales so that post-Olympic sporting opportunities like the Junior Commonwealth Games 2004 will, at the very best, be bid for in the future.

In this session of the Parliament all the Hunter region members of Parliament voted on party lines against improved facilities at Marathon Stadium. That amazed many people on this side the House. We are great supporters of the Hunter region and the Newcastle central business district. We are also great believers in the Newcastle Knights rugby league team and the Newcastle Breakers soccer team. Members on this side of the House believe there are overall economic benefits for the Hunter region and for Newcastle if both teams are well supported. Part of supporting those teams is giving them adequate and improved facilities, which is what they have been requesting for a long time. It has been a story of major significance in the Newcastle region. For example, the *Newcastle Herald* has run several stories trying to get improved facilities at Marathon Stadium. However, amazingly, in this session of Parliament those six Hunter-based members voted against improved facilities at Marathon Stadium.

Mr Gaudry: Point of order: The honourable member is misleading the House. I believe he refers to a debate on motions for urgent consideration. The Government proposed a motion for urgent consideration and that was accepted by the House. I understand, although I was not here on the day, that the motion of the honourable member was not accepted. Therefore, it was not a debate in the way the member has stated; it was a discussion on urgency and the urgent motion of the Government was given priority.

Mr OAKESHOTT: To the point of order: I have the extract from *Hansard* here. I moved an amendment to the urgent motion. It was not a vote on a procedural matter; it was a vote on an amendment to a motion.

Mr ACTING-SPEAKER (Mr Mills): Order! Trusting the word of the honourable member for Port Macquarie, he is entitled to proceed.

Mr OAKESHOTT: As I said before, here is another opportunity for the six Hunter-based members of Parliament to support their local area and to support improved facilities at Marathon Stadium. We have already seen them roll over once in the last fortnight on workers compensation. All six members chose to stick with their political party rather than sticking with the people who put them in this House. Here is another opportunity to demonstrate what comes first to the six Hunter-based members of Parliament, whether their beloved political party comes first or whether the people of their region come first. That is the test. I have moved the amendment in friendly words. They do not seek to condemn the Government; they seek to encourage support for Marathon Stadium. The amendment is user-friendly for the Labor Party, including the six Hunter-based members.

If they believe in their area and the benefits of having an improved Marathon Stadium they will vote with the Opposition for the amendment. This is yet another opportunity and yet another test for the six Hunter-based members. We will watch very closely how they vote on the amendment. There are overall economic benefits to the Hunter region from the upgrading of the stadium, which is what the Minister calls for in his motion. There would be overall economic benefits from having a successful Newcastle Knights football team and a successful Newcastle Breakers soccer team. Look at the work that is being done in Wollongong at the moment and the success of the teams based in Wollongong, such as the Hawks. The success of the soccer team is bringing benefits to the Wollongong basin in general. The Wollongong-based members of Parliament are working for the success of their local teams and the economic surge that success brings to the area. That demonstrates the difference between what is happening south of Sydney and what is not happening north of Sydney.

The six Hunter-based members of Parliament, if they want genuine support for major events in the Hunter region, should take advantage of the opportunity to support an improvement in the facilities at Marathon Stadium. That would do an enormous amount to improve the success, and opportunities for success, for both the Newcastle Knights league team as well as the Breakers soccer team. Despite Homebush Bay's \$50 million injection from the State Government, the Special Events Corporation is doing absolutely nothing to make that facility work efficiently and properly. I was amazed to learn recently that the 2004 Junior Commonwealth Games were lost by Perth. What did New South Wales do? We did not even put in a bid for those games. They will now be conducted in Canberra. So the people of New South Wales will have to troop down to Canberra in 2004 and spend our money there enjoying the week or two supporting the Junior Commonwealth Games, and the more than 1,000 athletes from the Queen's countries.

This is an example of the Government dropping the ball post the Olympics as far as providing a post-Olympics sporting legacy. I could reel off other such examples. Yesterday's *Sydney Morning Herald* carried a story about World Cup rugby games being chased by Melbourne and Brisbane. I gather that the special events boards in those States are being rung regularly by the organisers of those games, but that the New South Wales Special Events Corporation is not even returning telephone calls on that matter. It has dropped the ball. Where are the North Melbourne Kangaroos, the AFL team, going? They were supposed to be coming to Sydney. They are now based at Manuka Oval.

Mr Face: Point of order: This motion, which is about the Hunter, does not permit an exposé by the honourable member of events throughout the State. I ask that he be directed to keep his remarks relevant to the motion.

Mr OAKESHOTT: The amendment relates to major events.

Mr ACTING-SPEAKER: Order! Although I cannot read the amendment, I uphold the point of order. The honourable member for Port Macquarie should make his remarks a little more relevant to the motion.

Mr OAKESHOTT: The amendment relates to attracting major events to New South Wales post the Olympics, such as the World Cup Rugby; the basing of the North Melbourne Kangaroos in Sydney; the holding of the Junior Commonwealth Games 2004, and the venue for the Goodwill Games. World Cup Soccer qualifier matches, in one of which Australia was recently successful, are to be played in November in Melbourne. A major World Professional Tennis tournament will be played out of Melbourne as well in November. All of those events could have been held in the Hunter. But, at the very least, we could be using our wonderful Homebush Bay facility.

The amendment poses not only a challenge to Hunter-based members of Parliament to see where they stand on particular issues like Marathon Stadium, but also a test for the Government. I have put the amendment

in Government-friendly terms, encouraging the State Government to get on with the job of attracting these major events to New South Wales. We have missed a huge opportunity over the past 12 months. We have dropped the ball when it comes to a post-Olympics sport legacy.

In October last year the Premier made an announcement, carried on the front page of one of our Sunday papers, on what was called the Gold Medal Program. The Premier said he wanted to cash in on the success of the Olympics. He was going to get all of the Olympic athletes to go round our schools, with the support of the Department of Sport and Recreation, to encourage everyone to participate in sport. That has not happened. Nearly 12 months down the track from the Olympics and we have heard nothing further about that program. The ball has been dropped. We saw that again with the Le Mans race, which the Treasurer rejected. That is another event that New South Wales has missed. The list is endless. I challenge the Government to support the Opposition amendment—or will it once again play the political game? [*Time expired.*]

Mr MILLS (Wallsend) [4.25 p.m.]: I am pleased to support the motion moved by the Minister for Gaming and Racing, and Minister Assisting the Premier on Hunter Development. The motion calls for support of efforts to attract major events to the Hunter region. I commence by talking about the Glendale Regional Athletics Centre and the Ken Booth Regional Gymnastics Centre, which have now been grouped together by the Lake Macquarie City Council and named the NorthPower Regional Sporting Complex. I want to be positive in paying some tributes because in that wonderful Glendale centre—which, incidentally, is no longer in the Wallsend electorate following the last redistribution, but was within the electorate throughout its development phase—we see a payoff for the co-operation of the Labor members of Parliament representing the Hunter with local government in the Hunter and with the State Government generally. That payoff has resulted in a whole range of major sporting events being attracted to the Hunter region because of the hard work that this Government did in the period 1995 to 1999, in the first term of the Carr Labor Government, in getting the Glendale centre up and running.

I have paid tribute to Lake Macquarie City Council, which was a fabulous partner with State members and the State Government in the building of that centre. I want to pay tribute to those Labor members of Parliament who pooled their capital grants for sport and recreation to enable the construction of those regional facilities. They were Mr Hunter, the member for Lake Macquarie; my colleague the Hon. Richard Face, the member for Charlestown; Jill Hall, then member for Swansea; Mr Gaudry, the member for Newcastle; John Price, then member for Waratah and now member for Maitland; and Mr Bob Martin, former member for Port Stephens and at that time Minister for Mineral Resources, and Minister for Fisheries. Those members and I, as the member for Wallsend, co-operated by pooling our grants, in a breakthrough concept, for which I pay tribute to Minister Face, to get an above-average facility for our region.

It was that work that has attracted so many major events. Those who were in the Hunter in the training period prior to the Olympics would know that many athletes used the Hunter as their pre-Olympic training venue. We all have happy memories of meeting, being there with and reading reports in our newspapers and on television of the Chinese gymnasts and the Dutch swimming team. We knew who Pieter van den Hoogenband was before he became famous a couple of weeks later. We had the Lithuanian basketballers, the Irish athletics team, the Paralympics teams from Holland and Ireland, along with so many others. The National and State Athletics Championships and Grand Prix events have been held there.

We heard the bleating performance of the honourable member for Port Macquarie. It is a pity he does not know a bit more about the Hunter, because since the construction of the Glendale centre we have held the Women's World Cup soccer finals in Australia in the Hunter. The final was at Breakers Stadium, as were a number of other games. Also, there were events on the inner field of the Glendale athletics track. Glendale was an important additional facility that enabled us to attract those events. Of course, Breakers Stadium came from Federal sporting grants that were pooled by those Federal members. The Minister spoke earlier today about a range of private and government bodies as well as co-operatives working together. The bleating member for Port Macquarie spoke only of the Government—of the Government missing the boat, and of the Government dropping the ball on post-Olympic opportunities. He sounds like an agrarian socialist: he wants the Government to centralise government and to run everything. That is the impression one will get from reading tomorrow the speech made by the honourable member for Port Macquarie this evening.

The honourable member bleated also about Marathon Stadium. I listened to all 10 minutes of his speech following his moving of the Opposition amendment. He made no reference to any commitment from him or his party to do anything about that issue when they get into government—not a single commitment, just bleating in support of the agrarian socialist view that the Government must do everything. I look forward to

hearing some comments from the Minister in reply. The Minister mentioned the 2002 Worldskills National Competition in Newcastle. I want to pay tribute to the former Australian Manufacturing Workers Union organiser Mr Denis Nichols, and former President of the Newcastle Trades Hall, who, on a volunteer basis, worked extremely hard over many years to raise the profile and ensure the success of this international competition. I commend the motion.

Mr J. H. TURNER (Myall Lakes—Deputy Leader of the National Party) [4.28 p.m.]: Newcastle is the second largest city in New South Wales. Whilst we have heard of a number of events that have been held in that city, I think it is still an abysmal performance by the State Government, and in particular the Special Events Corporation, which virtually is non-existent in New South Wales. Less than 12 months ago Australia hosted the biggest sporting event in the world, but at the moment we are facing the loss of events such as the World Cup. Even Coffs Harbour can attract 10,000 people to a World Cup event. The Government is doing nothing about trying to secure that event for Sydney. Why does the honourable member for Newcastle not speak to the Premier about securing a couple of games? That might be a good for Newcastle. One of the problems is that the Newcastle and Hunter Special Events Corporation is gazumped at every turn. Those events that have been held in the Hunter would be more a matter of good fortune than the result of a constructive approach by the State Government.

In the main we have been talking about sport, but other events could be attracted to the Hunter, and there is no doubt that such events are essential to the development of this State. My electorate, which is part of the Hunter, hosts the Iron Man Triathlon, which involves about 1,300 competitors and 3,000 volunteers and other people. That event is well organised. In Newcastle there is simply an ad hoc arrangement and no co-ordination. I refer honourable members to accommodation arrangements for the Masters Games that are to be held. Cessnock was left off the accommodation list. Cessnock Councillor Katie Brassil said that she found it strange that a document as important as the accommodation document made no mention of one of the region's biggest tourist centres. She is reported as stating:

They have already identified that there is going to be a major shortfall of rooms in the region during the games and obviously it is a major disappointment that there are 1600 rooms here that are not included in this particular document.

That reflects the lack of organisation on the part of the Government. If the Government wants to entice special events into regional areas such as Newcastle the events must be organised properly. We do not want the ridiculous situation that we have in Cessnock, where 1,600 beds are lying idle. After all, Cessnock is only a short distance from the area in which most of these events will be held. The Government should take into account the way in which a major Melbourne company handles the staging of such events. It utilises the skills of leading figures in private enterprise and it is backed by the financial and political clout of the Victorian State Government. It provides significant benefits for Melbourne by staging many events.

As I said earlier, less than a year ago Australia hosted the biggest sporting event that the world has ever seen, yet all that the honourable member for Wallsend could speak about in his contribution to this debate was pre-Olympic activities in the Hunter. We are not capitalising on events such as these. It is nice that the Inter Dominion and the Masters Games are being held in the Hunter, but we could do without the lack of organisation, a matter I referred to earlier. People are likely to go without beds because of that lack of co-ordination. The Government is to be condemned for its lack of co-ordination in this area. It is all very well to encourage special events to Australia, but we need an appropriate location at which to stage them.

In its present condition Marathon Stadium will be a major turn-off for people wanting to host special events in Newcastle. Why would they want to go there when the change rooms are wet and cold and there is inadequate spectator cover? Cover is provided for only 3,600 people. Why would they want to go to a place where 25,000 people are squeezed into a small area? Why would they want to go there when there are power failures? The Government is not prepared to kick the can for Newcastle. It talks about Newcastle as being the heartland of the Labor Party.

The Premier rushed to Gosford and threw \$10 million on the table, but he was nowhere to be found when people from Marathon Stadium approached him for funding. All we have had from the Premier is rhetoric. He said that the Government required a commitment from the region, including financial support from local government and businesses, before it would come to the party. That is not good enough. If we are to host special events in the Hunter we need somewhere to stage those events. At this stage all we have is Marathon Stadium. It is about time that the Government accepted its responsibilities and did something in relation to this matter.

Mr GAUDRY (Newcastle—Parliamentary Secretary) [4.33 p.m.]: It is just 100 days before we can experience serious fun. That is the way in which the eighth Australian Masters Games have been advertised. Those games, which are to be held from 5 to 14 October, will be a wonderful event. Between 12,000 and 20,000 men and women over 30 years of age will participate in more than 62 sports. People in New South Wales and

Australia will become involved in a fantastic project that will be staged as a result of co-operation between the State Government and the Newcastle and Hunter Special Events Corporation. The Hunter Business Chamber and the State Government contributed well over \$1 million to the staging of that event. As a result of the tremendous work of the executive officer, Adrian Hurley, and the involvement of the operations manager, Terry Charlton, Pat Scammell and a large number of volunteers, for the first time an event of this stature and size will be held outside a capital city.

It was most disappointing, but not unusual, to hear the negative contributions of the honourable member for Port Macquarie and the honourable member for Myall Lakes, who allegedly is a resident of the Hunter. He knocked the efforts of the Special Events Corporation, a fantastic organisation, and the tremendous work done by so many people to host these games in Newcastle. The games village, which will be located in what is now known as ClubNova—it is known to many honourable members as the Newcastle Workers Club—will be responsible for supervising communications and providing daily entertainment. The farewell ceremony will be held in Beaumont Street, Hamilton. I cannot think of a better location in which to bring people together to celebrate the finalisation of that event.

The official welcoming ceremony will take place at Broadmeadow Racecourse on 7 October. There will be a fantastic performance by thousands of young people. The talents of our schoolchildren were recently displayed at the Starstruck event that was held at Newcastle Entertainment Centre. The staging of the Masters Games across 67 venues will occur as a result of the combined efforts of the Hunter Valley community, a huge number of volunteers, the Newcastle and Hunter Special Events Corporation and the State Government. For the information of Opposition members, the Special Events Corporation stated specifically that the Masters Games are for everyone—famous athletes and ordinary people alike. While we have terrific facilities for the staging of these games, many of them will be held in what I would call a social setting. The Premier's Department has been heavily involved in initial discussions

I have a letter from the Minister for Sport and Recreation advising me that the department will provide the services of staff members from 15 January through to October to assist with the organisation of the games. The department is also contributing \$70,000. That money, which will be combined with monetary contributions from Newcastle City Council and other organisations, will be used to ensure the best standards at every location. What a fantastic effort by all. It is a pity that Opposition members, in their usual manner, introduced a red herring into the debate by claiming that the Government does not support the development of a major stadium. That is not correct. Opposition members are carping and negative about what will be a magnificent event for Newcastle, the Hunter region and this State.

Mr FACE (Charlestown—Minister for Gaming and Racing, and Minister Assisting the Premier on Hunter Development) [4.38 p.m.], in reply: I thank honourable members for their contributions. As is often the case, I found the comments of the Opposition amazing, particularly the Opposition spokesman for sport and recreation. It is always knock, knock, knock. Why does he not do something constructive? He should at least visit the region and get a proper view. He probably does not know where it is. This is just another of his cheap stunts. We work together in that region, in the way described by the honourable member for Wallsend. I ask the honourable member for Port Macquarie what his policy and his contribution will be?

The Premier made it quite plain that there will be contributions towards Marathon Stadium from others, including the Federal Government—that is what was missed in the Gosford example—and the community, and we will work together to do something about the stadium. That is what is being done at present. This week we are working through the issue with an officer from the Premier's Department, and we will get a result. We do not need the assistance of the Opposition, or the lack of it. When members opposite make these stupid, unsubstantiated comments, people will see them for what they are.

I respect the honourable member for Myall Lakes, as I do the Turner family, but he never says anything constructive. When his party was in government he used to make some positive statements, but now things have gone wrong. He has missed the point. There will be many events other than sporting events, and for him to knock the Newcastle and Hunter Events Corporation will not rest nicely with the business chamber, who he has virtually said could not co-ordinate and is not doing a proper job. This is the first time we have had a co-ordinated effort to find accommodation. One of the upsides of this proposal is that there will be all sorts of accommodation, from top grade down to camping accommodation. People will not be disadvantaged, but the honourable member opposite would not know anything about that. He can only knock.

I will have the fun of my life when I report back on what he said about the Newcastle and Hunter Events Corporation. He is really knocking the business chamber, which certainly could not be called a pro-Labor organisation, although I have a very good rapport with it. People like Paul Murphy and David Simmons, its former chief executive officer, will be appalled to hear what has been said in this place today. What the honourable member has said is a sad indictment on them. We will have a great time. We are doing great things

in the area with the Events Corporation and we will make sure a lot more happens. The State Age Netball Championships recently brought to the region young ladies from all over the State. The local members are working in a co-ordinated way. Every Tuesday that Parliament sits the local members meet as a task force. That is why we get our act together. The honourable member for Coffs Harbour would not do what his colleague did today, because he is a Novocastrian and he knows the benefits of the place. His late father was one of my very close friends. That is the difference.

I cannot understand the honourable member for Myall Lakes, who is carping and knocking things all the time. It does not get him anywhere. We are doing something. We do not need the Opposition's help with Marathon Stadium. We will do it our own way, as we always do. We will get a result that is good for the region, one that will work and be of great benefit. We are not having any of these piecemeal things. The Premier has made it plain that we should follow Gosford. There were Federal and State contributions, council put in substantial money and, I understand, there was some private investment. We will make certain we get a result. We do not need the Opposition's lack of assistance.

We have the good fortune of representing a region where residents have pushed together in a way that one would not have believed following BHP's demise. We picked ourselves up in a way that only Novocastrian and Hunter people can do. We are now working seriously on a restructure, and things like this can be of enormous economic benefit. Members opposite should take a leaf out of our book. If they want good policy they should start doing what we are doing in our area. There will be a great race meeting at Coffs Harbour in the next few weeks. That is why the honourable member for Coffs Harbour is a much better member.

Question—That the words stand—put.

The House divided.

Ayes, 55

Ms Allan
Mr Amery
Ms Andrews
Mr Aquilina
Mr Ashton
Mr Barr
Mr Bartlett
Ms Beamer
Mr Black
Mr Brown
Miss Burton
Mr Campbell
Mr Collier
Mr Crittenden
Mr Debus
Mr Face
Mr Gaudry
Mr Gibson
Mr Greene

Mrs Grusovin
Ms Harrison
Mr Hickey
Mr Hunter
Mr Iemma
Mrs Lo Po'
Mr Lynch
Mr Markham
Mr Martin
Mr McBride
Mr McGrane
Mr McManus
Ms Meagher
Ms Megarrity
Mr Mills
Ms Moore
Mr Moss
Mr Nagle
Mr Newell

Ms Nori
Mr Orkopoulos
Mr E. T. Page
Mr Price
Dr Refshauge
Ms Saliba
Mr Scully
Mr W. D. Smith
Mr Stewart
Mr Torbay
Mr Tripodi
Mr Watkins
Mr West
Mr Woods
Mr Yeadon

Tellers,
Mr Anderson
Mr Thompson

Noes, 31

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

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

Mrs Skinner
Mr Slack-Smith
Mr Stoner
Mr Tink
Mr J. H. Turner
Mr R. W. Turner
Mr Webb

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

Question resolved in the affirmative.

Amendment negatived.

Motion agreed to.

BUSINESS OF THE HOUSE**Postponement of Business: Suspension of Standing and Sessional Orders****Motion by Mr Debus agreed to:**

That standing and sessional orders be suspended to permit the postponement of the matter taking the place of the matter of public importance at this sitting.

WASTE RECYCLING AND PROCESSING CORPORATION BILL**Second Reading****Debate resumed from 26 June.**

Ms ALLAN (Wentworthville) [4.54 p.m.]: I support the Waste Recycling and Processing Corporation Bill, which has been a while in coming to the Parliament. It is appropriate that this bill has finally come before the Parliament. I listened to the comments of the honourable member for Southern Highlands during her contribution to the second reading debate and, interestingly, she did not highlight that point. I was a little surprised that in her wide-ranging speech she did not touch greatly on the subject matter of the bill. Also, I was surprised that she was not more welcoming of the legislation because when the Labor Opposition first mooted this legislation, which was probably in 1993 or 1994—

Mr Debus: Who was the Minister then?

Ms ALLAN: I think it was a Conservative government at the time so the honourable member for Gosford was probably the Minister. When the then Opposition mooted this legislation and gave a commitment to corporatising the New South Wales Waste Service there was bipartisanship on that issue. Corporatisation of the Waste Service is seen generally as an overdue initiative in waste reform in this State. I think it is something that all parties and all stakeholders in the waste area believe is appropriate. Having said that, and having highlighted the fact that this legislation is overdue, I particularly compliment the Waste Service for the role it has performed over many years. The current Chief Executive Officer of the Waste Service, Robin Grimwade, is primarily responsible for gearing the legislation towards this point. The previous CEO of the Waste Service, John Cook, also had a responsibility to develop this legislation.

There has been talk about this measure within government for some time. At various times I have been involved in discussions about the legislation. While I strongly support it, I emphasise that irrespective of the apparently new role of the Waste Service in the future following passage of this legislation, it is important to be aware that the Waste Service will always remain important in trying to redirect waste management in this State. Although legislation further reforming waste and administration of waste in this State was passed in the Parliament two days ago, the Waste Service will retain an important role. Many of us are aware, from work that has been done in our local communities over many years, that the Waste Service has not only managed waste facilities and efficiently looked after recycling facilities. It has also promoted the motherhood objectives of waste minimisation that are so important to any waste regime in any State. Most bureaucracies that have some responsibility for waste—whether the Environment Protection Authority, the New South Wales Waste Service or the resource recovery organisation that will be created under the most recent legislation—have a responsibility for waste management. Although the Waste Service will be corporatised, I did not want it to completely abandon that role.

This legislation gives the Waste Service the opportunity and the confidence to act more commercially. Indeed, it has been operating commercially for many years. The bill gives the Waste Service the opportunity to develop partnerships with the private sector, and gives it confidence to operate more directly in the waste market. One deficiency of the Waste Service in the past was that sometimes it was caught between a rock and a hard place. On the one hand the Waste Service had the responsibility of being a service provider for government in promoting waste minimisation, looking after the efficient collection of waste resources and waste minimisation; on the other hand it had to play an entrepreneurial role in developing alternative technologies and ways of treating and minimising waste. Sometimes there has been conflict between those two functions. Essentially, this legislation will ensure that that conflict is resolved.

The Waste Service should continue to play an important community role. I must admit—I am wearing another hat, which is the chair of the Keep Australia Beautiful Council in New South Wales—that the Waste

Service has made an important contribution to the waste education programs run by organisations such as Keep Australia Beautiful in an attempt to educate the community about the importance of minimising waste. I would certainly like the services, funds, resources and programs that have been supported by Waste Service in the past to continue in the future. Under the terms of this new legislation and within the context or framework of the corporatised waste service, that role still will be developed. I do not think that under the leadership of the new board there will be a dramatically different role. There will probably be greater efficiencies added to the role being played in the market place, but I think that Waste Service New South Wales will always retain the core responsibility of making sure that waste is not being produced just for the sake of managing it but is being managed efficiently, while reducing the overall quantity of waste that is created in this State.

As the Minister indicated when he spoke in the Parliament on 20 June on legislation dealing with waste reforms, waste management remains a significant issue in our State and we need proper bureaucracy to manage it. I would like Waste Service New South Wales to remain an integral part of the solution to various problems that exist. Under the leadership of Graham Cook and the continuing leadership of Robin Grimwade, I am sure that will eventuate. This legislation represents a really fresh opportunity for Waste Service New South Wales. At various times the organisation has been involved in almost intractable disputes over what can be done to make kerbside recycling more profitable and more efficient and to stop the drain on public resources which has resulted from kerbside recycling being an unprofitable exercise in the past. Waste Service New South Wales has had to carry the financial and management responsibility of making sure that strategies such as kerbside recycling do not just collapse throughout local and State Government in this State.

Waste Service New South Wales has had important roles in the past and has played its part very sincerely. At various times the organisation has had to incur fairly significant debts but now has the opportunity, by virtue of this legislation, to become a properly empowered commercial player in the waste field. I congratulate the Minister and the Government on facilitating a renewed role for Waste Service New South Wales. The service has been sweating for some time on this new role under its previous chair, Susan Lenehan, who is a former Minister for Environment in South Australia, and there has been some carry over of board members such as Alex Sanchez from the former board to the current board. The new board will continue to play a role in ensuring that a commercialised and corporatised waste service remains important.

Tremendous potential exists for a corporatised waste service to work more closely with the Environment Protection Authority and with the new organisation that will take the place of waste boards in this State. I recognise also the scope that exists to play a more tripartite role to ensure that the overall waste reform objectives for this State are delivered. New South Wales remains one of the most progressive States in Australia in terms of its waste policies. Although there are comparable waste services in some other States, none has the reputation that New South Wales has achieved as a result of its very strong waste service policies over many years. If Waste Service New South Wales retains its traditional interest in matters such as waste minimisation and recycling, a much improved organisation will result.

Mr HAZZARD (Wakehurst) [5.02 p.m.]: The question that should be asked of the Carr Labor Government is: Why has it taken so many years—in fact, nearly seven years—to realise that the system that was set up to be controlled by nine waste boards was not going to work? During the past few days in this House legislation has been passed abolishing arrangements concerning those boards. Resource New South Wales will replace the State Waste Advisory Council [SWAC] and nine waste boards. Resource New South Wales will be responsible for policy direction and, on the other side of the equation, there will be Waste Service New South Wales and a new corporatised entity which is the subject of this bill.

Although this is a step that the Opposition will not oppose, members of the Opposition have a high level of concern that the Carr Government is really out of its depth in managing waste in New South Wales. The Opposition witnessed the creation of nine waste boards some years ago prior to my appointment as the shadow Minister for the Environment. Although some excellent individuals were appointed to each waste board, the end result of the work of the waste boards was really very little. It has taken all of seven years for the Carr Government to wake up to the fact that the system was a dinosaur which had no chance of ever working effectively. Honourable members have been treated to the flights of fancy of the former Minister for the Environment who, while having her good points—

Ms Allan: Don't say that. I don't want to know that.

Mr HAZZARD: The former Minister has her good points, but managing the waste services of New South Wales was not one of them. It was probably up there with Wallis Lake oysters.

Mr Ashton: Now you are being a bit mean.

Mr HAZZARD: I do not mean to be too unkind, but it is important to place on the record, for the benefit of people who will read this debate at some point, that the former Minister for the Environment and the current Minister for the Environment have actually allowed Waste Service New South Wales to literally fall apart. The former Minister has referred to recycling and all honourable members would recollect the vision about which she pontificated through lots of media channels some years ago. She announced that there would be a 60 per cent reduction of waste by the year 2000, but what she did not clarify was 60 per cent of what. At the end of the day, it really did not matter what the reduction was 60 per cent of, because she did not achieve it—nor has it been achieved by the current Government. That does not mean that some excellent efforts in some respects have not been contributed by industry to try to address industry recycling issues. Industry waste plans have been created and some steps forward have been taken. However, in all, the issue of waste recycling in New South Wales has simply been an absolute disaster under the Carr Labor Government. It is a policy-free zone.

Ms Allan: Rubbish!

Mr HAZZARD: The former Minister says "Rubbish!", and that is probably the first success she has had in recycling that has been introduced to this Parliament. She keeps saying that everything I say is rubbish, whereas in fact she knows that her administration of waste services in New South Wales was rubbish. The Opposition is now in a position to reflect on what happened over the past few years. I recall the dirty deals of the former Minister for the Environment and the Local Government Association in relation to recycling. I recall also the requests from the Local Government Association to shore up the recycling arrangements that had collapsed. It seemed that the former Minister and the present Government had no idea of the relevance of the market place to recycling.

Products such as fibre for pep bottles was too expensive to recycle and it was cheaper to bring in virgin fibre from overseas. Another example is newspaper recycling. I am sure that everybody does his or her bit for newspaper recycling, but the truth is—and the Government keeps this quiet when it suits its purposes—that subsidisation of the recycling of newspaper has been a very expensive exercise during the past few years because it has taken money from the tax payer to shore up a system. I am not saying that from time to time government and taxpayers should not shore up recycling systems because commitment to a philosophy of recycling is very important. All of us know that a universal commitment to recycling is a significant step towards ensuring that the waste cycle is adequately addressed. However, under the Carr Government, that level of subsidy has unfortunately been quite substantial. That is because the Carr Government simply has no idea how to bring about effective recycling policies.

We now have the mark II policy of structural reforms after having suffered nearly seven years of agony during this Government's grand vision. For nearly seven years waste services have suffered as a result of structural reforms that have been put in place by this Government. People have had to suffer for nearly seven years the deception of thinking that a 60 per cent reduction in waste would be achieved by the year 2000—and, as I said, we still do not know what it would be 60 per cent of. The suite of bills associated with waste management, particularly this bill, tells the people of New South Wales that the Carr Government has been monumentally unsuccessful in addressing waste recycling in New South Wales.

I understand that the shadow Minister intends to move amendments. The Opposition does not oppose the corporatisation arrangements set out in the bill but I caveat the Opposition's position with a request for a substantial explanation from the Government to the House on how the corporatisation of the waste service will achieve the Government's objectives. I do not oppose that, but I want to know where is the nexus between corporatising and producing outcomes? For once the Opposition wants to some clear benchmarks from the Carr Government so that the Government and the community can hold it accountable. If the Government cannot do the job it should not be in government and should be voted out at the next election, in approximately 18 months. It has achieved absolutely nothing in seven years, and it has very little time left. It is time for the Minister to vote on the issue and tell the public what he plans to achieve through this restructure. The community should judge the Minister on what he does or does not do in the next 18 months.

[Debate interrupted.]

BUSINESS OF THE HOUSE**Postponement of Business: Suspension of Standing and Sessional Orders****Motion by Mr Debus agreed to:**

That standing and sessional orders be suspended to permit private members' statements to be postponed until after the consideration of the Waste Recycling and Processing Corporation Bill.

WASTE RECYCLING AND PROCESSING CORPORATION BILL**Second Reading**

[Debate resumed.]

Mr DEBUS (Blue Mountains—Attorney General, Minister for the Environment, Minister for Emergency Services, and Minister Assisting the Premier on the Arts) [5.10 p.m.], in reply: I acknowledge the contributions of other honourable members in this debate, particularly the honourable member for Wentworthville, who very clearly demonstrated her strong command of this subject. As I stated in the House when I introduced the Waste Service corporatisation bill last week, the waste industry, in Australia and around the world, is going through rapid change. There is industry rationalisation, with large multinational firms entering the market; increasing vertical integration, that is, firms owning waste collection, transport, re-use and disposal operations; and rapid investment in alternative technologies, for example, in the area of waste-to-energy facilities. It was against that shifting landscape that the Government has taken a long, hard look at the present and future roles of the Waste Service.

An independent review undertaken last year confirms that Waste Service New South Wales is facing an increasingly difficult business environment. The independent review emphasised that Waste Service's government trading enterprise structure was not well suited to operating effectively and responsively in an increasingly competitive market. That is the basis for the Government's desire to move the organisation to a more competitive footing. Without corporatisation, I believe that this government entity will continue to be impeded from competing on an equal footing with its competitors. Should that situation be allowed to prevail it is likely, if not probable, that the Waste Service's role and the Government's interests in waste management will be diminished.

The Government is confident that corporatisation will allow Waste Service to enter into commercial partnerships, or joint ventures, with companies in the solid waste and recycling business areas. The present structure of Waste Service does not enable those relationships to be formed as readily as they might otherwise be. Corporatisation, accompanied by a new management team and a new board that are already in place, will also enable Waste Service to better focus on customer relations and secure new business. As I also informed the House earlier, during the past 12 months, Waste Service has implemented a complete organisational restructure and a comprehensive review of the operation and profitability of each business line. Those measures have gone a long way towards repositioning the organisation to operate in a commercial environment, and to refocus its business in the face of increasing competitive pressure.

To return to the matter of joint ventures, Waste Service hopes to develop alliances with various enterprises that would steer the organisation away from landfilling and into the largely untapped market of resource diversion and reprocessing. I wish the organisation well in those endeavours. That is consistent with the central theme of the inquiry into alternative waste management technologies and practices that I reported to the Government in June 2000. That report recommended that alternative technologies be given serious consideration in the development of future waste management infrastructure in New South Wales. Alternative technology is part of Waste Service's business strategy to migrate the core business from a predominantly landfill disposal operator to a technology based waste management solutions provider.

The organisation's technology strategy comprises a portfolio of technologies to minimise risk and to maximise environmental outcomes. To ascertain the suitability of those technologies to deliver the required outcomes in a sustainable and cost-effective manner, a global expression of interest [EOI] was advertised in November 2000. The expression of interest closed in January 2001, and no fewer than 48 responses were received. I am pleased to inform the House that Waste Service has signed a memorandum of understanding with Global Renewables Ltd [GRL] to conduct a definitive feasibility study on their urban resource-reduction, recovery and recycling plant for waste processing. That plant aims to maximise resource recovery. I am told that it has the potential to divert up to 80 per cent of waste from landfill.

That facility will maximise resource recovery and produce recyclable materials such as plastic, glass, paper, metals and methane gas, which can be used to generate electricity for the facility and organic matter for use as compost or as a renewable energy fuel source. The feasibility study for this exciting new technology is progressing. Work is also progressing on an environmental impact study to support the technical and environmental feasibility of the plant. I am advised that the feasibility study will be completed quite soon. This is the first step towards establishing environmentally sustainable waste solutions for New South Wales. It will allow New South Wales to move away from the past practice of landfilling that prevents the use of waste as resource. This process has potential to deliver a package of waste reduction, recovery and re-use solutions for the State.

Indeed, the GRL process aligns itself very well with the recommendation in the widely commended alternative waste management technologies and practices inquiry to which I referred earlier. It is the Government's desire that a business structure that allows those sorts of partnerships, and does not necessitate ministerial input on all business decisions will result in improved participation in this new market and the return of greater dividends to the New South Wales community. So much for the views of the honourable member for Southern Highlands that Waste Service is tied to the past!

I turn now to another issue that is continually raised by the honourable member for Southern Highlands: Waste Service pricing. I am aware of local government's concerns regarding the price increases announced in April—now more than two months ago. In the opinion of the board of Waste Service New South Wales, the adjustment was justified on several extremely plausible grounds. They include: increased site management and remediation costs due to tougher waste regulations and licensing obligations; increased transport costs due to fuel price hikes—waste needs to be transported from transfer stations to landfills; and Waste Service also needed to abide by an Independent Pricing and Regulatory Tribunal ruling that dictated that local government waste charges should be brought into line with those charged to ordinary commercial customers.

It is also the case that communities with waste facilities nearby also expect an increasing degree of compensation in the form of amenity fees. For example, I am advised that Waste Service is contributing approximately \$25 million to the Sutherland shire community as a result of its continued operation of the Lucas Heights waste management facility. That money goes toward the construction of sporting and recreation facilities and the transfer of a large conservation area. I am advised that \$8 million will be paid to Sutherland Shire Council in the coming financial year. I am further advised that this figure alone was the basis for about half of the increased charges. Of course, that money is being returned to Sutherland Shire Council for community purpose. To put it plainly, those charges reflect the true costs of modern waste disposal. They equate to about \$12 per household per year—or 23¢ per week. I do not believe that that is an unreasonable amount for households to bear for the true cost of disposing of waste. It is important that this price movement is in accord with what I understand to be local government's general view that the true environmental cost of landfilling be reflected in landfill charges.

It is perhaps worth informing the House that this bill also achieves another worthwhile objective. Waste Service's present government trading enterprise structure necessarily dictates that the Minister for the Environment is responsible both for the organisation's regulation and for its business performance. This conflict of interest would be overcome by corporatisation. The bill also settles the quite anomalous belief in some sections of the community about what is sometimes thought to be the ongoing regulatory role of Waste Service. In fact, Waste Service lost its regulatory role upon the creation of the Environment Protection Authority in 1992.

However, there remains an ongoing degree of confusion within the waste industry, and perhaps within the mind of the honourable member for Southern Highlands, regarding the organisation's supposed retention of its former regulatory responsibilities. Corporatisation will make it clear that Waste Service operates as a government-owned business only, not as a regulator. It is also worth restating the five general outcomes for which corporatisation will provide. First, it allows for clear commercial objectives. This bill is the final step in untying the Waste Service's historic mix of commercial, social, advisory and regulatory functions.

Second, it allows the appropriate government overview to ensure that it achieves desired environmental outcomes. Third, it creates appropriate managerial autonomy, with an independent board that blends industry and management expertise. Fourth, it allows for effective performance monitoring. Finally, it provides for more effective rewards and sanctions, in line with usual business practice. In summary, the corporation will have the

necessary commercial freedoms, but the bill still allows for ministerial directions for any non-commercial activities, public policy or public interest. The retention of major business lines under government ownership will ensure that the government maintains the ability to influence the direction of waste policy, not by regulation but at the commercial level.

Motion agreed to.

Bill read a second time.

In Committee

Clauses 1 to 4 agreed to.

Clause 5

Ms SEATON (Southern Highlands) [5.22 p.m.]: I move Opposition amendment No. 1:

No. 1 Page 5, clause 5. Insert after line 2:

- (4) The annual report of the Corporation under the *State Owned Corporations Act 1989* must include an assessment by the Auditor-General of the Corporation's performance in achieving the objective referred to in subsection (1) (a) (i).

I note that, in discussions with the Government, clearly the persuasive advocacy of the Opposition has been successful. I am glad that the Government is prepared to support this amendment, because it is important that the taxpayers of New South Wales, who of course own the future Waste Service Corporation, be assured that the service has clear checks and balances. The amendment is very much about extending the role of the Auditor-General, to make sure that the Auditor-General looks at the performance of the corporation not only in terms of its own parameters but against the performance of comparable businesses. This is a very sensible test, and I am pleased that the Government recognises it as such. I look forward to the support of the Government for the amendment.

Mr DEBUS (Blue Mountains—Attorney General, Minister for the Environment, Minister for Emergency Services, and Minister Assisting the Premier on the Arts) [5.23 p.m.]: The Government is always susceptible to persuasive and useful advocacy, and does support the amendment. The Waste Service will be subject to several layers of scrutiny concerning its commercial performance and community obligations. The Auditor-General has closely examined the industry on several occasions in the past few years. That scrutiny will continue, as will oversight by the corporation's board, the Department of the Treasury and of course my own office. But as far as the suggested statement of intent, the Government does accept it as a guiding notion for the corporatised entity.

Amendment agreed to.

Clause 5 as amended agreed to.

Clause 6 agreed to.

Clause 7

Ms SEATON (Southern Highlands) [5.25 p.m.], by leave: I move Opposition amendments Nos 2 and 3 in globo:

No. 2 Page 5, clause 7, lines 25 to 31. Omit all words on those lines. Insert instead:

- (a) one director, appointed by the voting shareholders after consultation with the portfolio Minister, who has a private sector background (particularly in the area of financial management), and

No. 3 Page 6, clause 7, lines 2 to 6. Omit all words on those lines.

I do not propose to rerun the points that I made earlier in debate. These are associated amendments. With no disrespect to Parliamentary Counsel, I would clarify that the reference in amendment No. 3 to "Page 6, clause 7" is in fact a reference to subclause 4 of clause 7. That clarifies an issue raised with me by the Minister's office. The Opposition desires someone with private sector experience and managerial experience to take a place on the board. The Opposition reserves the right to consider this issue further in another place.

Mr DEBUS (Blue Mountains—Attorney General, Minister for the Environment, Minister for Emergency Services, and Minister Assisting the Premier on the Arts) [5.26 p.m.]: The Government does not accept the amendments, although it acknowledges the truth of the observations of the honourable member for Southern Highlands regarding the second of the amendments as it appears on the circulated paper. The provision as it stands is about providing a representative group with a voice. The Labor Council involvement in selecting, with two individuals nominated by me, a single director to represent staff and industrial interests is, from the point of the Government, an entirely sound proposition. It is catered for in the parent Act, the State Owned Corporations Act 1989.

As the honourable member for Southern Highlands has acknowledged, Waste Service has undergone considerable restructuring in the past 18 months. In such an environment it is appropriate that industrial relations interests be represented. Nevertheless, I should say that when appointments to the new Waste Service board were being considered—I remind the House that the existing board will become the board of the new corporation—considerable effort was made to appoint a number of people who fit the description set out in the amendment moved by the honourable member.

For instance, the Chair, Mr Graham Cook, has the following qualifications. He has a lengthy employment history with Millhouse IAG Investment Bank; Chase AMP Bank, where he was the General Manager of the Consumer Banking Group; the IOOF Friendly Society, where he was Group Managing Director; and American Express. He was that organisation's General Manager in the Phillipines. Another appointed director, Africa Zanella, is also quite extensively qualified, with bachelors and masters degrees in commerce. She was the President and Chair of Australian Business in Europe, and is a present fellow of the Australian Institute of Company Directors. She was a finalist in the 1997 Australian Executive Woman of the Year process, is presently a director of the Macquarie University/Munich Reinsurance Risk Competency Centre, and has many other qualifications.

In addition to those two appointees is Councillor Helen Westwood; Mr Ralph Garland, a former senior manager in Pacific Power, if I am not mistaken; Alex Sanchez; and the organisation's Managing Director, Mr Robin Grimwade, who bring to the board an enormous wealth of commercial and community experience. I merely observe that we already have in place an accomplished board. The Government cannot accept an amendment which will impede what is, from the Government's point of view, a legitimate position. We have a decision-making forum of the organisation that provides some direct access for staff.

Amendments negatived.

Clause 7 agreed to.

Clauses 8 to 14 agreed to.

Clause 15

Ms SEATON (Southern Highlands) [5.31 p.m.]: I draw the attention of honourable members to the points I made earlier in debate. The Opposition proposes that clause 15 be omitted. The reasons for that were outlined earlier in debate.

Mr DEBUS (Blue Mountains—Attorney General, Minister for the Environment, Minister for Emergency Services, and Minister Assisting the Premier on the Arts) [5.32 p.m.]: With the indulgence of the Committee, it is appropriate that I say a few things about this issue as it is a significant issue of principle. The provision that it is suggested should be left out of the bill is a straight transfer of the relevant section of the present Act—the Waste Recycling and Processing Corporation Act 1970. Its retention is essential for the orderly conduct of business and it gives the community an assurance that its waste will be handled and disposed of by an entity that is answerable to the Government.

The maintenance of a provision bestowing ownership of waste received at a Waste Service facility to Waste Service is vital for the following reasons. First, existing contractual arrangements, which span in some cases 15 years, would be massively undermined because they are based on Waste Service's ongoing ownership of waste. Second, Waste Service would be precluded from guaranteeing supply in arrangements that are critical in underpinning financial arrangements for alternative waste technologies. Third, Waste Service's participation in carbon credit and energy production markets would be difficult or impossible, leading to potential legal disputes and claims.

Fourth, Waste Service frequently acts as the receiver of last resort of problem or unwanted wastes. Ownership of those wastes is necessary to deal with risks and liabilities in a transparent manner. Fifth, Waste Service would endure great hardship in its ability to conduct commercial transactions in relation to products, that is, secondary products arising from the processing of waste. This is another area where Waste Service is looking to expand. Even during the course of this present debate there has been some criticism of Waste Service for not doing enough. So in the end this existing provision is about clarity, certainty and safety.

The community needs to know that a government body bears a continuing responsibility for the handling and the ultimate end use or disposal of waste. Without the provision, Waste Service would not only be prevented from or compromised in undertaking these tasks; it is conceivable that every car, utility and truck, no matter how large or small, would need to openly and actively transfer, by contract or by some sort of deed of agreement, the ownership of its wastes. So I submit that it is simply a matter of everyday efficiency, clarity and certainty that we maintain this provision. To do otherwise would be wholly impractical and I think would ultimately threaten community standards for the handling and treatment of waste.

Clause 15 agreed to.

Clauses 16 to 20 agreed to.

Schedules 1 to 4 agreed to.

Bill reported from Committee with an amendment and passed through remaining stages.

Pursuant to resolution business interrupted.

PRIVATE MEMBERS' STATEMENTS

"LET'S GET ON WITH IT" REPORT

Mr GAUDRY (Newcastle—Parliamentary Secretary) [5.36 p.m.]: On Sunday 3 June, the ninth anniversary of the historic Mabo native title High Court judgment, I participated in the handover of "Let's Get On With It", the report of the Hunter people's inquiry into a treaty prepared by the Newcastle Aboriginal Support Group. The report was the result of an inquiry organised by the Newcastle Aboriginal Support Group and the Australians for Native Title and Reconciliation, Hunter region branch. The inquiry was held on 4 November 2000 at Newcastle regional museum. My colleague the honourable member for Wallsend attended the inquiry and spoke on 30 November 2000 in his private member's statement about issues that were raised on that day.

The idea for the inquiry came in response to renewed calls for a treaty at Corroboree 2000 and the People's Walk for Reconciliation across Sydney Harbour Bridge in May 2000, and growing interest among representatives of the local Aboriginal community. Its aim was to provide a forum for ordinary Australians—both Aboriginal and non-Aboriginal—to put forward their views on the pros and cons of a treaty between Aboriginal and non-Aboriginal Australians. The inquiry was chaired by Dr Bill Jonas, the Aboriginal and Torres Strait Islander Social Justice Commissioner and the Acting Race Discrimination Commissioner, in company with Bill Lord from the Guraki committee of Newcastle City Council and Jean Talbot from the Newcastle Aboriginal Support Group.

Approximately 80 people took part in the inquiry and there was a strong emphasis on getting on with local action to take practical steps towards reconciliation. This feeling came through so strongly that it is reflected in the title of the report "Let's Get On With It." People at the inquiry were invited to address the following questions: What are your hopes and aspirations in relation to a treaty? What are your fears and concerns about a treaty? What would you want to get out of a treaty if it came about? What are some of the steps to be taken to further the treaty process? What are some of the things you want a treaty to address? What alternatives to a treaty do you suggest for further reconciliation? The report is a compilation of the responses of individuals to these questions and it was put together in a way that lets their voices be heard.

Almost every speaker at the inquiry universally acknowledged the traditional owners, the Awabakal, before they presented their ideas to the inquiry. Most people who spoke were in favour of the treaty in some

form or other. Those who spoke against it were concerned about the ability of the treaty to secure justice for the Aboriginal people. The contents of a treaty, the process of negotiating a treaty, problems to be overcome, hopes and aspirations for a treaty and its alternatives were also discussed. "Let's Get On With It" is a valuable addition to the process of reconciliation because it brings the values of ordinary Australians and their voices into focus. In the words of one of the speakers, Mr Fred Maher:

There's a balance somewhere between the treaty of the heart and the treaty on paper, and I think it is a part of the community responsibility at a very local level to work as groups to try to flesh that out. I don't think pursuing academic dialogue will bring about change, someone said it takes one person to make a change, it takes a lot of one person. Those things have to run in tandem, have the treaty, but we have to enact that treaty in the community as a group of people and start to stand up.

An important part of the standing up was the publishing of "Let's Get On With It" and its formal presentation on 3 June to the three levels of government, represented by the Lord Mayor of Newcastle, Councillor John Tate; Mr Allan Morris, the Federal member for Newcastle; and me as the State member. My colleague the honourable member for Wallsend; the Federal member for Shortland, Jill Hall; the Aboriginal and Torres Strait Islander Commission [ATSIC] regional councillor, Ms Zelma Moran; and Mrs Laurel Williams and Mrs Norah Doolan of the Banjeeri elders also accepted the report on behalf of the community. The handover was another important step in the Hunter's walk to reconciliation, which has been an ongoing process. I pay tribute in particular to the Newcastle City Council for the active steps it has taken over time in the reconciliation process with our indigenous people.

Mr MARKHAM (Wollongong—Parliamentary Secretary) [5.41 p.m.]: I congratulate the honourable member for Newcastle for bringing forward information on the report. The honourable member for Wallsend raised this issue last year. At that time I said to him that there would be more and more debate on a treaty as time goes on. Only a week or so ago Bega Valley Shire Council signed a memorandum of understanding with three local Aboriginal land councils: the Eden land council, the Bega land council and the Merrimans land council. As I travel throughout New South Wales I find that debate on a treaty is becoming more and more open.

The Aboriginal and Torres Strait Islander Commission has put out a discussion paper so that both Aboriginal people and non-indigenous Australians might see how to go forward—a treaty, a memorandum of understanding or a compact, whatever it might be called. The launch of "Let's Get On With It" has shown that the report of the Hunter people's inquiry into a treaty is relevant. The honourable member for Wallsend gave me a copy of that report last week. I have read through it, and there are some positive things in it. As the year progresses and flows into 2002 and 2003, more and more the treaty will become a subject for all of us to deal with.

[Private members' statements interrupted.]

BUSINESS OF THE HOUSE

Routine of Business: Suspension of Standing and Sessional Orders

Motion, by leave, by Mr Whelan agreed to:

That standing and sessional orders be suspended to provide for the following arrangements for the remainder of this sitting:

- (1) No divisions or quorums shall be called;
- (2) At 7.30 p.m. the motion to take note of the Budget Estimates and related papers will be moved;
- (3) Debate on this motion shall stand adjourned at 10.30 p.m. and be set down as an order of the day for tomorrow; and
- (4) At 10.30 p.m. the House shall adjourn without motion until Thursday 28 June 2001 at 10.00 a.m.

PRIVATE MEMBERS' STATEMENTS

[Private members' statements resumed.]

NABIAC PUBLIC SCHOOL PARKING FACILITIES

Mr J. H. TURNER (Myall Lakes—Deputy Leader of the National Party) [5.44 p.m.]: I raise a matter of concern within my electorate. The matter is probably of concern in many country electorates and possibly in some city electorates. I refer to the continual problem of parking and access around schools. The problem has

arisen previously at Tuncurry Public School, Forster Primary School and Forster High School. My attention has been drawn to a problem at Nabitac Public School by Mrs Janette Nelson. Those schools are on quiet council roads, but at peak times, with cars coming and going before and after school, there is a significant amount of activity on these roads. Nabitac Public School is on Hoskins Street. The area is boggy, uneven, unkept, messy and extremely difficult to negotiate in wet conditions. Parents park in front of the main gate so that their children do not have to negotiate those hazards, but that causes further hazards for children entering the school. Parents also double park or park close to the fence, making children walk between and behind cars as the cars are reversing. That is dangerous for everyone.

Mrs Nelson's daughter Catherine has artificial legs but she copes well when negotiating the general hazards. Mrs Nelson believes there should be some intervention to improve the access not only for Catherine but for the other children, parents, grandparents, guardians and anyone who has to access the school area. I have often asked the Minister for assistance in the provision of proper parking bays or parking areas. Council has noted that in Hoskins Street adjacent to the primary school there is sufficient space for 90-degree angle parking and the relevant signage. Council estimates that that would cost about \$25,000. The Department of Education and Training should contribute funds to those parking areas because they are directly associated with the school. But for the school the problem would not exist. The department, through the Minister, always refers it back to council and the council simply says it does not have the funding to carry out the work.

We are talking about young people. The problem already exists at Tuncurry Public School, Forster Primary School and Forster High School and it is now developing at Nabitac Public School. About 2,500 children are probably affected and that is a recipe for disaster. If the department spent a moderate amount of money in conjunction with the council, safety would be improved and access to the school by children and others who use it would be improved also. It is vitally important that the department considers splitting the cost of parking at the school and of developing proper access and egress. The occupational health and safety aspect of this should also be looked at. The Minister may say that rests with the council because it is a council road. I dispute that because the problem is created by the need to take children to school. Therefore, some, if not all, of the responsibility should rest with the Department of Education and Training.

From my experience as a solicitor I know that the Department of Education and Training has a significant legal obligation for the safety of children. Often that responsibility extends far beyond the school gate. Regrettably—and I would hate to have this happen—this matter may be tested one day if children are injured because reasonable and proper parking and proper access has not been provided because, firstly, councils simply do not have the funding and, secondly, the department does not want to be involved. I submit that the Department of Education and Training has a responsibility, either wholly or partly, in this matter. I ask the Minister to look at the policy generally and to assist Nabitac Primary School with the provision of a secure access area.

PARRAMATTA ELECTORATE BROTHELS

Ms HARRISON (Parramatta) [5.49 p.m.]: I raise a serious issue for my electorate of Parramatta, that is, the proliferation of brothels in suburban areas and the enormous difficulty Parramatta council is having in closing them down. On 25 November 1999 I attended a public meeting in Harris Park that was held to discuss the effect brothels were having on the lifestyle of the Parramatta community. The catalyst for the meeting was the disturbance being caused by some brothels in residential neighbourhoods. Brothel clients were frequently intoxicated, approaching the wrong houses, accosting women in the street and making loud noises at night. The meeting was very volatile and emotional.

There were some horrific cases. In one case a brothel was established next door to the residence of a woman and her two teenage daughters, who were of school age. They frequently had men coming to their door by mistake, and the daughters were accosted as they were coming home from school. It was a very upsetting meeting. Out of that meeting the then Attorney General, Jeff Shaw, announced the establishment of a task force. As I said, that meeting was held in November 1999, so we have been patient about this issue. Jeff Shaw issued a press release on 7 January 2000 announcing the establishment of an interdepartmental task force. The press release stated:

Mr Shaw said the establishment of the taskforce was in response to concerns from some local councils and residents about the operation of brothels in their local areas.

"The taskforce will look at whether the planning or other relevant laws need fine tuning in light of the experience of the past five years," he said.

The Taskforce will comprise representatives of the Attorney General's Department, the Department of Urban Affairs and Planning, the Department of Local Government, the Department of Health, WorkCover, the Police Ministry, the Police Service, the Local Government and Shires Association and the Cabinet Office. It will be chaired by a representative of the Cabinet Office.

I then lobbied the Minister for Parramatta to be represented on that interdepartmental task force because we felt that the concerns of my constituents may be different to those of constituents in other areas. While I was not successful in getting representation on the task force, I lobbied for a meeting, and Parramatta council did hold a meeting. The Lord Mayor at the time, David Borger, was a vocal advocate for constituents, especially those in Harris Park. Ken Morton, a businessman in Harris Park, is a diligent, hard-working member of the community. David Borger and Ken Morton had a meeting with the then Attorney General, Jeff Shaw, and Roger Wilkins. That meeting was held more than a year ago.

At that time the council put its problems to the Minister and the task force. In short, these problems arose from the burden placed on council of having to prove that sexual activity is taking place. Further, that must be done at each step of the enforcement process for unapproved businesses required by the Environmental Planning and Assessment Act 1979. Evidence is required at each point to forestall claims by the brothel owner that the unapproved activity has ceased. That necessitates council engaging private inquiry agents to pay for and receive sexual services. The cost of such an inquiry is now over \$600 on each occasion. The mere suggestiveness of advertisements for such premises or their internal appearance is only circumstantial evidence of sexual activity and not sufficient to justify action.

Further difficulty arises from the fact that the Act applies to premises. Premises prosecuted for operating a brothel may close in one location and reopen in another, requiring council to commence the process once more. Action in the Land and Environment Court against the proprietor of a business or the owner of premises is often fruitless, given the widespread use of false names and front companies in the industry. In one major legal action council was frustrated by the transfer of business ownership prior to the final hearing of the matter. This came at considerable cost to council in wasted legal fees and staff time. Since the formation of the task force I have submitted to the House a petition from the residents of Harris Park. The issue is ongoing. I have spoken to the honourable member for Bankstown and the honourable member for Newcastle, both of whom have similar problems in their areas and have been lobbying for some time on the matter. They supported me in raising this issue tonight and wanted me to mention them as supporting a call on the interdepartmental task force to send its recommendations to the relevant Minister.

The interdepartmental task force is the best way of moving forward on this issue as it comprises representatives from all departments. I call on the task force to put forward its recommendations so that we can have some progress. I have been looking through some newspaper articles on this issue. In May 2000 an article appeared in the *Parramatta Advertiser* under the headline "Red light rage". As I said, we have been very patient on this issue. On Wednesday 13 June 2001 the headline on the front page of the *Parramatta Sun* stated "Close brothels". The *Parramatta Sun* of 20 June stated, "Push for more brothel control". Another headline stated, "Massage anger: We don't want dirty old men hanging around a kiddy school". I call on the interdepartmental task force to get its act together and to give its recommendations.

Mr ERIC COURTNEY TRAFFIC INFRINGEMENT

Mr RICHARDSON (The Hills) [5.54 p.m.]: I bring to the attention of honourable members my concerns about the way my constituent Mr Eric Courtney of Kellyville has been treated. Mr Courtney received a ticket for a camera-detected red light camera infringement at the intersection of Parramatta Road and Sloane Street, Leichhardt, on 16 January at 10.10 a.m. He wrote to the Infringement Processing Bureau [IPB] explaining that he had stopped his car before turning left into Sloane Street and that he had only turned left when he noticed a "Left Turn on Red Permitted after Stopping" sign facing Parramatta Road. He realised he had been booked because he saw the flash of the red light camera. Mr Courtney went back to the intersection and discovered that a light assembly which should have been facing Sloane Street had turned around 90 degrees. He reported the problem to the Roads and Traffic Authority [RTA] signals division at 11.30 a.m., and noticed that the light had been repositioned by the end of the day.

Mr Courtney was subsequently issued with a ticket for going through a red light. One would think that when he explained the situation to the Traffic Infringement Bureau, the bureau would have checked back with the RTA and waived the fine. Not a bit of it! Mr E. Edwards, the manager of the IPB, wrote back to Mr Courtney on 15 February stating that he was satisfied that the infringement notice was correctly issued. Apparently there was no attempt to try to verify his story. Mr Courtney was not even allowed to examine the picture taken by the red light camera. So Mr Courtney approached me as his local member, and I must tell the House that I was pretty convinced by his evidence. I could not believe that anyone who was not telling the truth could have been so persistent and insistent.

So I contacted the Infringement Processing Bureau—something which I am now told is not permitted, although ministerials end up with it—as well as writing to the Minister for Police on Mr Courtney's behalf. I also spoke to the Minister's staff about the matter. They were courteous but, as it turned out, hopelessly misinformed. In the meantime Mr Courtney had been making further inquiries. He wrote to me again suggesting I contact a Mr Harry Campara from the RTA who had requested a payment of \$88 for a copy of the photograph of Mr Courtney's car allegedly going through the red light. That money would be refunded if the magistrate—because by now the matter seemed headed to court—found in Mr Courtney's favour. Mr Courtney pointed out to Mr Campara that it would cost the department \$50 to make a refund and that the evidence might prove his innocence. He then took the matter up with me again.

In the meantime he had been sent an enforcement order for the fine from the Small Debt Recovery Office [SDRO], although these matters are normally held over when a member of Parliament makes representations on behalf of a constituent. That same evening Mr Courtney received a skull fracture in an accident at home and was hospitalised for two weeks. That really got the bureaucracy chafing at the bit. Not only was Mr Courtney claiming that he had been unfairly booked; he had now not paid the fine. I think at this stage they were just about ready to hang, draw and quarter him. It was now six weeks since I had written to the Minister for Police and I still had not received a response. In mid-May my office staff chased the Minister, as well as faxing him another letter asking that the matter be expedited. I received the following response on 21 May, which confirmed verbal advice I had already received from the Minister's office. The letter stated:

... inquiries conducted with the Roads and Traffic Authority and the Ashfield Police Traffic Office revealed that there is no sign permitting a left turned into Sloane Street from Parramatta Road on the red light after stopping.

In addition the Roads and Traffic Authority indicates that there is no record of any problems with the signage or the lights at the intersection mentioned on the day in question.

One would think that was the end of the matter. Effectively, the Minister was saying that Mr Courtney was wrong and deserved to be taken to the cleaners by the courts and the SDRO, although I had managed to have payment to the SDRO deferred until 21 June. However, on 15 June Mr Courtney received a letter from the RTA stating:

In relation to the functioning of the traffic control signals, a search of the Roads and Traffic Authority's (RTA) signal maintenance records revealed the following.

On 16 June 2001 at 12:21 hrs, a report was received that a traffic lantern on the north east corner of the intersection was twisted and considered dangerous. An RTA traffic signal maintenance crew arrived on site at 12:32 hrs on 16 January 2001 and found the lantern to be twisted. The traffic lantern was refocused and all repairs completed at 12:47 hrs that same day.

The twisted lantern on the north east corner normally faces southbound traffic in Sloane Street. However, no record was found to indicate a twisted "Left Turn on Red Permitted after Stopping" sign, which is attached separately to the same traffic signal posed.

In other words, the "Left Turn on Red Permitted after Stopping" sign does exist. The fact that no record was found to indicate a twisted "Left Turn on Red Permitted after Stopping" sign is neither here nor there. There was clearly something wrong with the traffic signal on the morning of 16 January. There is now clearly enough evidence to make it impossible to prove Mr Courtney's alleged offence beyond reasonable doubt. I am appalled that the RTA and the police bureaucracy—apparently unwittingly aided and abetted by the office of the Minister for Police—created the situation. Had the RTA and the police bureaucracy done the job properly in the first place, a lot of needless trouble and anxiety could have been avoided. There is no excuse for incompetence. In the light of what I have said during this debate, I ask for Minister to reconsider the original decision not to waive Mr Courtney's fine. I also remind members of the House that they are not allowed to liaise directly with the Infringement Processing Bureau. On many occasions, liaison with a member of Parliament has saved unnecessary time, effort and expense and has resolved matters without the need for unnecessary delay.

SALTS BAY RAINFOREST REHABILITATION

Mr ORKOPOULOS (Swansea) [5.59 p.m.]: I draw the attention of the House to a joint initiative between the Lake Macquarie City Council, South Eastlake Landcare and Trees in Newcastle [TIN] to undertake rehabilitation of the largely degraded remnant of rainforest at Salts Bay at Swansea Heads in my electorate. The work commenced in February 2001 and was made possible by a donation from Hunter Water and a Natural Heritage Trust grant. Under the guidance of Carl Fulton, an experienced and qualified bush regenerator, teams of workers from TIN and people employed by the Natural Heritage Trust and volunteers have been collecting seeds and propagating seedlings. All these people have been involved in vital bush regeneration in an attempt to rehabilitate the remnant of rainforest.

The Swansea Heads area is situated on the ocean side of my electorate and not along the lake. A large remnant of littoral rainforest is a precious prize, notwithstanding urbanisation that has taken place over the past 20 years. With urbanisation and the appropriation of the beachfront by recreational users has come degradation, but the bush regenerators have found not only some beautiful species of coastal plants but also some Aboriginal middens, which are proof of the longstanding use and occupation of the land prior to white settlement. It gave me great pleasure to visit the area with my Federal colleague Jill Hall on 15 June when I met with workers and volunteers who explained in detail all the work that they have done, such as the removal of bitou bush and other strangling vines that completely destroy rainforest. They also removed rainforest bio-cultures, which were properly treated to insure against their re-establishment. I was impressed by the respect shown by the group not only for the bush but also for the heritage revealed by the bush. Both Ms Hall and I were pleased to be part of the group.

A difficulty related to stormwater management was raised with us. Apparently there are four stormwater easements that run into the reserve. A deal of work must be carried out by the Lake Macquarie City Council to address the stormwater, which contributes to large quantities of weed infestation in the area. That is a constant problem. Another problem that should be addressed is continuous flooding by stormwater. That is not exactly helpful from the point of view of a group that is attempting to regenerate the bush and ensure that it becomes a viable place for people to swim, walk, or spend time with their pet animals. Apart from capital works issues, there is the issue of whether four-wheel-drive motor vehicles should be allowed to use the track from the urban settlement to the beach. No doubt this issue will be resolved in consultation with the community.

Mr MARKHAM (Wollongong—Parliamentary Secretary) [6.04 p.m.]: The honourable member for Swansea has brought to the attention of the House a matter that I have no doubt affects every part of New South Wales. When one understands how degraded the Salt's Bay area of Swansea Headland must be, one gains an appreciation of the magnitude of the attempt to regenerate a littoral rainforest and the problem caused by rubbishy weed throughout coastal areas of New South Wales. The weeds were transported over many years through geo-stabilisation works and rehabilitation works to counter the effects of sandmining operations. The issue of most interest to local Aboriginal people and to those working on the restoration of the land is probably the identification of middens, which are found all along the coast of this country. This bush regeneration group is proactively ensuring that the middens are identified. I congratulate everyone who is involved in the restoration program, particularly the honourable member for Swansea and Jill Hall.

"BUNDANOON IS BRIGADOON" FESTIVAL

Ms SEATON (Southern Highlands) [6.06 p.m.]: I advise the House of a special festival that occurs every year in Bundanoon in the Southern Highlands: the "Bundanoon is Brigadoon" festival. I also wear with great pride for the first time in this Chamber the new Bundanoon tartan, which I believe every member in this Chamber will relate to. I am sure that members will want to find out more about it and that they will want to come and join in at next year's "Bundanoon is Brigadoon" gathering, which has been held every year during April since 1978. Even though the mythical Scottish village of Brigadoon is said to appear only once every 100 years, Bundanoon becomes Brigadoon every year in the Bundanoon highland gathering. Even the train station changes its name to "Brigadoon." The festival attracts over 20,000 visitors and is a fundraiser for Bundanoon charities and community groups across the Wingecarribee, including the Wingecarribee Rural Fire Service, the State Emergency Service [SES], the St Johns Ambulance, the Lions club and local schools.

In the past five years, the festival has raised in excess of \$20,000 per year. Those of Scottish descent can trace their lineage at one of the many clan society information tents. Clans from throughout New South Wales get together and meet each other to trace their ancestry. The festival features a sea of tartans, massed bands and lots and lots of bagpipes. As someone with a Scottish background, I can say that the massed bands which come onto the parade ground in the morning is a most stirring sight. The bands parade up and back on the grounds and, as I said, the sight of 20 oncoming massed bands in full voice is a very stirring sight. One can imagine the impression that such a sight would have made on an enemy on a battlefield: pipes, drums, and an absolute sea of advancing people accompanied by a crescendo of noise. I defy anyone who is at the festival not to be moved to tears by the sight.

People who visit the festival can join in the kilted dash. A kilt is not obligatory, but a display of something made of tartan is. Of course there is also country dancing, including the highland fling and sword dancing. There are pipe band displays involving hundreds of pipers. People of more athletic inclination can be involved in lifting the Bundanoon stones of manhood, which involves placing sandstone balls weighing hundreds of kilos in a row of barrels that are spaced out across the field. David Huxley's Tartan Warriors appear

each year to display their skills. There are also highland games such as the hay toss, the shotput, the caber toss and tossing the haggis. I add that most of those activities are also open to women. Last year I watched a number of competitive women compete in the caber tossing section and they performed with great aplomb and skill. The day ends with a lone piper.

The festival is one of the biggest Scottish gatherings outside Scotland. On many occasions the chieftain of the day, who on every occasion is a different clan head but often is a visitor from overseas, has mentioned that the Bundanoon festival is larger than some other gatherings they have seen, even those in Canada. There are very longstanding committee members who deserve congratulations, particularly the President for the past 11 years, Warren Glasse, and committee members Graham Hatfield, Peter Rugger, Rob Spence, Robyn Felton, Jim McAndrew, Dave Lidgard, Chris Dwyer and many others I have omitted who deserve special mention. Mr Gary Barnsley helped established Brigadoon in the 1970s. He is a person of great vision and enthusiasm and has been the brainchild behind a lot of our community festivals in the Southern Highlands.

For the information of honourable members, the colours in the Bundanoon tartan are a green background which is symbolic of the deep green valleys of the Bundanoon area. Bundanoon is an Aboriginal word that means deep green valleys. The yellow is the colour of Australian wattle. The red is the colour of the Waratah which is also the emblem of Wingecarribee shire, and the parallel lines represents the parallel lines of the railway track, an important feature of Bundanoon. The blue is the colour of our wonderful Australian sky and the white symbolises the mist that is so symbolic of Bundanoon and the Brigadoon story. I invite all honourable members next April to become part of the Bundanoon is Brigadoon Festival. I can promise them a wonderful day. We can line up cabers, Bundanoon stones of manhood and wonderful activities for honourable members. It will be a very bonding experience, and I look forward to welcoming them to my electorate and to introduce them to the terrific team behind Bundanoon is Brigadoon!

Mr MARKHAM (Wollongong—Parliamentary Secretary) [6.11 p.m.]: The honourable member for Southern Highlands has described a great occasion which has been going on for many years. I have never attended it but I have often read about it in the *Illawarra Daily Mercury*, which extensively covers that event. It is a smart tartan that has been launched and is being worn by the honourable member for Southern Highlands. In this country the indigenous people were not one Aboriginal people but came from many clans, tribes and nations, just like in Scotland and many other parts of the world. We too have a bigger picture. It is great that the honourable member has brought this event to the attention of the Parliament this afternoon.

WOY WOY BOWLING CLUB

Ms ANDREWS (Peats) [6.12 p.m.]: Recently I had the great pleasure of officially opening the renovations to Woy Woy Bowling Club that cost in the vicinity of \$2.5 million. The club is now in its seventieth year of operation and has the distinction of being the first registered club on the Woy Woy peninsula, and today there are five clubs in that compact area. Seventy years ago Woy Woy Bowling Club was located on Crown land—now known as Anderson Memorial Park—opposite the ferry wharf in Woy Woy. It soon outgrew that location and was relocated to its current site 32 years ago. Woy Woy was the second bowling club to be established on the Central Coast, after Wyong. Sunday 10 June was a proud day for the director of the board, Mr John Gardner, for his fellow directors, for the current secretary manager, Mr Warwick Smith, and the past secretary manager, Mr Trevor Haynes, who had travelled from Port Macquarie to be at the opening. All those people, and many others who were involved in the renovations, should be congratulated on a job well done. The work carried out has greatly enhanced the club, while simultaneously retaining the club's reputation as the friendly club by the water.

Life members of the club present at the opening included Kevin O'Brien, Jack Parkinson, Albert Heartland, Bill Goodwin, Edna Browne, Lal Wright and Eileen Ryan. It was good also to see Mrs Decima Tonkin, a long time bowling member of the club and a former director, in attendance. Mrs Tonkin and her late husband, who was a well-known solicitor in Woy Woy, took an active role in the Woy Woy Bowling Club. The Royal New South Wales Bowling Association was represented by Mr Allan Pollock, who resides on the Central Coast. Zone 15, which covers most of the Central Coast, was represented, as were other clubs on the Woy Woy peninsula. In the same theme as mentioned by the honourable member for Southern Highlands, lone piper Alex Gilroy, a well-known local resident, piped in the official party for the opening. That added a pleasant touch to the occasion.

The Woy Woy Bowling Club was a proud sponsor of Clubs New South Wales Olympic Games initiative and, under the guidance of my former parliamentary colleague, Mr Pat Rogan, who represented the

electorate of East Hills and is now the chairman of Clubs New South Wales, registered clubs throughout the State sponsored a very important persons box during the Olympic Games to enable families in need from various parts of the State to enjoy a day at the Games, which I am sure they will remember for the rest of their days. I congratulate Woy Woy Bowling Club and Clubs New South Wales on that wonderful initiative. A large crowd also attended the Woy Woy Bowling Club to celebrate the closing ceremony of the Games.

Woy Woy Bowling Club is a very community-minded club and each third Sunday of the month a bowls charity day is held with proceeds being given to the Care Flight Helicopter Service. The club now hosts cash housie to aid the Westpac Rescue Helicopter Service. For some time now, the club has provided its facilities free of charge to the Central Coast Naval Association for meetings and an annual gala day. Other recipients of the club's generosity include the Lions clubs on the Woy Woy peninsula, the Pelicans Fishing Club, Marine Watch and the RSPCA. As a member of the club and a non-smoker I congratulate the club on making 60 per cent of its premises a smoke-free environment. I am sure that many of the club's membership of more than 2,000 will also appreciate that consideration.

The club now has a synthetic green, which enables the great game of bowls to be continued even in inclement weather. It is the first club on the Woy Woy peninsula to have a synthetic green. The interior of the old club was virtually gutted to allow for the renovations. Members can now enjoy state-of-the-art facilities, including more spacious and pleasant eating areas, and a much improved bar area. Woy Woy Bowling Club has done much to encourage the wonderful game of lawn bowls in the local community. By having mufti days the club has broken down barriers which have excluded a number of people in the past from pursuing the very skilful sport of bowls. The club has three greens and approximately 400 male and female bowlers. Each year the club hosts the kneelers and grippers bowling tournament, proceeds of which go to the St Vincent De Paul Society and other local charities. I take this opportunity to congratulate Woy Woy Bowling Club on these latest improvements to the club, and may Woy Woy Bowling Club continue to grow and prosper in the future.

COWRA DRUG USE

Mr R. W. TURNER (Orange) [6.17 p.m.]: Unlike the two earlier speakers who spoke of good news stories in their area, tonight with sadness I bring to the attention of honourable members some of the problems in my electorate, particularly Cowra. During the past couple of days I have spoken to Mr Mark Bockhodt whose young daughter has unfortunately succumbed to the scourge of drugs in the past couple of years. She is barely 16 years of age and Mr Bockhodt is at his wit's end. He does not know what he can do to help his daughter because she does not want to help herself. Little can be done by the police, the Department of Community Services, the court, the media and rehabilitation centres in Sydney until she is willing to help herself. His daughter frequents hotels and prostitutes herself to support her illegal drug habit. Little can be done by the authorities until she acknowledges that she has a drug problem.

Mr Bockhodt's daughter still lives at home from time to time, attends school irregularly and often sleeps on the street or wherever she can get a bed rather than going home. Today I contacted the Lyndon Withdrawal Unit attached to Bloomfield Hospital but they only handle cases when people have admitted they have a problem and need support. They have provided me with the names of a couple of people who may be able to assist Mr Bockhodt to approach his daughter and convince her she needs help before it is perhaps too late.

Mr Bockhodt points out that three of his daughter's friends have died in Cowra due to drug overdoses, but that still has not convinced her that she must do something. I do not know what can be done. I am as frustrated I suppose as are all other members of Parliament and authorities; I do not know where to go to get help for a young girl such as this, or for that matter any persons who waste their lives by succumbing to drugs and alcohol and all the sad aspects of life that go with those addictions. I am frustrated that I could not offer Mr Bockhodt any help regarding what to do. He is not receiving support from the girl's mother, who basically has abandoned her daughter and is living another life in the town. She is not prepared to help this girl, who at 14 years of age started taking drugs.

When the father contacted the Department of Community Services, the department basically said that the girl did not appear to be at risk. The department was so busy that it did not treat this as an urgent case, and it was about 15 to 18 months before the department could review her case. With the passing of that time, the girl was 16 years of age and, provided she was not at risk, was able to do whatever she desired. It is rather sad that in a country such as Australia we almost accept this type of behaviour. I do not have the answer. The father pleaded with me as a politician to try to stop the flow of drugs into Cowra and Australia. I said that even though

our efforts may result in a halving of the supply of drugs coming into the country, amphetamines and other drugs are now being produced within Australia, and therefore we could not stop young people such as his daughter from obtaining a supply of drugs.

I do not know where these drugs are available, but I know they are available in Cowra and in small towns around my area, as well as in Orange. I have never come across this problem. I have never been that way inclined. I would not know where to go to get these drugs. However, I agree they are available for those who want this type of support to keep themselves going. I am fortunate with my three children. The youngest is now 30 years of age. One would hope they are beyond the stage where they could be tempted. This young girl should still be at school and enjoying her teenage years and life in general. Some simply say that it is her responsibility, that she has let herself down, but I believe society should accept some of the blame for letting her down.

Mr MARKHAM (Wollongong—Parliamentary Secretary) [6.22 p.m.]: It is a very sad story that has been related by the honourable member for Orange. I have no doubt that many honourable members have heard similar stories. This is an insidious disease. It is mainly young people who are targeted by some of the grubbiest operators in this country. It is a problem that we all grapple with in an attempt to find solutions. But every time we think we have a solution, or we apprehend a drug pusher or drug manufacturer and something is done about that, it seems that there are plenty of people who are willing to take their place. That is because this is a very lucrative illicit business. It is a sad indictment of society.

It was only a couple of years ago that we held the Drug Summit in this place and heard stories such as that related by the honourable member for Orange. I sympathise with the honourable member and with the father of the young girl. These grubby drug-pushing mongrels prey on young people such as this girl. We would be very surprised to find out who some of those people might be. I agree that most people would not know where to go to get drugs. That is because these young people are targeted as people to get hooked on these substances. Each and every member of this Parliament must dread that possibility with our children. Thankfully, none of my boys, all men now, have gone down that path. Any family would wish that their child, of whatever age, never did.

LAND TAX VALUATIONS

Mr DEBNAM (Vaucluse) [6.24 p.m.]: Again I address the House on land tax valuations. I have raised this issue on a number of occasions in the House, as the Parliamentary Secretary would know. Each time I have raised the matter I have received assurances from the Government that it is acting in good faith. Tonight I will show that the Government is not acting in good faith. It has indulged in a four-year campaign, an orchestrated rip-off of the taxpayers and families of New South Wales, because land tax is in fact paid by about 100,000 families. I go back to the Walton report that the Government was forced to commission. Julie Walton did a good job in delivering the report. Recommendation 1 of the report is:

That there be established a specialist working group to run a parallel valuation of a selection of properties for this year to assess the order of accuracy for different types of properties using the same agreed sales evidence but different methodologies, namely traditional component method and multiple factoring ...

There are another two sentences to that recommendation, but I want to focus on the first. It recommended setting up a process of parallel valuation of a selection of properties. We had all assumed, given the assurances of the Hon. Kim Yeadon, the Minister for Information Technology, that that was actually happening. But, under freedom of information provisions, I have become aware of documents, which include the minutes of the 11 October 2000 meeting of the specialist advisory group. Those minutes, referring to the Valuer-General, say in part:

The VG pointed out a separate valuation additional to the official system was not productive and could be confusing.

I point out to the Minister that that is clearly in conflict with recommendation 1 of the Walton report—the report that the Minister launched with great fanfare, assuring the Parliament and the people of New South Wales that he was following the report and that he was embracing almost all of its 22 recommendations. A rereading of the Minister's words spoken in this House satisfies me that the Minister was attempting to mislead all honourable members as to his intent and whether he was acting in good faith in adopting the recommendations. Clearly, he was not. Obviously, this specialist advisory group is not carrying out the recommendations of the Walton report.

I call on the Minister to make an admission. Has he now decided that the Government will not implement the clear intent of the Walton report recommendations, and specifically recommendation 1? Will he instruct his department to investigate and reconcile the activities to date of the specialist advisory group against

the requirements of the Walton report, so that we may all see exactly what the Minister is doing? Remember, the Minister has been deeply involved over the past few years in the orchestrated rip-off of taxpayers across New South Wales.

Clearly, in driving up the revenue on land tax from \$510 million in 1994-95 to \$965 million in next year's budget—basically doubling this tax in the period that this Government has been in office—the Government has been ripping off everybody who pays land tax. I call on the Minister to instruct his department to investigate and reconcile the activities of the specialist advisory group against the requirements of the Walton report. I point to the Walton report's clearly documented criticisms of the New South Wales valuation system, and also to the comments of the Valuer-General to the 1998 Nile committee. The Valuer-General said:

Where we do make changes to valuations as a result of the objection process, or as a result of the appeal process, we will make the necessary consequential changes to ensure that people are not disadvantaged by the fact that they did not object or appeal.

I also refer to the findings of the David Landa Stewart Report into Overcharging of Land Tax between 1998 and 2000. Bearing those matters in mind, I ask the Minister: First, will taxpayers be refunded excess land tax if they demonstrate that they were disadvantaged by the valuation deficiencies identified in the Walton report? Second, will taxpayers be refunded excess land tax if they demonstrate that they were disadvantaged in the tax years 1997 to 2001 by the old valuation system when compared with land tax assessments issued in subsequent years? I suggest that the Minister and his advisers tonight refer to *Hansard* and read the Minister's speeches in this House on the Walton report to see what the Minister committed to. They should also look at the Minister's answers to my questions on notice on this specific subject of valuations, land tax and the Walton report. I believe that the Hon. Kim Yeadon will find that he has misled the House and the people of New South Wales.

JOHN FISHER PARK, NORTH CURL CURL

Mr BARR (Manly) [6.29 p.m.]: The battle to save John Fisher Park in Curl Curl is reaching its last stages. A redrafted plan of management has been released for a further consultation period, and the community is being asked again to put its views about the future uses of the park. Under the recent changes to the Local Government Act the council is required to put the land into a particular management category. This process is called categorisation and has fundamental implications for the future management of the land. Tonight a second public hearing is being held to discuss categorisation for John Fisher Park. There are two threshold questions in relation to the park. First, does the council have a choice about whether to categorise the land as sportsground or park; and second, does the land have to be categorised as sportsground for netball to continue? Dealing with the first question, which is the fundamental one, during the first round of consultation the council claimed that it had received legal advice that if the park is used for organised sports on weekends—primarily Saturdays—there is no choice but to categorise it as sportsground.

This advice has been challenged. In the second round of consultation Mayor Moxham told the council on 22 May that his legal advice showed that "we don't have much room to move here ... it really HAS to be classified as Sports ground ... to turn around and ignore it would be at our peril". The John Fisher Park Community Group has received legal advice from the legal firm Clayton Utz to the effect that that assertion is not true. Furthermore, the Minister for Local Government has advised me and the John Fisher Park Community Group in writing that the council holds full discretion in this area. There is no need for the land to be categorised as sportsground; Warringah Council indisputably has the power and the latitude to categorise the area as park.

The second question that has been raised relates to the continuation of netball games in the park. I must emphasise that the opponents of the sportsground categorisation are not opposed to netball or the continuation of netball—or any of the other sports—in the park. Many children in the local community play netball and other sports in the park. Furthermore, the categorisation of this community land as park is completely consistent with the ongoing sporting activities of all groups in the park, including those that play netball. I challenge the council or anybody else to produce legal advice that states unequivocally that the categorisation must be changed from park to sportsground in order to accommodate the existing users. The categorisation relates to future use and future arrangements. In particular, it relates to long-term leases. Under the categorisation of park, council would not be able to give a long-term lease to netball clubs, but under the categorisation of sportsground it would. That is the agenda: to grant a long-term lease to a regional sporting association against the wishes of the community, who want to keep their park as green space.

The issue is stark. Sportsground categorisation will lead to leases, and that in turn will lead to more infrastructure and hard surfacing in the park. The real and dominant motivation for the land to be categorised as sportsground is to allow public land to be used and developed exclusively, and potentially profitably, by

powerful sporting groups. The granting of leases or other estates in the land would mean that, in effect, public land and assets would pass into the hands of private groups. There would be few limits on sports-related development, including new buildings and enclosing fences. Given the examples all over New South Wales of public land that has been passed on to commercial interests with no potential of returning to public hands, this is an alarming prospect. I trust that the residents of Curl Curl, netballers and non-netballers alike, can cut through the obfuscation of their councillors. This is not a complicated issue. The council has full discretion to decide how John Fisher Park will be managed into the future. It should make that decision, not based on distortion or hidden agendas but based on the clear views of the community. And those views are, as demonstrated overwhelmingly in the last round of consultations, that John Fisher Park should remain as park and should remain green.

ALBATROSS NUMBERS

Mr MARKHAM (Wollongong—Parliamentary Secretary) [6.34 p.m.]: Southern Ocean Seabirds Study Association, or SOSSA as it is more commonly known, was founded in 1956 as the New South Wales Albatross Study Group with a view to determining the occurrence and origins of albatross and petrels off the coast of Wollongong. This study represents the longest continuous study of albatross anywhere in the world. SOSSA's studies have shown a massive decline in albatross numbers occurring in New South Wales waters over this period. In the mid-1970s it was possible to capture and tag over 100 wandering albatross per day over the season. Today SOSSA is lucky to capture 50 over the whole season, with far greater effort being required. June is the start of the albatross season and in the six months until December SOSSA will be catching and tagging albatross.

SOSSA currently conducts monthly survey trips on the fourth Saturday of every month to monitor species and the abundance of seabirds—albatross, petrels et cetera. From July onwards, when more albatross arrive, migrating northward, SOSSA will be out every day catching and tagging them. Last Weekend, On Saturday 23 June, SOSSA caught and tagged six yellow-nosed albatross. Numbers of yellow-nosed albatross breeding at Amsterdam Island in the southern Indian Ocean have declined from more than 37,000 breeding pairs in 1993 to 14,000 pairs in 1999-2000. This was the most abundant species of albatross in New South Wales waters. Basically, albatross and petrels are being killed at a rate greater than they can breed. Longline fishing has been identified as the key threatening process under the threat abatement plan. If the incidental by-catch were reduced to zero it would be many, many years—if ever—before these birds would recover to pre-longline fishing numbers.

In the last month five albatross have been found dead on the South Coast of New South Wales and all are suspected victims of longline fishing. One bird, a great albatross, had the hook, line and trace still attached. Another, a black-browed albatross, had been clubbed to death. The lower section of the bill still showed injuries consistent with that of birds being hooked on a longline. An endemic shy albatross was also found to have injuries consistent with being hooked on a longline. The incidental catch or by-catch of seabirds during oceanic longline fishing operations was listed as the key threatening process in the Federal Endangered Species Protection Act 1995. As a result, in 1998 Environment Australia released a threat abatement plan to address the albatross by-catch problem. The threat abatement plan requires industry to use measures to avoid seabird by-catch and to report all seabird interactions to Environment Australia. Environment Australia has confirmed that none of the albatross SOSSA found dead were reported by longline fishermen operating in the area at the time.

SOSSA expects longline fishers to act responsibly and report the number of albatross they catch. SOSSA also expects longline fishers to retain the carcasses for specific identification and scientific research rather than throw them back into the ocean. This will allow a greater understanding of what is happening and valuable information will not be lost. These birds continue to die and someone must be held accountable. Ultimately, the Federal Minister for the Environment is accountable through the Australian Fisheries Management Authority [AFMA] and Environment Australia. Senator Hill needs to do more to ensure that industry and the AFMA are properly implementing the threat abatement plan. Many seabird biologists worldwide believe that the only way to ensure compliance with this agreement by the domestic industry is to have independent observers on board fishing vessels at sea.

When are Senator Robert Hill and Warren Truss going to take serious action to ensure that industry complies with this agreement, and how are they going to enforce it and obtain the required data? As the industry has not been reporting the mortality as per the agreement, how rapidly will it address or react to the perceived threats? In the past the birds were being killed at a rate of 0.4 birds per 1,000 hooks, or 44,000 birds annually. There is little or no evidence to indicate any change in numbers of birds being killed. According to the national

interest analysis by wildlife scientific advisers Wildlife Australia and Environment Australia, the threat abatement plan has been in operation since 1998. Under this agreement by-catch by the domestic fleet has to be reported and the birds retained for scientific identification. There is physical evidence of non-compliance by the domestic fleet.

SOSSA is an independent, non-government organisation with an international membership. SOSSA has been recognised by international celebrities such as Sir David Attenborough. It is a grassroots organisation made up of dedicated people who contribute time, love, care, affection, knowledge and labour to preserving our natural heritage and its biodiversity. The President of SOSSA, Lindsay Smith, has done an incredible job over many years in identifying and tagging albatross off the coast of Wollongong.

Private members' statements noted.

[Mr Acting-Speaker (Mr Lynch) left the chair at 6.39 p.m. the House resumed at 7.30 p.m.]

BUSINESS OF THE HOUSE

Bills: Suspension of Standing and Sessional Orders

Motion by Mr Whelan agreed to:

That standing and sessional orders be suspended to permit forthwith:

- (1) the consideration of Government Business Order of the Day No. 6 [Children and Young Persons (Care and Protection) Amendment (Permanency Planning) Bill]; and
- (2) the introduction, without notice, and passage up to and including the Minister's second reading speech of the Children and Young Persons (Care and Protection) Amendment (Permanency Planning) Bill (No 2).

CHILDREN AND YOUNG PERSONS (CARE AND PROTECTION) AMENDMENT (PERMANENCY PLANNING) BILL

Withdrawal

Order of the day for the second reading discharged.

Bill ordered to be withdrawn.

CHILDREN AND YOUNG PERSONS (CARE AND PROTECTION) AMENDMENT (PERMANENCY PLANNING) BILL (No 2)

Bill introduced and read a first time.

Second Reading

Mrs LO PO' (Penrith—Minister for Community Services, Minister for Ageing, Minister for Disability Services, and Minister for Women) [7.32 p.m.]: I move:

That this bill be now read a second time.

I am pleased to table the Children and Young Persons (Care and Protection) Amendment (Permanency Planning) Bill (No 2). This bill replaces the draft exposure bill tabled last year, and follows consultation on proposed reforms over the past 12 months. The Government received many submissions following the release of the draft exposure bill and the subsequent issues paper. This new bill will be treated as a further draft exposure bill to enable more consultation to take place on these proposed amendments. Consultation to date has confirmed that there is broad agreement in the community with the principle that permanency planning for abused and neglected children in out-of-home care needs greater focus.

However, I am aware that there is still a considerable amount of debate about whether adoption should be actively promoted for children who cannot safely return to their birth parents. Consequently, this bill emphasises that adoption is one of a range of possible long-term options for children in out-of-home care. It should be noted that it does not make consideration of adoption compulsory in every case, nor does it extend the Children's Court's jurisdiction to allow it to make adoption orders. The Supreme Court will retain its jurisdiction for adoption.

The bill proposes amendments to the Children and Young Persons (Care and Protection) Act 1998 that will require the planning of suitable long-term placements in order to avoid the detrimental impact on children of failed attempts at restoration with birth parents, a drift in the care system and unplanned multiple placements. It also proposes amendments designed to limit unnecessary court adjournments and applications for variation or rescission of court orders to reduce the uncertainty and instability for children created by ongoing and drawn-out court proceedings. The key provisions in the bill relate to long-term case planning for children in out-of-home care. It requires the Children's Court to actively consider whether there is a realistic possibility of restoration to the child's birth parents. This becomes a threshold question for the court, which then determines what type of long-term placement is planned for the child.

One of the problems that has contributed to a lack of permanency for children in care to date is the failure of courts and child protection professionals to squarely confront making a judgment as to whether a child will ever be able to return safely to his or her birth parents. In too many cases this fundamental question is sidestepped, and the child ends up in a series of temporary placements. I understand that magistrates and caseworkers may shy away from making such a judgment if they can avoid it. Yes, it is a big responsibility, but a failure to confront this question leads to ongoing uncertainty and insecurity for too many children in out-of-home care.

It is a significant omission from our current legislation that no-one is assigned the responsibility for making these crucial decisions that will determine a child's future. This bill seeks to clarify this omission. For many professionals there is a real reluctance to confront such issues as they fear that it will curtail birth parents' opportunity to rehabilitate themselves and attempt to regain custody of their children. This reveals that too many child protection professionals are actually more concerned about the rights and needs of the parents than about the need for abused children to have a safe, stable and nurturing long-term home. While the legislation asserts the primacy of the rights and needs of children over that of their parents, the reality is that parents' interests prevail in far too many cases.

As the Minister responsible for child protection in this State, I consider it to be completely unacceptable that children are parked in a series of temporary placements, or periodically restored to their parents and repeatedly abused while parents are given unlimited chances to kick their drug habit or deal with some other problem and get their life together. This is damaging children and it is not putting their needs first. It is not good enough. Childhood is finite; it is time limited. There is a limited window of opportunity to ensure a child's basic developmental needs are met so that he or she has the capacity to grow into a balanced and functional adult.

I am not prepared to preside over a system that allows those precious childhood years to be squandered while a parent struggles with a drug habit or other intractable problems. As a community, we owe it to these children to ensure that they have a safe, stable and nurturing home and receive every opportunity to make a success of their lives. It is well recognised that condemning children to spending their most formative years in an insecure series of temporary placements, interspersed with repeated episodes of abuse and neglect, is a recipe for disaster. I find it extraordinary that some of those who profess to be child advocates and who claim to care about children are reluctant to address obvious failings in our current system.

What the bill proposes is hardly revolutionary. It goes nowhere near the types of measures being introduced in the United Kingdom and the United States, where prescribed time limits, compulsory adoption and adoption quotas are being introduced. This bill proposes some very modest reforms. It recognises that adoption is only one option in a range of long-term placements, but it does at least ensure that adoption is included on that list of options for children in care. This is an important step. Although adoption is technically possible for children currently in long-term foster care, the reality is that it is rarely, if ever, considered.

The bill also proposes amendments to existing provisions concerning sole parental responsibility orders. Sole parental responsibility orders are intended to operate as a more permanent form of care, but one that falls short of the legal certainty and finality offered by adoption. In order to reinforce the status of sole parental responsibility orders as an intermediate step—as the most permanent option besides adoption—the bill proposes to restrict applications to vary or rescind these orders after they have been made. The aim is not to completely prevent further court review of orders once they have been made, but to limit access. This is to try to reduce the destabilising impact of ongoing court proceedings, and to enhance the legal certainty and stability associated with a sole parental responsibility order.

Consequently, the bill proposes that applications to vary or rescind a sole parental responsibility order may proceed only if they have the support of the agency which last supervised the child's placement, as well as

the leave of the court. This presents potential applicants with an additional hurdle to overcome before they can ask the court to review the order. Current experience suggests that a major source of uncertainty and anxiety for children in care is when birth parents apply for a variation of court orders, especially when they have little or no prospect of succeeding. While there is no intention to remove a parent's general legal right to return to court to seek custody of their child, the bill seeks to balance the merit of such applications with the level of distress and instability which is likely to be generated for the child.

In the case of sole responsibility orders, the inclusion of more restrictions on the capacity to return to court is consistent with its status as a more permanent form of care. In relation to other orders, the bill introduces an additional requirement that the court should consider whether it is in the best interests of the safety, welfare and wellbeing of the child or young person before granting leave to allow an application to vary or rescind a court order. After all, it is important to note that the court has already presided over the case, considered the child's situation in detail and made what is intended to be a final order. It is not in the child's interest for the court order formalising his or her living arrangements to be continually revisited. This is not conducive to ensuring a settled and permanent placement for the child. However, it is clear that for care arrangements other than adoption there still needs to be some avenue for review of court orders.

The proposals seek to balance the need of the child for certainty and stability with the parent's legal right to challenge court decisions. Other significant new requirements proposed in the bill include setting out long-term plans for the child in each formal case plan, together with a nominated time frame for achieving them. In addition, it also includes new provisions for reviewing progress of these case plans, including whether time frames are being met. It should be noted that the bill does not seek to prescribe and enforce general time limits on casework. It recognises the need for professional judgment to be exercised in each individual case while still ensuring that case planning is structured and accountable, and subject to review. The bill introduces a new definition of "permanency planning" which refers to the making of a plan to provide the child with a stable and emotionally secure long-term placement, one which meets the needs of the child and has a legal status promoting a long-term sense of belonging.

While it is widely acknowledged that permanency planning is a central element of good child protection casework practice, there is simply no reference to it in our existing legislation. This bill aims to provide clearer guidance for courts and child protection workers on this important issue, and to put some legislative checks and balances in place. It seeks to ensure that permanency planning is firmly on the agenda when decisions are made about a child's future. Legislative reform is necessary to ensure that these crucial issues are properly addressed by decision makers. Of course, these proposed legislative amendments need to be supported and complemented by casework practice, information for magistrates and legal practitioners and other non-legislative measures. But legislation does provide the all-important foundation and framework for the development of sound policy and practice. This bill proposes necessary reforms to rectify the unintended but detrimental consequences of our current practice for children in out-of-home care. I commend the bill to the House.

Debate adjourned on motion by Mr Hazzard.

BUDGET ESTIMATES AND RELATED PAPERS

Financial Year 2001-02

Mr WATKINS (Ryde—Minister for Fair Trading, Minister for Corrective Services, and Minister for Sport and Recreation) [9.44 p.m.]: I move:

That this House notes the budget estimates and related papers for the financial year 2001-02.

I commence my contribution to the budget debate by referring to a forthcoming happy event in my electorate. This year the St Charles Borromeo parish at Ryde celebrates its sesquicentenary—150 years of service to the local community. The celebration is a recognition of the wonderful men and women, priests, religious and lay, who have made up this parish community over so many generations. The enthusiasm and importance with which the current parish community approaches this year characterises it as one that appreciates the historical and religious heritage it has inherited and as having its strength as a modern Australian faith community. There is obvious strength, compassion, tolerance and deep faith in the families that currently worship at St Charles. The current parish priest, Father Paul Monkerud—who has a long history of connection with the Ryde district—is a popular and thoughtful leader providing admirable, good-humoured and compassionate leadership for the community of St Charles and the wider community of Ryde. He is a fine and prayerful man. Father Paul stands in inheritance of the great work by those priests before him.

The foundations for St Charles were set down in 1851 under the patronage of St Charles Borromeo, the sixteenth century northern Italian priest who became the Archbishop of Milan, and was a prayerful and compassionate man. Prior to 1851 Ryde was an agricultural settlement, the third European settlement in New South Wales. The few Catholics in the area were served by itinerant priests from Parramatta and, as there was no church, services were held in barns and private homes. In 1847 the Marist Fathers arrived from France and set up their house at Hunters Hill, where they still support the parish of Villa Maria. They began to assist the priests from Parramatta to tend to the needs of the fledgling Catholic community of Ryde. In 1849 a successful ex-convict, Daniel McMahon, gave land to the church and a parish was established in 1851.

In December that year Archbishop Polding, Bishop Davis and Fathers Brennan and Hallinan laid the foundation stone, but due to changes to the colony caused by the Gold Rush—not the least cause of absence of many people from the Ryde-Parramatta area—construction was not finished until 1857, when the new church was blessed and opened. The Marist Fathers were in charge and the church was described as "centrally located on the Parramatta Road leading from Bedlam ferry to the village of Ryde ... the neatest and prettiest country Church we have seen". In the years since, St Charles Borromeo has been the site of the most significant events in the life of the Ryde community—baptisms, funerals, weddings and weekly worship that bound families and groups together. It has been a place of great sadness and joy, peace and confident faith. Other parishes have come to the Ryde area and the Marist Fathers have gone, but St Charles remains as a special place for the Catholic people of Ryde.

The church was rebuilt in 1934, with the foundation stone being reused and the original western entrance and belfry incorporated into the new church. Since the Marist Fathers left the parish there has been a long tradition of fine diocesan priests, including Venerable Archpriest Sheehy; Father Gell, who was parish priest for 12 years; Father Phillip Reeve; Monsignor McCosker; Monsignor Vince Redden; Bishop Peter Ingham; and Monsignor Francis Coorey. These have been fine pastors and spiritual leaders for a hard-working multicultural community.

The St Charles parish cannot be mentioned without acknowledging the wonderful parish school that has provided excellent teaching and learning opportunities for generations of children from the Ryde district. The current principal, Mrs Marge Avery, and her professional and committed staff work with a supportive and talented parent body for the good of the children of the parish. St Charles is a happy school that reflects well on its students, staff and leadership as well as the happy nature of the parish. I wish the St Charles parish the best in its celebrations this year. I acknowledge the work done by Richard Matthews in providing the historical background of this parish to me.

I turn now to the budget benefits to my electorate of Ryde for the next 12 months and beyond. This year's budget continues the good work of recent budgets. Ryde hospital will get a \$3 million upgrade, and \$13 million will be spent this year on a section of the Chatswood rail link, which passes through my electorate as well as other electorates. An amount of \$500,000 has been allocated for Ryde TAFE college and local firefighters will get \$425,000 to replace obsolete equipment. These are some of the highlights of the \$45.5 million that will be spent in the Ryde area in the coming financial year. Funding includes wages for more than 680 people.

The Carr Government's budget this year is certainly good news for my electorate. The budget will ensure that local hospitals, roads and schools all provide efficient and quality service to local families. The budget will help to ensure continued prosperity for New South Wales and a bright future for our children. I refer to other budgetary allocations to be spent this coming year. An amount of \$1.5 million will be spent on improving access to west Ryde railway station, \$30,000 on pedestrian signals at the intersection of Victoria and Blaxland roads, \$600,000 on improvements to the Ryde depot of the State Transit Authority, \$750,000 on finalising acquisitions to the north-west transport link and \$113,560 on traffic facilities by Ryde council.

Families and businesses in Ryde will receive direct benefits from the budget. They will no longer pay any State taxes on their bank accounts when the debits tax is abolished from 1 January 2002. The budget will also help local small businesses by cutting other taxes that regularly niggle traders and contractors. Specifically, the New South Wales Government will abolish stamp duty on superannuation and franchise agreements from 1 July 2001 and lift the tax-free threshold for stamp duty on leases between \$3,000 and \$20,000 and hiring arrangements between \$6,000 and \$14,000 from 1 July 2001.

I wish now to spend some time talking about the work to be carried out at Ryde Hospital. As I said earlier, in this year's health budget \$3 million has been allocated to upgrade the operating theatres at Ryde

Hospital. Outpatient services and ambulatory care will be expanded for the local area. Residents all over northern Sydney will benefit from record funding for the Northern Sydney Area Health Service, with the recurrent allocation reaching an all-time high of \$511 million. The budget for Ryde Hospital falls within that figure and includes extra funding of \$27 million, or 5.7 per cent, on last year's health budget for the Northern Sydney Area Health Service. But the upgrade of theatres at Ryde will provide patients and staff with state-of-the-art facilities and new equipment. The upgrade will enhance Ryde Hospital's role in providing surgery for patients from Ryde and surrounding areas and further improve the ability of Ryde Hospital to treat local patients and supply their elective surgery needs.

Increased outpatient services and ambulatory care will cater for the growing need for such services to support hospital care. Conditions that are increasingly being treated on an ambulatory basis include emphysema, chest pain, chronic asthma and complications from diabetes. The extra funding for such services at Ryde Hospital will enable more people to be treated and minimise the waiting times for service. All this new expenditure will ensure that the local community has a broad range of health services close to home. That means that Ryde Hospital will remain the primary place for health care for my local community. I am pleased that the Minister for Health made it clear that Ryde Hospital will have upgraded surgical resources. It will maintain its maternity section and has an improved accident and emergency section.

Ryde Hospital will still be the place for local people to go if they suffer heart attacks or strokes. If they can be cared for in Ryde Hospital that is exactly where they will stay. If they need further specialist care they will be transported to Royal North Shore Hospital whenever it is appropriate. That means first-class health care for my local community. I am pleased that this year's budget makes that clear. I am also happy that additional funding will be provided to Ryde-Hunters Hill Community Transport Association to employ a driver. That association does wonderful work with old people and those people who are infirm. It transports them to doctors' appointments and assists them with shopping and so forth. It is a great service. I am pleased that that extra funding has been provided.

I turn now to education and hospitality. I am pleased that this year's budget will provide \$500,000 to upgrade hospitality teaching facilities at Ryde TAFE. I am fortunate in that I have two TAFE colleges in my electorate, Ryde and Meadowbank. The upgrade of teaching facilities at Ryde will mean that we will continue to be at the forefront of hospitality and tourism training. The project will cater for projected growth in the New South Wales tourism and hospitality industry. It will provide extra space for students and staff. New general purpose classrooms will be created to meet the need for the greater flexible delivery of course work, enhanced computer facilities and a teacher's office. Ryde campus is a key centre for the Northern Sydney Institute, which is recognised for its high standard of training and its excellent staff. Overall, the State budget provides \$7.6 billion for education and training. I am pleased that a large portion of that money will be provided to primary and high schools in my area.

I mention several schools in my electorate. Recently there has been controversy and some pain for local parents with the announced closure of Hunters Hill High School. The death of any school is a painful experience. In recent years I lived through such an experience with Peter Board High School. However, there is a bright future for comprehensive and single-sex education in the State high schools that serve my electorate. The Building the Future program has ensured that Malvina High School, which is to be renamed Ryde Secondary College, will be reconfigured as a specialist information and communication technology high school with a selective stream.

An amount of \$8 million will be spent on delivering appropriate infrastructure for information and communications technology, extensive information technology enhancements, multimedia laboratories, an enhanced library and fitness facilities. That will mean a total rebirth of Malvina High School. It is a fine school now but it will be an even better education facility after that work is done. I know that this announcement has been warmly welcomed by the principal and the families of students who attend Malvina High School, which will be renamed Ryde Secondary College, as I said earlier, and will become a real jewel in public education north of the Parramatta River.

At the same time, \$2 million will be spent on an upgrade of Riverside Girls High School. That school is outside my electorate, but it will provide education for many of the girls who live in my electorate. I am pleased that the Minister has also provided \$500,000 to upgrade Marsden High School, which was outside the Building the Future footprint, but which made strong representations to the Minister for expenditure of funds at that school. I know that that money will be welcomed. The other important development in the Building the Future program is the Macquarie ICT Innovation Centre, which is being established at Macquarie University. That will enable students from all nearby schools to further their information technology education.

The centre will result in a unique first link between Macquarie University, high schools and primary schools. I mention the fine work being done at Truscott Street Public School, a primary school in my electorate, where special attention to excellent information technology education has become part and parcel of the curriculum development. The school staff, led by principal Greg Jones, has provided wonderful information technology education to children at that school. At Truscott Street Public School information technology has become an integral part of the learning process. That work has been recognised recently by a grant of \$400,000 to the school in a competition sponsored by Sun Microsystems, Com Tech and Cisco Systems. I understand that this is the largest grant ever made by a private company or institution to a public school. It says a great deal about the fantastic work that is being done at Truscott Street Public School.

Time does not allow me to go into the great work being done at all the public schools in Ryde, but there are fine teachers, fine principals and wonderful students at all of those schools. I cannot leave education without mentioning the fine non-government schools in my electorate. One wonderful example is St Michaels at Meadowbank. I draw attention to this beautiful parish school, which has a long history of providing for the needs of the parish community of St Michaels. Last Friday the school celebrated a wonderful new stage in its development: the blessing and opening of its new hall and refurbished classrooms by Sydney's new Catholic leader, Archbishop Pell. It was an exciting and happy day at St Michaels. It was celebrated by students and staff at the school and by the whole parish community. It was wonderful to see the excitement on the faces of infants in particular when they witnessed the great events of that day.

I congratulate Father John, the parish priest, and Mr Steve Borthwick, the school principal, both of whom worked hard and long to ensure that Friday's celebrations went so well. Special thanks go to the Mercy Sisters, who taught in the school until Mr Steve Borthwick took over as principal. Before leaving Meadowbank I must mention a family connection: my brother is the deputy principal and my wife teaches there part time. It is a wonderful school, and last week's celebration was beautiful.

The last major item that I want to refer to in the budget for my area is the allocation of \$600,000 for the State Transit Authority's Ryde depot. That allocation will support the better buses and developments that have occurred. State Transit has taken over North and Western, the private bus operator in the district. The results for the Ryde community have been wonderful. The Minister for Transport referred today in question time to the increased patronage on State Transit services arising from the takeover of North and Western. I know that people in my electorate are happy with the more modern buses, the better service and the cheaper fares for pensioners. Sunday was the start of stage two of the new bus routes that will provide wonderful new cross-regional links between Macquarie University, Macquarie Centre, Top Ryde and the city.

I must, unfortunately, mention something negative that is occurring in my area. I am very concerned about Ryde council's plan to develop a mega waste transfer station at Porters Creek, off Wicks Road in North Ryde. For some time the council has been planning one of Sydney's largest garbage and waste facilities, with a planned throughput of almost one million tonnes of waste each year. It is planned that the facility will receive household garbage and recycling material from every local government area in northern Sydney, including Hornsby, Hunters Hill, Ku-ring-gai, Lane Cove, Manly, Mosman, North Sydney, Pittwater, Warringah, Willoughby and Ryde. According to a Connell Wagner report the facility will generate approximately 790 truck movements per day. That is a massive influx of heavy trucks into the streets of my community.

The size of this proposed waste transfer station is truly mind-boggling. Council is turning Ryde into the dumping ground for all of the north shore's garbage and, unfortunately, it is doing it on the quiet, because the Ryde community is virtually unaware that it is being planned. Council says it is waiting for a section 65 certificate from the Department of Urban Affairs and Planning, a certificate that I hope is not granted until it goes public. My problem is that the next major stage is the development application. By that stage I believe council will argue that the development has been around for a long time and council has a section 65 certificate, and it will almost inevitably be approved. That will mean major problems for my community, including a massive influx of trucks, with the consequent effect on Lane Cove River National Park and on air quality.

On behalf of my community I am particularly offended that it has reached this stage without the people of Ryde having been adequately consulted about the future. I recently asked the Minister for Urban affairs and Planning to be very careful about this development. I appeal to Ryde council to stop its current application for a section 65 certificate and to consult urgently with the Ryde community over its plans. I am very disturbed about the potential impact that one million tonnes of garbage will have on my community. I am not against Ryde looking after its own waste; every community should do that. However, I do not believe that Ryde should be the dumping ground for all putrescible waste, recycling material and other garbage from every part of the north

shore of Sydney. That is intolerable for my community and it should not be allowed to happen. I hope that Ryde council sees sense. I have great pleasure in welcoming this year's budget. There is good news in it for the community of Ryde, and I remain greatly privileged and honoured to represent that fine community in this place.

Mr GEORGE (Lismore) [8.04 p.m.]: It is ironic that I follow the Minister for Fair Trading, and Minister for Sport and Recreation, who has pointed out all the positives for his electorate of Ryde. As the member for the country electorate of Lismore I have to do exactly the opposite. I was disappointed that the electorate of Lismore did not gain funding for any major works, apart from the flood levee, which was promised in February. I thank the Premier and the Minister for Land and Water Conservation for that commitment of \$4 million. I said that the Lismore electorate was not mentioned, but I trust that it will benefit from the minor capital works programs, so I will use this opportunity to highlight and place on record the needs of the Lismore electorate.

Last year I highlighted the need of Kyogle Council to finalise the missing link between Kyogle and Murwillumbah. Thanks to the initiative of Kyogle Council and with the support of the Roads and Traffic Authority that will be completed in the near future. However, I again mention the Mt Lindsay Highway, and especially the Woodenbong to Legume road, known as Main Road 622. That road is extremely important to my electorate because it provides Northern Rivers businesses and industries with a link to the south-east Queensland markets, and vice versa. It is important that the Government recognises the importance of linking the east coast of Australia to inland areas such as Warwick and Toowoomba. Many industries on the North Coast require access to those markets. In a letter to the Hon. Rick Colless, in another place, Sean Kennedy, Senior Policy Adviser to the Minister for Transport, and Minister for Roads, stated:

The Government acknowledges that upgrading this road link would be desirable. However, it has a low priority compared to other competing projects on a Statewide objective priority basis and the availability of funds.

The road needs to be recognised as a major connection between the east coast and south-east Queensland. It is very important that the road is upgraded. Lismore city needs a long-term road strategy. The honourable member for Ballina highlighted the need to address the problems with the Lismore to Bangalow road and the Alstonville bypass. Being on the outskirts of Lismore, those two traffic problems affect the city of Lismore, and the RTA needs to address the problems.

Last year I highlighted the need for a pedestrian overpass on the Bruxner Highway near Kadina High School at Goonellabah. I pay credit to the Government for including funding this year for that project. It took a long time to be approved. I appreciate that Summerland Way is receiving continued support in the budget. However, Kyogle Council has many problems with bridges and roads, as do Richmond Valley Council and Lismore City Council. The harsh weather conditions in the Lismore electorate create many road problems. I call on the Minister for Roads to match the regional Roads to Recovery program dollar for dollar. That would certainly help address the road problems in our area.

The railway line through Casino provides a vital link to Brisbane and Murwillumbah. The railway bridges in Lismore urgently need replacing, and should be included in the capital works program. If that does not happen, the bridges will deteriorate to the point that the railway line will be unable to be used. Kyogle railway station is important to the Kyogle community. Two trains pass through that station each day. Many people catch the morning train to travel to Brisbane for business and medical reasons. The station is unattended. When elderly people arrive at the station at 3.00 a.m. there is no way of telling them if the train is going to be an hour late. They must sit in darkness on the railway station. I encourage the Minister for Transport to address that problem. Whether or not the problem is addressed by Kyogle Council, it certainly needs to be addressed.

I turn now to policing. Once again, no funding has been allocated to Lismore police station in the capital works program. The problems at that station have been overlooked for the past eight years. There is insufficient room for all the staff, and the facilities are out of date. It is a disgrace. Despite that, the police and support staff do a tremendous job in appalling conditions. The problems need to be addressed, and I will continue to ask the Minister for Police to address them. The city of Lismore should not have a police station that is out of date.

Recently I received a letter from a John F. Gibson, a solicitor of Kyogle, who uses the police station and Local Court at Casino. I have referred that letter to the Minister for Police. Previously I have highlighted the problems with security and facilities at the courts at Lismore, Casino and Kyogle. Admittedly, Lismore has a brand-new courthouse, but I am still concerned about security. Once again, no funding has been allocated to

address the security problems at Lismore courthouse. Similar security problems exist at the courthouses in Casino and Kyogle. Facilities for solicitors to interview people at Casino do not exist, although they are necessary. That matter also needs to be addressed.

Once again I draw the attention of the Minister for Police to the fact that, although the strength number of the Richmond area command is 172, currently 35 officers are unavailable for duties. These police are on long-term stress leave or sick leave, positions are vacant or officers are on light duties, but we are missing out on 1,000 police hours a week. Funding must be allocated for additional police in this area. Capital works needed for schools in my electorate must be highlighted. I have asked the Minister for Education and Training about the minor capital works program. Although he told me that the list of minor capital works would not be released for a couple of months, I note that a member in the other place has already announced a project to provide a new library at Tregeagle school. I ask the Minister to let me know what is happening.

For example, Casino High School, Wyrallah Road School, Modanville school, Tregeagle school and Kyogle school in my electorate require capital works. The schools and I need to know whether those works will be included in the minor works program. Hopefully, the Minister will release the list shortly, which would satisfy my concerns and those of my constituents, and address the needs of those schools. When one hears the Minister for Fair Trading, Minister for Corrective Services, and Minister for Sport and Recreation talking about the funding allocated to schools in his electorate of Ryde, it highlights the difference between regional and country schools and city schools. That difference should not exist, and I genuinely ask the Minister for Education to address that.

Honourable members on both sides of the House blame the Federal Government for the deterioration in dental health amongst constituents. Dental health problems can create other general health problems: when people do not eat properly they become undernourished, creating further problems. I note that the Government has allocated funding for dental health. I call on the Minister for Health to continue supporting the dental scheme. Hospital waiting lists are blowing out daily—the problem is not isolated to Lismore. Figures provided to me show that mental health funding for the Northern Rivers Area Health Service is about \$4 million short. Early last year the Minister indicated that the Northern Rivers Area Health Service would receive more funding, and it would be remiss of me if I did not continue asking the Minister for extra funding for the Northern Rivers Area Health Service. I believe that the number of people in the Lismore area with mental health problems is high because of the location, where we are placed and, sadly, some of the activities that take place in the area.

Although the Kyogle multipurpose service [MPS] is not included in the capital works budget, I hope that it is included in the list of minor capital works to be released shortly. Last year the Minister promised to allocate \$1.2 million to the Nimbin MPS, but that is not mentioned in this year's budget. The Kyogle MPS and the Nimbin MPS urgently need capital works. A program is in place, and I encourage the Minister to continue that program as soon as possible. The Urbenville MPS is one of the most successful in the State. If that could be repeated at Kyogle and Nimbin it would satisfy the needs of those communities. Bonalbo Hospital is operating in a similar way and is doing very well.

I call on the Minister for Health to consider the redevelopment of Lismore Base Hospital. As a result of the growth in population, and considering the community's needs, Lismore Base Hospital has outgrown its capabilities, and the Minister should start planning its redevelopment. Once again I highlight the need for a rehabilitation unit in Lismore. At present St Vincent's Hospital is providing rehabilitation services; the hospital staff are doing a fantastic job. However, I ask the Minister to consider working with St Vincent's Hospital in a joint venture to provide the rehabilitation unit that the city of Lismore deserves and needs.

I turn now to agriculture. It is a shame the Minister for Agriculture is not here tonight, but I know that he has had a hard day. No provision is made in the budget to combat the problems of stock theft and rural crime, which fall within the police and agriculture portfolios. I call on the Minister for Police and the Minister for Agriculture to address those problems. Those Ministers received a report in October or November last year but still have not acted on it. The Minister for Agriculture continues jokingly to say to me that I am a one-issue person. I cannot allow this opportunity to pass without referring to the tick problem. I will continue to fight for action on the problem. Honourable members saw the *60 Minutes* program that presented another side of the tick debate problem. I call on the Minister to address that issue.

I must again be critical of government policy, this time in relation to the dairy industry and point out the distress that is being experienced by dairy farmers in the electorate of Lismore. There has been a noticeable lack of support from the New South Wales Government for dairy farmers. Bovine Johne's disease is still having

a major impact on producers in my electorate. I highlight these matters because they emphasise the needs of people who live in my electorate. An analysis of budget estimates provides me with an appropriate opportunity to place the needs of my constituents on the record. Having said that, I give credit to the Minister for Agriculture, who, despite what I had to say about the Lismore laboratory, has approved the laboratory remaining in my electorate for another two years. He took exception to my description of the laboratory. I do not know whether he is right or wrong, but the staff of the laboratory and I appreciate the fact that it will remain in my electorate. I do not know whether the Minister has chosen a period of two years for review of the laboratory's position so that it will coincide with the election, fall before the election or fall after the election.

Recently I called on the Government to support country halls and showgrounds. In response, the Premier has provided \$50,000 to 12 country halls in the Kyogle shire and I appreciate that greatly. However, more support is needed. I would not be a worthy representative of the people of the Lismore electorate if I did not call on the Government to provide more support. It may be possible for the State Government to support showgrounds on a dollar-for-dollar basis, which, in turn, may create an opportunity for the involvement of the Federal Government through a Work for the Dole scheme, under which assistance could be provided to have the necessary work carried out. That may be an effective way of providing much-needed improvements.

The January disaster on the North Coast has been well and truly documented in this House. The State Emergency Service [SES] and all emergency services were very supportive. I am aware that it needs a computer service at Lismore. I draw the attention of the House to the urgent need for communications services generally in the northern part of the State. There are many communications dead spots in the northern rivers area and that is a hindrance to all emergency service organisations in my electorate. Those organisations are unable to communicate with people by mobile phone or by two-way radio and that is a big problem that must be addressed. The Lismore City Council is in urgent need of an SES controller, and I will further take up that matter with the Minister for Emergency Services.

I again highlight the issues of the payroll tax and workers compensation as they affect my electorate. I gather that workers compensation problems are being addressed by legislation, but payroll tax is of significance to business people in my electorate. I take this opportunity to pay a tribute to the State and Federal governments for the support they provided in my electorate following the natural disasters that have occurred there. I thank the Minister for Emergency Services, Bob Debus, who visited my electorate when the first disaster occurred. When the floods inundated my electorate the Minister for Local Government, Harry Woods, visited my electorate immediately with the Premier and the Minister for Public Works and Services, Morris Iemma.

The Ministers accompanied me on an inspection of a number of projects in my electorate and returned some weeks later with a number of cheques to enable those projects to get under way. It would be remiss of me not to thank those Ministers for their support and for the provision of funding to local councils. The funding has been channelled back into the community, and I appreciate greatly the support of the Ministers. My electorate has had its share of problems with the Department of Community Services, but the Minister for Community Services, Faye Lo Po', has been supportive and has instituted a number of projects in my electorate. I greatly appreciate her help. The Minister for Fair Trading, John Watkins, has also established projects in my electorate which have made a significant difference.

The Minister for Small Business, Sandra Nori, has given a great deal of support to small businesses in Lismore and, on behalf of those small businesses, I express sincere appreciation for that. In conclusion, I must say that having listened to the benefits delivered by the budget to the electorate of Ryde—which were detailed by the Minister for Fair Trading, John Watkins—I am embarrassed to reveal what the electorate of Lismore did not receive from the budget. However, I assure the House that I will not take matters lying down. I will certainly be lobbying relevant Ministers and I will lead every deputation possible in an attempt to have the problems of my electorate, as I have outlined them during this debate, addressed.

Mr WEST (Campbelltown) [8.24 p.m.]: I support the budget, which will enhance community building in New South Wales and in Campbelltown. The budget continues the tradition of responsible budgets that deliver for the people of this State, particularly those who live in Campbelltown. The budget is all about supporting the structures that will enable current and future generations to carry us forward. Funding for health and education have been given a much-needed boost. Work on roads and rail continues and there is a clear commitment to the environment. Just as the Government realises that environmental planning must take place now, so too it recognises that sound financial planning ensures that the State has reserves in times of emergency. Such is the case in relation to the collapse of HIH Insurance.

I have already spoken in the House of some of the good works undertaken by local organisations in Campbelltown in building the community. This budget continues to build partnerships between government and

the community. For example, there is a boost of \$110,000 for the Southwest Community Transport Incorporated. That funding will result in the provision of an additional 12,000 community transport journeys and will take total funding for the service to \$680,000. The service represents one of the key areas of government: it brings people together. Governments have an important role to play in bringing all types of people together. The service provides the opportunity for elderly people and people with disabilities to be part of the community and to engage in activities that many others take for granted, such as work, shopping and recreation.

Recurrent funding of \$200,000 a year has been provided in the budget for the Kindergarten Union Children's Services to run an important program for children with disabilities and their families. The organisation was formerly known as Families First Macarthur. It has changed its name, but the work done by the organisation is the same as it was previously. It assists the disabled and their parents to live full lives. The program leads to integration into schools of many of the students. An allocation of \$39,000 has been made to Creditline Macarthur for a gambling counselling service. Continuing funding has been provided for the Macarthur Area Assistance Scheme, which provides funding for projects that work to build community life. The scheme identifies innovative projects and provides short-term funding to get those projects off the ground.

Strengthening local communities has been a focus of this year's State budget. In particular, the Department of Housing has been allocated funding for the Airds community renewal project. There is also provision for the increasing Families First program with assistance for families and support for volunteer home visits in the community. In fact, at a recent parish dance I was able to speak with one of the nurses who has been recruited for the program; she was about to undergo intensive training. She was excited by the idea of working in the community and assisting people to learn about parenting and taking care of their children. The Government is also committed to ensuring that education opportunities are increased. It is clear that education is the way forward, especially as the information economy expands.

The budget provides continuing support for Campbelltown TAFE and its successful links with local schools. The Government recently announced a program to assist children at risk of expulsion and to ensure that other students are given a fair share of teaching time. That is a worthy initiative and it was piloted at the Lomandra School in Campbelltown. I am pleased to say that the program will continue at that school. Through that project, the New South Wales Government is helping to build a long-term future for children at risk. The program will assist them to reintegrate into a mainstream teaching environment. That will lead to improved prospects for careers. In recognising the link between computers, jobs and opportunities for further education, the Government is committing itself to improving the ratio of computers to students and is working to provide secure learning environments through its improvements to school security. That initiative comes on top of projects such as the Airds High School hall, which had been announced previously.

Health care for local families continues to be a big winner in the budget. The Macarthur health strategy delivers the services that the people of the Campbelltown region deserve at the Camden and Campbelltown hospitals, including \$6.8 million for radiology oncology, or cancer, services. That is the first time that the region has had access to cancer treatments locally. The Campbelltown mental health admissions unit has been allocated \$1.35 million to improve mental health outcomes for young people at a time when many illnesses are first diagnosed. Schizophrenia is often diagnosed at this stage. The provision of adequate health services is especially important for the young population in the Campbelltown and Macarthur regions. Those specific projects and over \$28 million in continuing works on the Macarthur health strategy not only expand local health care and allow families to stay close to home, they also support the hardworking and dedicated health professionals.

I congratulate those professionals and commend them for their work for our community in hospitals and homes. I also commend them for the time they give to support the many activities that are run for our hospitals. They are working to improve preventive medicine. They are concerned about improving education and providing reassurance. Indeed, on my fridge at home I have a fact sheet on temperatures in young children produced by Dr Andrew McDonald, a paediatrician at Campbelltown hospital, together with magnetic shapes for my son. I know from discussions with Bruce McCausland and other planners that they are taking a long-term view of health in our area. It is clear that the Government is committed to delivering its budget priority of building the foundations for a strong, healthy and well-educated community. The Government is also delivering on its other priorities. I am pleased that the Macquarie Fields and Campbelltown local area commands will be fully equipped with mobile data terminals that provide information to officers on the ground and will help improve police safety and efficiency. This week the *Chronicle* states that local superintendent Ben Feszczuk said:

... the terminals could be used to check names, warrants, registration and licence plates so the police radio could be freed up for more important things.

He also said:

... the terminals allowed police dispatch to know where police cars were at all times and officers could do their paperwork while stopped instead of having to come back to the station.

Only last week Superintendents Ben Feszczuk and Glen Harrison and I met with the Minister for Police to discuss ways to further enhance law enforcement in Campbelltown. I thank the Minister for Police for his time and, as a result, I am sure there will be further enhancements to crime prevention in that area. I thank the superintendents for their suggestions and for their dedication to Campbelltown. Like most families, every month my wife, Tanya, and I get our bank statement, which I am sure reads like those of many people with figures such as 9¢ interest, \$5 transaction fees and \$6 account keeping fees. It is interesting that when automatic teller machines [ATMs] were introduced we were told that they would save money, and yet fees and charges of approximately \$1.50 now apply to use other bank ATMs. Banks even charge for telephone and Internet banking.

One last component of the statement is always Government charges and that is why I am pleased that the Government will abolish the bank accounts debit tax ahead of schedule by 1 January 2002. That will provide welcome relief from this regressive tax to families across Campbelltown, and to the many small businesses that are working hard in the area. If only the banks would take the lead of the State Government and reduce some bank account fees. The budget provides further relief for small business by abolishing stamp duties on superannuation and franchise agreements, and providing real lifts in thresholds for stamp duties on leases and hiring arrangements. When the Minister for Small Business was in Campbelltown recently she spoke with main street traders. It is clear that the Government is working to improve opportunities for small business. As the Minister went from table to table talking with small business leaders in Campbelltown it was clear that the Government was listening to, and acting on, their concerns.

There are a number of important road initiatives for Campbelltown in this budget. For example, \$116 million has been allocated to complete the M5 East, which will provide a new toll-free and much-needed link between the city and the M5. It will enhance access to the centre of Sydney and provide increased job opportunities to the many people in Campbelltown who travel to work. Recently I received an invitation to meet with representatives of Interlink Roads, who will operate the M5, and I intend to meet them next week. I will urge them to allow construction of the Liverpool off-ramp on the M5, and I am sure that the Minister for Roads will support me in that. That will ease congestion and provide an important link to Liverpool for Campbelltown.

There are also many other local road components in the budget. An amount of \$1.5 million will be provided for overtaking lanes on Appin Road and \$500,000 for other improvements, as well as money for maintenance. That is a welcome beginning for Appin Road, a major link to parts of Campbelltown and from Campbelltown to the coast. I will continue to seek further improvements to it. An amount of \$300,000 has been provided in the budget for noise treatments at Eagle Vale, a relief to residents along the freeway. An amount of \$60,000 has been allocated for improvements to Peter Meadows Road and money has been provided for a pedestrian crossing on Hurley Street, Campbelltown.

There is welcome news of the allocation of \$2.5 million for rail signalling between Glenfield and Macarthur, which will lead to improved rail reliability. That funding is part of a \$10 million project, in addition to work already carried out on the East Hills line to improve capacity. For example, \$11 million has been allocated towards the continuing program to double the number of tracks on the East Hills line between Turrella and Kingsgrove and to construct a turn-back facility at Kingsgrove that will allow express trains to pass all-stops trains, thus improving reliability. An amount of \$6 million has been provided to build a train-turning facility at Padstow to improve flexibility, and an extra \$12 million has been allocated to upgrade the existing tracks between Turrella and Kingsgrove. Again that will improve safety and reliability, which are important for commuters in Campbelltown, many of whom use the East Hills line. They are only some of the transport capital works in the budget, and I will continue to talk to the Minister about transport solutions for our area. It is pleasing that the Government has taken an integrated transport approach.

Money has been allocated in the budget for computers at the Campbelltown Legal Aid Office and the State Emergency Service [SES], which both have hardworking staff. That funding is welcome. I am sure that John Goshen and his volunteers in the SES will put the computers to good use to serve the people of Campbelltown. Indeed, the SES, together with the other emergency services in Campbelltown, do great work. After the recent storms the press were rather disappointed: when they came to Campbelltown the next morning they had difficulty finding damaged sites because the emergency services had efficiently cleaned up the area. The Mount Annan Botanic Gardens, the native plant gardens of New South Wales, are an important regional centre. Recognising its importance, the Government has provided \$300,000 to improve that tourist facility and local recreational area, which is expected to have more than 100,000 visitors this year. That is in addition to other works in the gardens, which will soon have a new visitors centre and enhanced eating facilities.

While I am talking about the environment, it is pleasing that the Government is encouraging hardwood plantations, especially on farms. I encourage the regulatory agencies to take all possible steps to assist farmers and other land-holders in a transition to long-term sustainable harvesting. I am sure that there will be other announcements in relation to Rural Fire Service funding. I read in the western Sydney budget statement that a sizeable proportion of it is reserved for western Sydney. In the western Sydney budget statement 2,000 hectares of regional open space owned by the Department of Urban Affairs and Planning [DUAP] in the Campbelltown council area along the western side of the Georges River has been acknowledged. In the statement it is proposed that \$100,000 will be provided for a joint management program between DUAP and the council.

That is a welcome development to reduce rubbish dumping, unauthorised use and other antisocial activities on this land. I will also speak with the Minister to explore other opportunities to further protect this land. There are many more opportunities presented by the policies of the Government. I will continue to talk with the Premier, the Treasurer and other Ministers about job creation and about further support for Campbelltown businesses. However, those opportunities only exist because of this financially and socially responsible budget.

Mr HUMPHERSON (Davidson) [8.38 p.m.]: I am pleased to have the opportunity to speak on the budget, although not in the formal budget debate. I will refer to a couple of portfolio-related matters and a number of other issues affecting my electorate. I will focus first on the resource allocation for housing, and the great difficulties faced by many people looking to access public housing provided by the taxpayers via the Government. Since 1995 there has been a reduction in the number of homes being purchased or developed by the Government. The number has been more than halved and in this coming year only something like 1,200 homes will be added to the permanent housing stock in New South Wales.

At the same time sales of public housing have increased. In other words, the revenue from the sale of surplus housing in appropriate areas, or of stock that is surplus to need, has increased from about 300,000 a year in 1994-95 to about 880 in the most recently completed financial year, 1999-2000. Given that substantial increase in the number of sales of permanent property, one would expect that money to have been reinvested in public housing stock. That has not occurred. As a result there has been a progressive reduction, in real terms, in the number of homes in public housing tenure in New South Wales.

I highlight the nature and use of high-value real estate in the public housing stock. Examples of that are in various areas such as The Rocks, Woolloomooloo and other parts of inner urban Sydney. There ought to be a debate about the question of social equity in the retention of properties which frequently are worth \$800,000 or \$1 million each, for reallocation of the value of such an asset could provide housing in the same district or region for three or four times as many families as it currently does. There are some such properties in Cumberland Street at The Rocks. These are high-value terrace houses. The maladministration of limited resources denies hundreds of families access to public housing, because large sums of money are tied up in high-value real estate. This is a matter of great concern and reflects poorly on our sense of social equity.

A classic example of such an inequity involves John and Elaine Brown, who in recent years moved into a property at 36-44 Cumberland Street. The Browns have lived in the property for several years. They obtained tenure of the property under the succession policy, under which the Government allows people who have parents or relatives living in public housing to claim tenure of that housing. The Browns were granted that tenure. But let us consider the equity in that. Bear in mind that some 98,000 people are on the waiting list for public housing in this State. I am greatly concerned that these people had assets of some \$600,000 or \$700,000 immediately before they sought to apply for public housing but divested themselves of those assets.

Those assets included a \$450,000 home on the Central Coast, a hotel licence and lease in Wallerawang, and another Wallerawang property which they transferred to a daughter. I point out that these people have done nothing illegal. However, mismanagement of the public housing system and scarce resources is such that the Browns were able to exploit a policy that enabled them to jump the queue on some 98,000 other people awaiting public housing. That is wrong. That policy needs urgent review. We should look to ensure that such scarce resources are equitably distributed.

I now turn to corrective services. The Minister responsible is in the Chamber. I will not dwell on corrective services, but I note a substantial underexpenditure of the corrective services capital works budget for the past financial year. It is not clearly distinguishable from the budget papers, but it seems that in the order of \$20 million to \$30 million allocated last year for capital works expenditure was not expended in the current financial year. That brings into question how much of the money budgeted for the coming financial year

actually will be needed by the three major prisons, which are supposed to be developed imminently and are urgently required. Will all of that money be expended, or is there an intention to slow down the provision of beds and prison capacity in this State, in turn placing pressure on magistrates not to commit offenders to full-time custody but to persuade the magistracy to sentence offenders to home detention, periodic detention or alternative sentences? That, in turn, places indirect pressure on even the Parole Board to parole prisoners at an earlier stage than perhaps it ought.

There was an instance of some money in the past financial year that the Government should more clearly account for. I am advised that in the order of \$10,000 was allocated to drug rehabilitation for an officer who was caught in Cabramatta acquiring heroin. I understand the officer was charged and convicted, on an admission, but that no conviction was recorded. That decision is not dissimilar, one might say, to those made in respect of many other drug offenders. The concern is that that person was in a position to take drugs into the prison system. In the circumstances, the public are entitled to an assurance that the officer would not continue to be employed in a position in which the officer could come into contact with offenders in the correctional system. I imagine there would be considerable debate about the appropriateness of spending money to rehabilitate officers. That could be compared to the approach taken to drug-dependent police officers or anyone in the Police Service dealing in any way with drugs. Obviously, in the case of this prison officer, given the rampant availability and use of drugs and consequential problems in the prison system, I believe a much firmer approach needs to be taken to ensure that drugs are not as readily available as they seem to me.

I now turn to a number of budget issues pertaining to the Davidson electorate. The first is local government, and the increasing propensity of the Government to impose on local government various forms of levies to raise revenue that can then be redirected to various State responsibilities. For example, the Fire Brigades levy on Ku-ring-gai and Wahroonga councils have progressively increased, and waste levies have been flagged to increase substantially in the coming year. These levies present enormous pressures and difficulties for councils in the maintenance of their levels of services and investments in local infrastructure. I must put on record my great concern with the current trend in these imposts. People are effectively, through their general rates, increasingly subsidising the State Government.

I now want to flag a matter pertaining to Ku-ring-gai council which deserves attention. The Ku-ring-gai council is looking at the potential to introduce an infrastructure levy to address some of its consequential backlog, particularly in the area of roads and drainage. As a matter of principle, if it is necessary to do so to enhance those assets, most would be agreeable to such a levy. I imagine that the council would be appreciative of State representative support. But I have got to say, bearing in mind an incident that was reported in today's *North Shore Times*, that Ku-ring-gai council really ought to have a good look at its priorities, because it receives funding and other support from the community to undertake its activities and responsibilities. However, the council has denied the combined churches of Ku-ring-gai support to stage the annual Christmas carols in the park.

I place on record my deep concern at the council's priorities in that regard. If the council genuinely wants to improve the community of Ku-ring-gai, particularly through the provision of further infrastructure, it should not turn its back on the need to maintain an essential community spirit. Given the terrific job that the combined churches of Ku-ring-gai have done with this annual event since 1988, I think the council should be reappraising its decision, which was taken only this week. I for one would have great reservations about supporting any levy of councils if the council is so hell-bent on destroying what has become for many a community institution.

This is not the sort of event that is intended solely for the Christian community, which is what I believe was asserted by some councillors. Obviously this anti-Christian attitude has been adopted by the mayor and by other councillors. This sort of event is something from which all members of the community can benefit and in which they can participate and enjoy. The Christmas spirit extends not just to those involved in the week-to-week activities of the church. As the *North Shore Times* stated, clearly council is playing Mr Scrooge. That deplorable decision must be reversed.

A number of road projects in my area are topical and of great concern to the local community. Under the Carr Labor Government there has been no road funding for my area in the last seven budgets. Wakehurst Parkway must be upgraded and widened to obviate some of the flooding problems. A grade separation or underpass is required at the intersection of Forest Way and Warringah Road. Both roads, which are in the Forest area, need dramatic improvement to alleviate the congestion that has progressively worsened over the last decade. On the Eastern Arterial Road and Warringah Road fixed speed cameras have been installed. Those cameras are serving no purpose other than the raising of revenue.

The speed camera that has been installed at Frenchs Forest is yet to be operational, but ironically it is located on a corner on a downhill run. Warringah Council traffic committee opposed the installation of that speed camera, but the Roads and Traffic Authority installed it notwithstanding objections from police and council. When called on to justify the installation of that camera, the Roads and Traffic Authority said that it is not actually located at a black spot but on a black stretch of road several kilometres long. It also said that the increase in accidents over that stretch of road warranted the installation of a speed camera at that location.

Even the most unqualified observer would recognise that the camera has been located in that area purely to raise revenue. It will raise a large amount of revenue, given the quantum of traffic that passes that point. I have grave reservations about fixed speed cameras in this type of location as I do not believe that they will do anything other than raise revenue. I believe that my views reflect the views of the community.

I refer to the provision of transport facilities in the northern beaches area. No resources have been allocated in this year's budget to improve transport links in the northern beaches area. I thank Len Thompson, the former general manager of Warringah Council, for accepting an invitation to chair a review by local Liberal State members of Parliament—the honourable member for Pittwater, the honourable member for Wakehurst and I—into transport options on the northern beaches.

The outcome of that review will probably result in a recommendation to the Government that an additional transport link should be provided—most probably a road with a dedicated lane either way—to improve public transport in that area. The provision of such a link would not only improve public transport travel times; it would also increase patronage—an essential objective. It is clear to anyone living in that area that, if there is no moratorium on future urban land releases and rezonings, which is clearly government policy and practice, transport congestion in areas such as Forest Way and Warringah Road will worsen dramatically. There must be a moratorium on urban land releases until a new transport link is under way.

I have lived in the Forest area for in excess of 30 years. During peak periods traffic congestion in that area is beyond belief. It cannot be allowed to get worse. However, it will get worse if urban land is released and other development occurs. The community in the Frenchs Forest-Belrose area and, to some extent, the community in Forestville and Oxford Falls have said that enough is enough. It is time to bring a halt to urban development. Let us address the need for a new transport link. I turn now to law and order and to the provision of police resources in my area. Whilst Gordon police station and Frenchs Forest police station are more than just shopfronts, they do not have substantial police resources that can be utilised and no police presence is visible in the local community.

I have become aware of an increase in the level of crime particularly since the merger of patrols back in 1997. In both areas there are increasing incidents of antisocial behaviour, theft and vandalism. I give as an example criminal activity in St Ives. That increase in criminal activity has been aggravated by the development of a skateboard rink at St Ives shopping centre. That rink should be the subject of local community debate because it is attracting a number of undesirable visitors from outside the area who, anecdotally, are responsible for increasing problems of physical and threatening behaviour and who are responsible for minor crime, such as the theft of cars and alleged drug dealing at that skateboard rink. There should be a review of that skateboard rink. The lack of a visible police presence is making elderly people in the area feel unsafe.

The majority of young people aged between 13 to 18 have at one time or another been rolled. If a student is rolled it means that he or she has been stopped or isolated by a group of youths and either threatened or robbed of mobile phones, clothing or money. Those incidents are increasing in my electorate. Unfortunately, victims remain silent about these incidents as they have been threatened that, if they say anything, they will be slashed, stabbed or beaten up. Much of this is being done by local gangs which the police claim do not exist, but all the young people in the area know that they do. Some of these problems are symptomatic in the Forest area. Tomorrow night a public meeting will be held and a number of those issues will be raised.

I believe that this activity is directly related to the lack of a police presence in the area. That is not the only factor. The situation might improve if there was an increased police presence in the area and if the number of police officers was increased to the level that it was six or eight years ago. It would be a good thing if there was an improved relationship between police and young people. Unfortunately, many police resources have not only been cut; police officers have been transferred or they are on loan to patrols well outside the region. Those issues are what I regard as priorities in the Davidson electorate.

Ms MEGARRITY (Menai) [8.58 p.m.]: I support the Carr Labor Government's seventh budget. Other speakers in debate on this legislation commented on issues that were not addressed in this year's budget. I would

like to highlight three items that were not mentioned in the Appropriation Bills. The first item is the Woronora Bridge, the second is Wattle Grove Public School and the third is the Sydney 2000 Olympics. Those items were not accounted for in the budget because they are shining examples of this Government's determination to meet its commitments.

When speaking in a previous budget debate I recall referring to an incident at one of the polling booths in my electorate. Two women were leaving the polling booth. One woman said to the other, "Politicians are like my upholsterer. They promise the world but they never deliver the goods." I have recalled that statement many times since that day. In relation to the construction of Woronora Bridge and Wattle Grove Public School and the conduct of the Sydney 2000 Olympics—just to name three issues—this Government has delivered the goods. The \$47 million Woronora Bridge opened to community acclaim on Sunday 11 February this year.

As I said earlier, that bridge fulfilled the Government's commitment not just to improve the convenience of day-to-day transport in the area, but also to provide vital access for emergency services in times of bushfires and other emergencies. Only tonight the Premier was talking about the beauty of Sutherland shire—the gum trees, the water and all those quality of life aspects that make Sutherland shire a great place in which to live. Unfortunately it also brings with it the threat of emergencies such as bushfires. Wattle Grove Public School commenced operations in term one this year. As I said earlier, it is not covered in this year's budget. We have not yet had the official opening of that school. But the most important thing is that staff and students are already enjoying the benefits of that state-of-the-art facility.

The Government's original intention was to service the recently developed suburb of Wattle Grove and relieve pressure on the heavily populated Holsworthy Public School, but a decision by the Federal Government to sell the land occupied by Moorebank Public School left us with little option but to relocate Moorebank Public School to the new Wattle Grove Public School. As I said earlier, that is a shame for those students who had to forgo their school. But they are certainly looking on the bright side and they are enjoying an incredible facility with all the benefits that that new facility brings. The third item that I listed as not being mentioned specifically in this year's budget was the Sydney 2000 Olympic Games.

Many honourable members spent a lot of time recounting their experiences and expressing opinions about that event. The Treasurer, in his 29 May Budget Speech, summed up the situation in just seven words. He said, "The Sydney 2000 Olympics dazzled the world." It is particularly significant that the cost of the Olympics is not in this year's budget. This Government, unlike many host cities in the world, paid up front for this event. That sort of management demonstrates the same prudent financial management that led to the Government, in its 2001-02 budget, paying all its bills and still being able to put something away for a rainy day. The Treasurer pointed out that the budget had been framed against a backdrop of a number of recent unexpected and adverse factors. He noted that that included the slowdown in global economic activity; the debilitating impact of the GST on the building industry, and small business particularly, and on business confidence generally; the collapse of HIH Insurance and its repercussions throughout the economy; and the recent decision of the Federal Government to take an additional \$110 million away from New South Wales to subsidise other States.

Despite these constraints the Government has managed to reduce State taxes. Families and businesses receive direct benefit from the budget. They will no longer pay State taxes on bank accounts when the debits tax is abolished from 1 January 2002. The Prime Minister tried to give the GST credit for that, however the Treasurer responded equally enthusiastically in a release dated 1 June and pointed out to the Prime Minister that "GST revenues do not become a net gain to New South Wales until 2007. Until that time the revenues and taxes we are giving up under the GST agreement are greater than the GST revenues". The Treasurer said the debits tax was not one of the taxes covered by the agreement. "In other words, the early abolition of the debits tax is at a cost to the New South Wales budget. It is not covered or financed by the GST."

The budget also helps small business by cutting other taxes that regularly niggle at traders and contractors. Specifically, from 1 July the Government will abolish stamp duties connected to superannuation and franchise agreements and lift the threshold for stamp duty on leases (\$3,000 to \$20,000) and the threshold on hiring arrangements (\$6,000 to \$14,000). So, as well as repeatedly trimming State taxes, the Carr Government continues to fund the largest capital works program ever undertaken in New South Wales. It is not surprising that the budget has been well received by financial commentators and journalists alike. Importantly, the Carr Government's acknowledged success in responsible financial management also underpins our commitment to continuously improve social outcomes for the New South Wales community. In the past six years the Carr Labor Government has introduced many issues to enhance social justice in this State. The 2001-02 social justice budget statement outlines a series of initiatives that builds on our longstanding commitment to this cause. Social justice is described on page 1 of the document as:

... a core requirement of good government. Its promotion represents one of the key themes of the New South Wales Labor Government's principles for good government—along with economic development, environmental protection, and financial responsibility.

I was particularly impressed by the definition of social justice, also on page 1 of the document, attributed to Mick Dodson, former Aboriginal and Torres Strait Islander Social Justice Commissioner, in 1993. He said:

Social justice is what faces you when you get up in the morning. It is awakening in a house with an adequate water supply, cooking facilities and sanitation. It is the ability to nourish your children and send them to a school where their education not only equips them for employment but reinforces their knowledge of and appreciation of their cultural inheritance. It is the prospect of genuine employment and good health: a life of choices and opportunity, free from discrimination.

The increase of \$349.7 million (or 4.7 per cent) of the budget's recurrent health spending brings this expenditure to an all-time high of \$7.77 billion. In addition to this recurrent expenditure, \$529.2 million in capital spending has been allocated for the rebuilding of hospitals and investment in information technology. The Minister for Health should be congratulated and thanked for his efforts to provide new and improved services for communities in metropolitan, regional and rural New South Wales. In the Minister's words, in a media release dated 29 May:

The Carr Government's unique commitment to forward planning by means of three-year recurrent health budget has been enhanced with a guaranteed capital works budget for the next four years—for the first time ever.

\$480 million each year for the next four years will provide jobs for 4,000 people across NSW.

The commitment of billions of dollars and the range of new services and construction projects shows the Carr Government's continued focus on building and improving a world class health system.

Certainly my electorate will benefit from many of the health initiatives in this year's budget. However, the item I would like to highlight from the list of ongoing capital works projects is the allocation of \$25 million towards the redevelopment of Sutherland hospital. The social justice statement also highlights this year's expenditure on the Drug Summit plan of action. More than \$50 million was projected to be spent in 2001-02 on Drug Summit projects. This additional funding brought drug program allocations and projected expenditure by New South Wales government agencies from July 1999 to June 2003 to approximately half a billion dollars. I am pleased to see that all Drug Summit programs will be monitored and evaluated. A set of evaluation guidelines will assist agencies to develop appropriate performance indicators and evaluation plans. We want to ensure that this significant investment to combat the drug problem is properly targeted. The social justice budget statement also focuses on strengthening education and training. Page 7 of the document states that education:

... promotes participation in community life and is essential in developing the creative social and intellectual potential of individuals. It nurtures the skills necessary for people to effectively engage in the issues that confront and challenge us as a society.

I am particularly proud of the TAFEs and schools that serve my electorate. The South-Western Sydney Institute of TAFE, honourable members might recall, had a record enrolment this year. The sad part of that record enrolment is that due to Federal Government funding arrangements the New South Wales Government must fund the growth in those enrolments. It is quite amazing that we are providing that quality service with a declining level of investment by the Federal Government. The Southern Sydney Institute of TAFE also serves my electorate. Recently I had the pleasure of attending an awards night conducted by the institute. It is obvious that it is producing quality programs and the graduates there are achieving great things and, importantly, employment in their chosen professions.

I am also very proud of what the public schools in my electorate are achieving. Whenever I visit various schools I am reminded of what they are achieving. Many members in this House had the opportunity to visit schools in their electorates on the Centenary of Federation to see some of the projects and activities that were being conducted. Bangor Public School had its very own Sir Henry Parkes. It was the first time I had the chance to meet and greet Sir Henry Parkes. He was holding his age rather well, with his very bushy beard. The enthusiasm within each school I visited left me smiling for most of the day. The kids at each school were terrific.

I know that the students at Alford's Point Public School are particularly happy with the budget because they received \$583,000 towards the completion of stage one of the Government's election commitment relating to that school. Alford's Point school is the only school in Sydney, if not New South Wales, that is comprised wholly of demountable buildings. The Government made a commitment to provide a new school through a staged approach. This year's budget provides for the completion of stage one, and the plans and the development application for the remaining stages have been completed. I can promise the staff, students and families of Alford's Point Public School that I will continue to strongly advocate for the commencement of stage two at the earliest possible opportunity.

It is important to note that the plans for that project exist, but stage one must be completed before we can move on. It is pleasing to see that project progressing so well. Similarly, Chipping Norton Public School, which was built in the 1920s, is in need of much maintenance work. I am pleased that the Minister has made a commitment to the master planning process that will see the redevelopment of Chipping Norton Public School, which has a very strong and committed school community.

Any discussion of the budget's impact on the electorate of Menai would not be complete without a discussion on the roads and transport issue. Earlier I mentioned the completion of Woronora Bridge. The undertaking given by the Minister for Transport, and Minister for Roads was delivered to the people of Sutherland and surrounds in February this year. Indeed, the Minister has delivered on every promise he has made to the people of my electorate; he has proved himself worthy of their trust. With the completion of Woronora Bridge, and obviously its attractiveness to many people to start using it, the pressure on Menai Road, which is one of the major roads leading to the bridge, has increased and motorists are experiencing an increase in traffic and delays on Menai Road. That is a concern to us all.

However, the Minister has a solution and that solution is the Bangor bypass. I am delighted to see in this year's budget a further allocation of \$8 million towards the construction of the Bangor bypass. It is estimated that the environmental impact statement will be on display by October this year. We are anxious to see the commencement of works and to get that project well and truly under way to relieve the pressure on Menai Road and give it back to local traffic. Also in this year's budget is an allocation of \$100,000 towards a road safety audit on Alford's Point Road. My constituents have had many suggestions about ways in which the safety of Alford's Point Road could be improved. I welcome that allocation of \$100,000 for an audit so that we can systematically identify works that need to be undertaken and look at the budget allocations that must follow. As I said, that is something we need to do, and I look forward to the start of that audit.

In the Liverpool part of my electorate a further \$300,000 has been allocated to the planning of a grade separation at the intersection of Moorebank Avenue and the south-west motorway. The intersection is currently controlled by a set of lights. It was known locally as the "only set of lights between here and Canberra". People are now telling me that it is the "only set of lights between here and Melbourne", but I cannot vouch for that. Certainly, it is a source of stress not only for motorists but for the Interlink people who run the M5 motorway because in some cases it causes delays right back to the tollgates and holds up the traffic. So I am pleased about and look forward to the start of that grade separation. Planning is under way and I understand that negotiations are taking place to try to bring that project to fruition.

A further \$250,000 has been allocated to the improvement of intersections at either end of Governor Macquarie Drive, Chipping Norton. Governor Macquarie Drive is not a State road; therefore, the work allocated in this budget refers mainly to the intersections at Newbridge Road and the Hume Highway. It is apparent to me that we need to work closely with Liverpool council to work out a solution for Governor Macquarie Drive that addresses the problems that exist, especially during the peak hour, and the fact that much of the road does not have kerbs and gutters, which brings a few problems to bear when we start talking about intersection improvements.

On top of that sort of work, in co-operation with local councils, this year's budget allocates \$132,240 in grants to Bankstown, Liverpool and Sutherland councils for traffic facilities. Finally, in relation to the transport portfolio, the Minister recently announced—and it is mentioned in this year's budget—improvements to the East Hills railway line. I know that this will improve the on-time servicing and reliability of trains that run through my electorate. Many of my constituents access the East Hills line at Holsworthy railway station and people at the Sutherland end usually access the line at Padstow railway station. We will be pleased to see the work well and truly under way on the East Hills line to improve that situation. An allocation of \$4.9 million has been made for the completion of the Holsworthy station car park. This project has been long awaited by my community. Work is under way but we certainly need to finish it. This is an opportunity to thank the commuters who use Holsworthy railway station for their forbearance and good humour in coping with the present situation.

We have already experienced limited parking and, obviously, during the construction phase even less parking is available. Everyone, with good humour, is trying to find parking so that they can get to the train on time. We have been a little thwarted in our attempts to provide alternative temporary car parking by the Department of Defence and the Federal Government's plans for the site where the temporary car parking was located. It has been a little difficult to work out a system whereby we can provide that alternative parking at a minimum of inconvenience. We think we may have reached an understanding, and we look forward to providing that car parking as soon as possible with high-intensity lighting so that people can park safely and access Holsworthy station with its improved service on the East Hills railway line.

As I said, I am pleased to support the bills. I congratulate the Treasurer and, indeed, the Government on providing a budget that will improve the quality of life and the day-to-day services of my electorate of Menai. I look forward to the completion of the major capital works mentioned in the budget so that we can go to the March 2003 election advocating the fulfilment of all our promises. As I said, the Government has shown its determination by the things that have already been completed, and I am proud to commend the budget estimates to the House.

Mr R. H. L. SMITH (Bega) [9.17 p.m.]: It gives me great pleasure to speak on what I believe are now termed the budget estimates, because the Appropriation Bill, and cognate bills, were passed by the House earlier this evening. When the Treasurer came into this House to deliver his budget he said that this budget is a Labor budget through and through. I must agree with him, because it is a high-taxing budget. During the years the present Government has been in power services have reduced. Everyone is well and truly aware that New South Wales is by far the highest taxing State in Australia. Surely that is not an enviable record so far as this Government is concerned.

I recall that during the last election campaign the Premier announced that there would be no new taxes and no tax increases. However, he is taxing almost everything that moves, including crime victims, cats, dogs, fish, septic tanks—you name it! Some of the new taxes and fees introduced by the Government include the bed tax, which has been replaced by the GST, dog and cat licences, septic tank licences, land tax on homes, payroll tax on superannuation, electricity, sports betting, fishing, national park entry fees, parking levies, cemetery fees and poker machine tax—you name it! Basically, anything that moves now has a tax on it. The Government is raising much more revenue than any previous government. Services in country areas, particularly health services, have dropped dramatically.

There is no doubt that people who live in country areas were happy to support the Olympic Games, in spite of the fact that they derived no benefit from them. In my electorate tourism operators reported that tourism underwent a completely dull period as a result of the Games, but the people of my electorate were quite happy to accept that. Olympic volunteers came from my electorate as well as from city areas to provide assistance, and were only too pleased to offer their support for the Games. They were absolutely thrilled that the Games proved to be such a wonderful success. However, it must be remembered that the Olympic Games cost \$1.4 billion and resulted in an almost total renewal program for the Sydney area, particularly at Homebush, where the facilities are quite unbelievable.

I believe that country people were expecting a payback through the budget for some of the capital works that country electorates had forgone over the past few years during preparation for the Olympic Games. I would have thought that a repayment program would have been included in the budget to compensate for capital works that were forgone in non-metropolitan areas, but that has certainly not eventuated. One would have to say that the Carr Government is great on re-packaging and re-announcing all sorts of initiatives—and this budget is a case in point, with projects that were not carried out last year being re-announced and re-inserted into this year's budget. At least that is the case with projects that affect my electorate.

There are four hospitals in my electorate: Pambula District Hospital, Bega District Hospital, Moruya District Hospital and Bateman's Bay District Hospital. Major meetings have been held almost continuously in some towns in an effort to preserve the current hospital services. One would have to say that health services in my electorate are really in crisis. Waiting lists are expanding all the time—and it is not a matter of whether the electorate receives new services; it is a matter of fighting to maintain the services that the electorate has now. A relevant factor is the rate at which my electorate is growing. It is a retirement area as well as a tourism area. Because it is a popular retirement area, a fair proportion of the population is elderly, and those people require more health services than younger people.

One of the problems is that many of the hospitals for which the Southern Area Health Service is responsible are traditionally funded. The Carr Government does not seem to have any program for taking funds out of traditional expenditure areas and into health service areas which reflect the highest rates of growth, thereby providing a more equitable distribution of funds commensurate with the demographics of different areas. That problem is particularly evident in the four hospitals I have mentioned because they deal with a retired and aged population as well as a strong and growing population. Over a lengthy period there has been a great deal of discussion about the Milton-Ulladulla Hospital being upgraded. The Minister for Health has visited the electorate and has made several announcements, yet there is no mention at all of that project in the budget.

I have often referred to the Milton-Ulladulla Hospital as the missing link on the South Coast. Most of the other hospitals have had relatively major upgrades over the past 10 years but the Milton-Ulladulla Hospital has simply stagnated. The Ulladulla population utilises the hospital, and it certainly needs upgrading. It is time the Government stopped talking about upgrading the hospital and took some action. There is no allocation for upgrading the Milton-Ulladulla Hospital in this year's budget for either planning or capital works. My electorate has a need for specialist medical services, and meeting that need is an emerging problem. Major public meetings have been held to discuss the availability of orthopaedic services. The Minister for Health has made a number of promises and the people of my electorate are waiting to see whether those promises come to fruition.

When the contract with Canberra Health terminates, the people of my electorate would like to have specialist services provided within the Bega electorate to avoid the necessity to travel, in some cases, for three hours to undergo relatively simple specialist medical procedures. A short time ago people in my electorate received the devastating news that the Bega blood bank would close. The Bega blood bank services an area from the Victorian border to Bateman's Bay and all the towns in between. Recently an advertisement appeared in the local newspapers calling for people to donate blood because there was a desperate shortage. I again wrote to the Minister for Health—he has never replied to my letters—and asked him to reopen the blood bank at Bega to provide a place for volunteers to donate blood. As there appears to be a need for blood, why has the Minister for Health closed down the blood bank? Previously 2,000 units had been collected throughout the Bega blood bank area. No-one knew that it was an expensive area in terms of transportation and collection and there was no opportunity to address that problem. The blood bank simply closed.

Education is an aspect of government in which the electorate of Bega fared relatively well in the budget. I thank the Minister for Education and Training for an allocation of \$228,000 for planning for the Merimbula Public School. I particularly thank the parents, the parents and citizens association and the school's staff for the wonderful lobbying that was carried out consistently over a number of years. This budget has provided money for planning for a project that will cost a total of \$4.5 million when completed. A disappointing aspect of the education allocation in the budget was that there is reference to a new school to be built at Tura Hill. The site that has been chosen was also the site for a proposed new high school in the Merimbula area. However, indications given by the National Parks and Wildlife Association, the Department of Education and press reports were that the site was not available because of the provisions of the Native Vegetation Conservation Act.

Those opinions were based on a misinterpretation of the Native Vegetation Conservation Act. If the Government did not want to build the primary school on the site that had been mentioned, the Minister should simply have told the parents and citizens association and the community. The Government did not need to misinterpret an Act that did not prohibit the construction of a private school on the site. I am unaware of the Government's intentions in relation to a site for the high school. Another site will need to be found. It will be extremely difficult in coastal areas to find a suitable and available site for development. A project involving continuation of the redevelopment of the Bega High School has received an allocation of \$1.174 million. This worthy project will result in a total refurbishment of the Bega High School at a total cost of \$3.5 million.

The Bega TAFE college also received a small allocation of \$446,000 for student amenities and general learning space. The funding will be used to provide a small building opposite the present TAFE building on the site. It is disappointing that the Bega West Public School, which was the subject of representations for relocation and construction of a new school, seems to have been placed in the too-hard basket. I will continue to pressure the Minister to make sure that in next year's budget Bega West is given fair treatment. Eurobodalla Shire Council has provided funds for the relocation of Bateman's Bay primary school because the shire wants to use the present location for car parking and other purposes. Basically, a new school will be provided through money that the council will pay for the site. A lack of housing is also becoming an increasing problem in my electorate, and the 2000-01 financial year was not a good one for public housing with only \$442,000, a very small amount, being allocated for my electorate.

People in all communities who are not so well off need public housing. A major problem is that when capital is raised from selling public housing it does not all go back into housing; a lot of it goes into Treasury. In fact, more than \$100 million went into the Treasury coffers. That is, in real terms, a cut in housing by \$11.3 million. As there are no trains in my electorate, and public transport is extremely limited, roads are very important. The Princes Highway, the Kings Highway and the road over Brown Mountain are the life-blood of the area. The Bega cheese company has announced that it will significantly expand its factory and will create another 150 jobs. That will make it even more important for B-double trucks to access the area from the north, south and west, from the Canberra area.

I am thankful for the \$1.7 million allocated in the budget for a coupling and uncoupling bay at the foot and top of Brown Mountain, which we have sought for a long time. Money will go towards strengthening some of the bridges and improving the Princes Highway to allow B-double trucks to pass. It is important to move freight economically to remain competitive in business. A massive amount of money needs to be spent on the Princes Highway. The Government has allocated \$380 million over 10 years, and when one considers that the highway is approximately 600 kilometres long that is a very small amount of money. Some sections of the Princes Highway are crying out to be made relatively safe, or at least for its reputation of being the State's No. 1 highway to be maintained.

Sections of the road around Narooma, and certainly north of Narooma Bridge, are very dangerous and need correcting. Bega needs a bypass. Ulladulla has a corridor for a bypass but apparently an alternative bypass is years off. Black spot funding has been cut by \$6 million, and roads in my electorate need a major injection of funds, which has not been provided in this budget. A number of years ago a Department of Corrective Services facility was announced for Batemans Bay. That has never eventuated, and it is not included in this budget. Police will continue to have to take time away from their normal police duties to transport prisoners to court and corrective services institutions.

During the last election campaign the Government promised to provide extra police, but they are not in my electorate. Complaints are continually received about the Warilla call centre: people are misunderstood and are not being connected to their local police stations. In the few minutes remaining I will refer to the deregulation of the dairy industry. The budget did not address the fact that dairy farmers have had quotas taken from them, with no compensation being paid to them—unlike dairy farmers in Western Australia, who were compensated for their quotas by that State's conservative Government. The New South Wales Government did not compensate dairy farmers, who consequently lost a massive amount of capital. For years quotas have been traded as a commercial product between farmers.

The workers compensation legislation, which is being debated in the Legislative Council after having been debated in this Chamber, is most unfair to farmers. New South Wales farmers are now meant to be deregulated and working on a level playing field, but they have to pay 10.5 per cent of wages in workers compensation. By comparison, farmers in Victoria pay 4.7 per cent—less than half, and in Queensland it is down to approximately 2 per cent, according to a recent report in the *Land*. The Government has a \$2 billion deficit, and it is not good enough to continue to make employers pay such a high rate.

The system is out of control and needs fixing, or many employers in New South Wales will not be able to compete. Recently the Minister indicated that the term of office of the administrator of Bega Valley Shire Council would be extended from 30 June to February 2002. That was an unpopular decision in the area. When the previous council was dismissed by the Minister, Commissioner Rogers conducted a public inquiry and made four recommendations, two of which have been broken by the term of the administrator being extended. The second recommendation stated:

It is recommended that an Independent Administrator be appointed until 30 June 2001.

The third recommendation states:

It is recommended that the Minister consult with the Electoral Commissioner and determine a date for a fresh election in the second quarter of 2001 in order that a new Council is elected and in place prior to 30 June 2001.

The Minister has overridden Australia's democratic society. If a public inquiry brings down recommendations it is an absolute disgrace that the Government can override them, extend the term of an administrator and run roughshod over democracy in the belief that it is better than the people and it can do what it likes by decree. That is not good as far so I am concerned. I certainly appreciate the opportunity to speak tonight. *[Time expired.]*

Mr MARTIN (Bathurst) [9.37 p.m.]: I will speak on the budget and, unlike the honourable member for Bega, I will confine my remarks to the budget. I am not sure that local government issues, to which the honourable member referred, have anything to do with the budget. I will add to the many contributions in support of the Carr Government's budget delivered in this Chamber on 29 June by the Treasurer, the Hon. Michael Egan. It is inevitable that the Government praises its budgets and the Opposition criticises them—a bit like death and taxes. I have not heard much criticism from the Opposition. A characteristic of the speeches of the Leader of the Opposition and the Leader of the National Party is their paucity. I do not think that the Coalition leaders used their full allocation of time to speak on the budget, which underlines the fact that they found very little to criticise because, generally speaking, right across the community it has been recognised as a responsible budget.

The 2001-02 State budget demonstrates a hallmark of the Carr Government's electoral success—that is, sound financial management. People expect governments, first and foremost, to be good managers. This budget again demonstrates the Government's credentials in that respect. Over six years the Carr Government has managed to reduce the State's liabilities, pay its way—the Olympic Games being a classic example of that—and retire debt. This prudent financial management has allowed the seventh Carr Government budget to fund the biggest public works and capital investment program ever for this State, and to fund major improvements to hospitals, public transport, schools and other government services.

Contrary to comments from the other side of the House suggesting those public services have been cut to the bone, in fact funding for those services has increased in each successive Carr budget. This is the fourth successive year that the Government has been able to deliver major tax cuts, and it is the sixth successive surplus. By any stretch of the imagination, that demonstrates impeccable financial credentials. No wonder Standard and Poor's have given the New South Wales budget the thumbs up and declared it the best and most responsible budget of any current Australian government, including the Federal Government. No wonder the public at large acknowledge the Carr Government as a good manager.

As I said earlier, people expect their governments to be good managers. That underpins the Government's electoral support, for it has been a hallmark from day one of the Carr Government. This is the fourth year in a row of a reduction in taxes, equating to about \$1.2 billion over the next four years. The debits tax will be abolished from 1 January 2002, unless the Federal Government reneges on a deal and imposes some financial penalties on this State. We are hopeful that that will not happen. The much-criticised financial institutions duty will go from 1 July this year. That means that New South Wales will be the only State free of both of those taxes. Once again the Carr Government has led the way in respect of those taxes. This is an important issue because the financial institutions duty has particularly adverse effects on people on pensions and fixed incomes, because it is a tax that they cannot avoid. Every cheque, or debit, is taxed. Those at the lower end of the economic scale suffer disproportionately from this tax.

A feature of this budget is new public works and infrastructure of more than \$5.5 billion. Once again the Government has demonstrated its financial credentials by paying for this infrastructure up front, as it did with the Olympics. There was criticism from the other side of the House by members such as the honourable member for Bega, who said that people living in country areas were expecting a windfall. Indeed, that is what they are getting. We all expected some pain from paying for the Olympics up front, but that has proved to be a prudent financial move. The Government demonstrates that quality again by replacing Olympic expenditure with record public works expenditure of more than \$5.5 billion.

I now turn to the electorate of Bathurst, which has fared pretty well from this budget. I, like all of the other 93 members of this House, can say I am unhappy with pet projects not funded by this budget, but in general something like \$80 million is to be spent in the Bathurst electorate. A large proportion of that is to be spent on roads. In fact, \$31.3 million in roads expenditure comes to the electorate of Bathurst. I move to some of those important projects. The budget provides for major development works of \$12.5 million and maintenance works of \$15 million, with transport facilities expenditure of \$2.2 million. I am pleased that more than \$1 million is to be expended on road safety measures.

Some important projects again funded this year include the Great Western Highway from South Bowenfels to Lake Lyall Road, with an allocation of \$2 million to bring it to the high standard of road on either side of it. This is on the approaches to Lithgow of the Great Western Highway, a very visible high-traffic road. This will improve the entrance to the city of Lithgow from both an aesthetic and safety point of view. Another very important expenditure is the \$7.5 million allocated to the Mid Western Highway at Kings Plain, between Bathurst and Blayney. This stretch of road is a known black spot.

I am pleased that the Minister has been responsive to public pressure and lobbying, and I welcome the support of the Blayney Shire Council in that regard. I am pleased that that work will go ahead. The Castlereagh Highway, which links Lithgow in the north through to Blayney, also has been allocated some \$3 million to continue the construction work started last year. A major work is the widening of the rail overbridge at Lidsdale. The projects include \$145,000 for work on the Sofala Road at Wattle Flat. Once again this has been the subject of strong lobbying by the Wattle Flat community, where the school presents a real safety issue. I am pleased that the Minister, in co-operation with the Evans Shire Council, has responded and that much-needed work will get under way.

While I am speaking about roads I think it is fair to put on record my disappointment that a couple of projects were not funded. It was important to get the \$250,000 funding for another two kilometres of the Jenolan

Caves Road to Oberon. That link from Jenolan Caves to Oberon is becoming increasingly important to enable Oberon to cash in on the 300,000-odd visitors to Jenolan Caves. I know that the Oberon community, and in particular the Oberon Shire Council and its tourist organisation, are happy that that money has been provided. This is the result of some innovative work by Leigh Robins and his staff at Oberon council. They will get very good value for that allocation.

There are a couple of projects for which I would have liked funding. One of those is the 10 kilometres of the Burruga to Bathurst Road that remains unsealed. Those who live in the village of Burruga, which is some 70 kilometres south of Bathurst, have the problems presented by that section of unsealed road. I know that the local school bus operator is concerned about the condition of the road. I believe that discussions with the Evans Shire Council over the next few years will see some work undertaken on that section of roadway.

Another major project for which I was hoping to get some funding—though there has been some funding in recent years for part of it—is the Bylong Valley access, from Rylstone shire through the Bylong Valley and on to the Upper Hunter region, a matter with which Mr Acting-Speaker Mills would be familiar. Some 40 kilometres of that road remain unsealed. That section, once it is sealed, will give a good sealed access from the Central West right through to the Upper Hunter, where motorists can link with the Pacific Highway and the New England Highway, obviating the need to travel to Sydney and back up the Pacific Highway. That is a very important project. I know that the Rylstone Shire Council continues to lobby strongly for those works, and I support them in that lobbying.

Health obviously is a very important aspect of any electorate, and any local member would devote a lot of time to health matters. I am happy that through this budget the Mid Western Area Health Service recurrent allocation has reached an all-time high of \$162 million, including an extra \$9.8 million this year, or an increase in its allocation of 6.5 per cent. The Government's guarantee to provide three-year forward planning also continues, with annual budgets now guaranteed until 2003-04. This new funding will mean an increase in health services available to people in the Bathurst region, including significant enhancements in the delivery of chronic care services across the region. Funding of \$250,000 has been allocated to undertake planning in response to community calls for the redevelopment of hospital facilities at Bathurst Base Hospital. This funding will start the planning process for the base hospital and is a direct result of the lobbying of the community and the Bathurst City Council.

I pay tribute to the Bathurst community. Some 14 or 15 community groups got together and worked with me and with Bathurst City Council to submit a fairly comprehensive plan to the Mid Western Area Health Service and the Minister, the Hon. Craig Knowles. The Bathurst electorate will benefit from the \$53 million that has been allocated statewide for the first stage of the multipurpose service program, with work continuing on the redevelopment of Rylstone and Blayney multipurpose services [MPSs]. This is an exciting and innovative method of delivering health care to small regional communities. The Parliamentary Secretary for Health, who is in the Chamber at the moment, is involved in taking that message to country centres.

I am heartened by the Minister's guarantee that he will address funding problems relating to Blayney MPS. He said that issues relating to primary care or community health facilities would also be addressed. There was a shortfall between the funding estimate and the budgetary allocation. With some strong lobbying from Councillor Peter Hall, Chairman of the Rylstone steering committee for the MPS, the Minister has taken that issue on board. That project will meet the expectations of the community. The Labor Government is focusing on providing an even better health system in New South Wales. Recurrent health spending this year reached an all-time high of \$7.7 million.

Education is an extremely important component of any budget. I am pleased that this year the education budget has resulted in a record expenditure of \$7.6 billion. The Government's key priorities will be to improve the amenity of schools through the schools improvement package of capital works; to promote and improve the quality of services; to introduce new technology strategies, including the staged introduction of a teacher and student email network in government schools and TAFE and a range of other e-service facilities; the introduction of computing skills assessment tests for year 6 and year 10 students; and a continued focus on improving literacy and numeracy skills. So the Government will be building on the good work that has been done in recent years, a key plank of its education budget.

I refer to a health innovation in this budget that will impact on my electorate, that is, the behaviour initiative package for the Bathurst district under the guise of tutorial centres. The Bathurst district will benefit from this year's budget announcement which delivered \$11.483 million worth of initiatives to assist students

with severe behavioural difficulties to overcome their problems and remain engaged in education. Tutorial centres are small, flexible units where students with severe behavioural difficulties can work with a specialist teacher to increase their literacy, numeracy and social skills. Over the past 10 years these centres have been highly successful in supporting students with severe behavioural difficulties.

As a result of that success, the department will establish a tutorial centre in Bathurst. The centre will operate in a flexible way, allowing students to attend either part time or full time, depending on their individual needs. It will be staffed by two specialist teachers and a teachers aide. It will also provide specialist support for those students wishing to make the transition back to school or wishing to engage in further education and training. There is a real social and humanitarian element in this policy. Too often in the past difficult students have been left by the wayside. They have been seen to be interfering with mainstream teaching, problems have developed, their prospects later in life have been reduced and that has resulted in many sad outcomes. I commend the Minister for Education and Training on introducing this program, in particular because of the success that it has achieved in the Bathurst electorate.

I am pleased to see in the budgetary allocation for public works an allocation of \$700,000 for the Glen Davis Water Supply Scheme, a project that will take reticulated water into Glen Davis Valley. It is a legacy of the Second World War when shale oil works were in full swing. There was a suggestion by some bureaucrats that \$5 million had to be spent to upgrade that system. They were going to pull it apart and, as that could not be done, they offered people stand-alone water tanks. Imagine how that went over with the locals! After successful lobbying Minister Iemma approached this matter in a much more sensible way. With the expenditure of \$700,000 that water scheme will remain intact. The Duckmaloi filtration plant, a \$3.7 million project which will improve the quality of the water supply to the Lithgow area, in particular, Wallerawang and Portland, has been funded in this budget. Lithgow City Council has been working long and hard for that project. I congratulate the Minister on achieving that funding.

Funding is available also for the Rydal and Cullen Bullen reticulation system, all part of the Fish River scheme that will once again enhance water quality. I am pleased that the pipeline replacement program, which will cost an estimated \$9 million, has also received a budgetary allocation of \$2 million. That scheme was developed just after the Second World War for the Fish River scheme near Oberon, which supplies not only the Blue Mountains and the metropolitan and city areas but also Lithgow and Glen Davis. Those pipelines must be brought up to speed. In recent years there have been too many pipeline breakages, consequent interruptions to services and an impact on water quality. I comment broadly that country and regional New South Wales fared well in this budget.

Some Opposition members said that country areas had not fared too well and that they had been forgotten. I, along with my Country Labor colleagues, have been lobbying long and hard to ensure that the country region gets its fair share of the cake. The budget figures this year will reveal that, with 28 per cent of the population living in country New South Wales, this budget delivers to them 34 per cent of the State's public works and road maintenance program. Whilst we would all have liked a bit more for our road projects, the Carr Government has recognised that there is a need in country areas to increase and maintain the level of public infrastructure. Once again, this budget demonstrates the Government's commitment in this area. This Government's credentials are based on the fact that it is seen by the wider community as good financial managers. The seventh Carr budget has lived up to that reputation and it endorses this Government's high standing in all areas of the community. I commend the budget to the House.

Mr HAZZARD (Wakehurst) [9.57 p.m.]: It was with interest that I listened to Labor members supporting the Carr Government's budget. They seem to have ignored the fact that just last Tuesday hundreds of former Government supporters were prepared to say that the Government was totally out of touch and arrogant. Those Labor members who contributed today in debate on the motion that the House take note of the budget estimates and related papers are the very people who made the most noise last week. They said that their Premier was out of touch, that he was arrogant, that he did not understand and that he was pushing legislation through this House.

So Labor members believe that their Premier is arrogant and out of touch. However, that has had an impact on the way in which the budget was allocated. There has been no fairness or equity. People on the northern beaches have again been left with the budget scraps. I sat in amazement listening to the contribution of the honourable member for Bathurst. He referred in his contribution to the amount of money that had been allocated for road programs in Bathurst. Whilst Opposition members agree that money should be allocated for road projects in regional areas, it highlights the lack of fairness displayed by the Government—a hallmark of the

Government. Today the front page of the *Manly Daily* is headed "Scully's about-face". The Minister likes to make sure that he appears to be doing things but sadly he often does not deliver. The article underneath reads:

... yesterday Mr Scully said efficiency gains of less than 1 per cent for ferries and just 0.3 per cent for high-speed services in the past year justified a 5 per cent overall rise in fares from July 1.

There are effectively only two modes of public transport on the northern beaches. The first is the ferries and SuperCats. But the new, magnificent transport on the harbour is unfortunately unworkable. The second is buses. Most visitors to Manly and the northern beaches would prefer to use ferries and SuperCats. The public transport system is just abysmal. The *Manly Daily* noted, under the heading "What a woeful record" just how woeful our access across the harbour has become:

Within a week of Mr Scully's announcement, *The Manly Daily* reported the cancellation of supercats due to the size of the swell coming through the Heads.

In early May, the jetcat *Blue Fin* was withdrawn from service after suffering engine failure.

On May 7, the supercats were withdrawn from the Manly run—again due to the size of the swell coming through the Heads.

The following day the scenario was repeated, leading to renewed speculation that the supercats were unfit for the Manly run.

Two days later the supercats were again withdrawn.

On Monday, the State Opposition released information obtained under Freedom of Information legislation which showed that in a two-week period—March 28 to April 12—a total of 36 high-speed trips had to be cancelled on the Manly run.

The people of the northern beaches know that we are being treated very poorly by this arrogant Government. It is totally inappropriate for the Minister for Transport to be authorising an increase in fares when the services to the northern beaches from ferries and SuperCats has reached a woefully bad level. I call on the Minister to have a rethink. It is his obligation to ensure that people can get to and from the northern beaches with reasonable public transport. The Premier pontificates. He likes to think that he treads the main stage in some larger than life fashion. He talks about saving bushland, making sure that the air across Sydney is clear and that the water is cleaner. Yet because of the standard of public transport people on the northern beaches are discouraged from using public transport, because they cannot rely on JetCats and SuperCats and ferries.

Manly hospital and Mona Vale Hospital are big issues. Again, nothing has been provided in the budget to shore up hospitals on the northern beaches. I call on the Minister to deliver the funds that he has promised to provide the sorts of hospital services that we need and deserve. He promised \$176 million for a new hospital. Until the issue is resolved of what sort of hospital services are eventually needed, the Minister should provide money to maintain the services we have. At the moment they are dying by a thousand lashes. There is a downward spiral in services and staff morale. People on the northern beaches feel that the Government has left them by the side of the road.

A section of the road at Spit Hill is very dangerous. It is more than a year since young Lucy Singleton died on the Spit Hill S-bend. The Minister, Carl Scully, indicated that his department would come up with a solution and provide funding to separate the traffic travelling in different directions. In the middle of last year I met with Roads and Traffic Authority [RTA] officials. They promised that by early 2001 they would have a solution to the problem: they were researching it overseas. Heaven only knows how much money they have spent on that. But at the end of the day we have no solution. All we have is a couple of speed cameras, which are revenue raisers for the Government. They are located in a ridiculous position.

The Minister told us last year that speed cameras had to be at the bottom of the hill and to the south of the S-bends because of the danger in servicing the speed cameras. If there are to be speed cameras—I am not convinced that they are needed—they should be right on the S-bends to slow the traffic where it is most dangerous. Large flashing lights have now been installed right on the S-bends. So those lights can be installed and serviced but speed cameras could not be serviced on the corner! This again shows the inconsistency of the Government.

The Minister for Education and Training, John Aquilina, has promised a lot in regard to the northern beaches secondary campus. He has delivered next to nothing. At least \$10 million is required to complete the work at Freshwater High School and the other collateral campuses. Just over a million dollars was promised in this budget. Young people and families on the northern beaches are saying to the Minister, "You got it wrong with Cecil Park High School. You got it wrong with classes in the western suburbs. You cannot even make sure

the kids in the western suburbs have teachers. But for heaven's sake try to deliver on the one promise you have given us, which is in relation to the northern beaches senior college." I say to the Minister: Come up with the \$10 million. You can find those funds. You can get a special allocation from Treasury. Let us know that you are seriously committed to the campus. If the Minister is not committed to the campus we have a serious concern about precisely where education on the northern beaches is heading.

The Minister for Health promised over a year and a half ago that he would consider allocating Collaroy Hospital for use by people with disabilities. Collaroy hospital is an old hospital that currently is used for day options programs for people with disabilities. The Minister for Community Services, Faye Lo Po' allowed these people to be told that they were going to have to move out and that alternative arrangements would be found. As at this day, a year and a half later, no alternative accommodation has been found for these people. They and their carers have been uncertain for the last year and a half. The Minister in this Chamber gives a semblance of caring for children and people with disabilities. If the Minister is really fair dinkum about people with disabilities she should get together with the Minister for Health and come up with a solution. The Ministers should stop sitting on their hands and solve the problem. Between the two of them they have the power. All we need is Craig Knowles to walk to walk. He certainly talks to talk, but we have not seen him walk to walk yet. He has to deliver for those people on the northern beaches with very profound disabilities.

There are options available. The quadriplegic association offered money to use part of the site but at the end of the day we have to make sure that facilities are provided. They should be paid for by the Government. I call on the Government to pay for new facilities on that site. The Government has the land. It should put up the facilities to provide decent accommodation instead of the third-rate accommodation that people throughout the State often have to use. The Minister would have to find only a couple of million dollars, tops, to build a decent facility to provide ongoing services for the people with disabilities currently using the site and others on the northern beaches who would use the facility.

I turn to a number of issues in my portfolio area. The Community Services Commission was set up in 1994 under the Coalition with legislation that had bipartisan support the year before. The Minister talks about caring for children and yet the one organisation that was established to make sure that the Department of Community Services does its job is being neutered. Its budget did not drop that much this year but the commission lost its powers in November last year. It received a letter from the Minister stating that legal advice from the Crown Solicitor said that the commission had been operating outside its powers for the last six or seven years. Everybody connected with people with disabilities and children in care actually thought the Government would do the right thing. They thought the Minister would do what any decent human being would do, that is, give the power back to the Community Services Commission. She has put the commissioner in the ridiculous position of having something on his web site indicating that he should have his powers returned.

What sort of arrogant, stupid, mindless morons are running this Government? Who would not allow a body such as the Community Services Commission to have decent powers to investigate the absolutely horrible things that can go wrong when we are trying to care for children in out of home care? It is farcical. I call on the Government to give the Community Services Commission the power and money it needs to get on with the job. I also draw the attention of members to the woeful attitude of the Government to community and disability services. The Minister is obviously not up to the task. That is of concern to members on both sides of the House. I understand the Premier has some difficulties because he does not want a reshuffle, he wants to keep stability. It is time the Premier did something with this Minister. She is not delivering the funding that has been allocated in this budget in the way it should be delivered. Allegations are coming out of the office about corrupt practices.

Mr Orkopoulos: Good Lord!

Mr HAZZARD: Yes, good Lord, corrupt practices of allowing someone in her office to operate a Ros Kelly type whiteboard to allocate funds.

Mr McManus: That is rubbish!

Mr HAZZARD: It is not rubbish.

Mr McManus: Prove it. Produce the whiteboard.

Mr HAZZARD: The Parliamentary Secretary should stick to his new big office and behave himself. These are not allegations we make lightly. They are coming from the community groups who look after people

with disabilities. Thirty-four groups put in submissions to the upper House inquiry into the so-called tendering out of disability advocacy funding. The Minister announced earlier this year that there would be tendering out of disability advocacy funding. Organisations have been saying that that was a potential recipe for disaster. One of the submissions that is now before the parliamentary inquiry says:

Allegation of improper conduct by ministerial adviser

Several people have also reported to us an allegation that the Minister's senior adviser has told a mid North Coast group that it should submit an expression of interest, that this EOI would be successful, and that the approximate amount that should be requested is \$200,000.

We are not talking about insubstantial amounts of money coming out of the budget. This submission went on:

We understand this allegation has also been reported by several callers in a phone in recently conducted by the Disability Council of New South Wales. In the context of a competitive tender process this allegation is clearly an allegation of "possible corrupt conduct" that must be properly investigated.

This organisation goes on to say:

... DADAHC must also—

Mr McManus: Who are they?

Mr HAZZARD: It is one of the peak groups that the Minister is aware of. The same group that is currently being held to ransom by the Minister for funding said:

We have also received a number of reports alleging that the senior adviser attended a joint meeting of a number of affected groups in the Nepean area—

This is the area in which the Minister's electorate is located—

and told them that they ought to form a consortium if they wanted funding to continue as they would not continue to be funded as a stand-alone organisation. It is alleged that one organisation was told that it certainly would not continue to be funded. Again, such conduct if true appears totally improper in the context of a competitive tender. We believe these allegations ought also to be properly independently investigated.

I am not in the habit of naming people in this place who do not have—

Mr McManus: "If true."

Mr HAZZARD: Yes, that is right. I am not in the habit, as the shadow Minister, of raising issues without substance. Here is a peak group, which supported by 34 other groups. The folder I am holding contains 34 submissions that have gone to the committee, and they made it very clear that the concerns are widespread amongst disability groups in New South Wales that they now have a Minister who has effectively set up a large whiteboard in her office and she is allowing—the Parliamentary Secretary can smile.

Mr McManus: I am not smiling. I am trying to ascertain the truth.

Mr HAZZARD: Tonight the Parliamentary Secretary had a community group in. He was supporting volunteers in the bushfire service in Sutherland. I congratulate him on that, but he should also support the volunteers who look after people with disabilities throughout New South Wales. Those people are saying that they have genuine concerns about the Minister and what she is allowing to occur in her office. If budgetary funds are to be allocated, that should be done in an impartial and fair way. I call on the Minister to respond publicly to this debate to clear the air as to what she is allowing to happen inside her office. The allegation is that earlier this year the process that was announced was under the guise of allocating an extra \$1 million for individual advocacy, and that was regarded as a good thing.

The adjunct to this arrangement was that every peak disability group in New South Wales would have to apply through a tendering process for funds out of the budget. That means that if an advocacy group put up views different to those of the Minister or the Government, she had the power to cut that group off at the knees. Apparently that is what has happened, but it has been done out of the Minister's office. The department is concerned about this. It is concerned that organisations that are coming out on top of the independent tendering process are not getting the funds. A group on the Central Coast had its funds denied. Although that group came out of the top of the independent process for funding, its funds went to the fourth-ranked organisation on the list.

Mr McManus: Tell us who they are.

Mr HAZZARD: Central Coast Disability Services, I think it is called. It is a major concern for everybody in New South Wales that the Minister may allow roting of the budgetary allocations out of her office. She cannot even begin to understand how that will destroy the confidence that disability groups have in a fair process and their right to speak up on behalf of the most vulnerable people in New South Wales. I call on the Minister to take this issue seriously. The gentleman who operates in her office is allegedly the person doing all this. I call on the Government to look into the matter and make sure that budget funds are allocated fairly. *[Time expired.]*

[Debate interrupted.]

DISTINGUISHED VISITORS

Mr ACTING-SPEAKER (Mr Mills): Order! I welcome to the public gallery Mr Ed Reitsma and Marieke Reitsma. Ed is the Consul-General of the Netherlands. He will shortly leave that post. In the gallery with them are Heinz and Doris Weiss. Heinz is the Swiss Consul-General. I welcome them to Parliament and commend them for their work in building relationships between the people of New South Wales and the people of their countries. In the case of the Reitsmas, tot ziens, bon voyage. I hope they find success in their new post.

BUDGET ESTIMATES AND RELATED PAPERS

Financial Year 2001-02

[Debate resumed.]

Mr ORKOPOULOS (Swansea) [10.20 p.m.]: I am pleased to speak to the budget estimates on behalf of the communities of the Swansea electorate. As the Treasurer stated in his speech on 29 May, this budget has been framed against a backdrop of a number of recent unexpected and adverse factors. The first is the debilitating impact of the Federal Coalition's GST on the 22,000 small businesses in New South Wales, on consumer confidence and on the building industry. The GST has been responsible for a marked slowdown in the Hunter and Central Coast regions, with decreases in aggregate demand and consequent disastrous impacts on employment. The compliance costs to small business, according to three separate studies on the issue, indicate that implementing the GST costs small businesses up to \$50,000 each. The political fallout of the GST will be felt in the Federal seat of Robertson on the Central Coast and the Federal seat of Paterson in the Hunter.

The second major impact on the New South Wales budget was the collapse of HIH Insurance. If ever there were a dereliction of duty on the part of government in this matter, responsibility can be sheeted home to the Federal Government and in particular the inept and dodgy performance of the Federal Minister for Financial Services, Joe Hockey. Not only will the Federal Government have to come clean on its total incompetence before the royal commission—only recently announced three to four months after the collapse—but also on whether the Howard Government, as the largest beneficiary of political donations from HIH Insurance, was deliberately light on its constitutional oversight of the insurance industry. What a contrast to the decisive action of the New South Wales Labor Government, especially the Minister for Fair Trading, for the victims of the worst collapse in corporate Australia.

The third impact on the framing of the New South Wales budget was the recent decision by the Howard Government to take an additional \$110 million away from New South Wales to subsidise the other States where they are sinking into the political sunset. No wonder since 29 May 2001 not one question on the budget has been asked in this House by the Coalition. Not one question! So, apart from the GST, HIH and Mr Howard stealing \$110 million from New South Wales communities, this budget has also been framed with the downturn in the international economy. It is against this general backdrop that the electorate of Swansea, being part of the two great regions in this State—the Hunter and the Central Coast—will clearly benefit from the decisions announced by the Treasurer.

As my parliamentary colleagues from the Hunter region have already stated, this budget allocates \$517 million to capital works projects for the 2001-02 fiscal year. This is an increase of \$59 million or a 13 per cent increase from the previous year's allocation. Yet \$517 million does not reveal the impact on the Swansea electorate, details of which I will now seek to explain to the House. I turn to the education and training portfolio and to the record \$7.6 billion in the budget for this vital service.

A strong public education system is essential to the future wellbeing of our communities. Education makes the difference between whether men and women can meet their potential or miss out on the benefits of

living in a civil society. In this regard, along with the school community of Valentine Public School, I have been lobbying the Minister for Education and Training to replace two decrepit and wholly unacceptable demountables with permanent classrooms. In summer the classroom conditions were so bad that teachers were forced to take their classes outside under the shade of the many beautiful trees on the campus.

I am pleased that funding has been allocated in the budget for the construction of two new permanent classrooms at Valentine Public School. The school is an excellent public school with dedicated staff and a loyal and active school community. I am proud the Minister for Education and Training has responded positively to my representations. I look forward to the official opening of the new classrooms, and hope the Minister will be able to attend to see for himself how pleased as punch the children, staff and school community are.

I am also looking forward to the official opening of the new library building at Jewells Public School in September this year. At a total cost of \$751,000, with the balance of \$98,000 being allocated in the 2001-02 budget, the new library block will replace the totally inadequate temporary structure that has been there for the past 17 years and will add to the fine education facilities for the Jewells community. Since coming to office, this Government has invested more than \$1.1 billion of taxpayers' money in new school facilities.

The social justice budget statement makes the point that a key goal of the Government is to provide equitable access to high-quality public education and training. To achieve this goal, \$116.9 million has been allocated in the budget for the Department of Education and Training's literacy and numeracy strategy. The strategy focuses on new teaching programs and provides a framework of statewide testing at key stages. The Government's reading recovery program, backed by approximately \$25 million in the budget, has enabled many students at schools in the Swansea electorate to raise their reading skills to appropriate levels and thus be better able to compete against others in the system. Notwithstanding that magnificent record of a 32 per cent increase over six years, other schools in the Swansea electorate need a commitment of capital works.

I now turn to the health portfolio, which, along with education, has recorded a whopping \$234 million in the Hunter region, with \$180.4 million allocated to Central Coast area health. This is a record investment on health and has been recognised by the Lower Hunter Health Council, the peak body representing consumers and the Hunter urban division of general practitioners, as being a significant amount of money. The implications for Belmont hospital and Wyong Hospital and the communities they serve are enormous. Belmont hospital will receive a \$20 million upgrade which will include a new accident and emergency ward, an upgrade of all wards, a new palliative care ward, new operating theatres, new day surgery wards and an expansion of beds to accommodate a growing population in the East Lake Macquarie region.

The \$180.4 million allocated to the rebuilding of Wyong and Gosford hospitals is also welcome. This money will fund additional beds for acute and mental health patients and diagnostic facilities at Wyong Hospital and upgraded emergency, cardiac care, operating theatres and acute inpatient facilities at Gosford Hospital. I particularly welcome the Government's decision to establish the oral health fee-for-service scheme that will provide dental treatment for public patients abandoned by the trickiest Prime Minister this country has ever seen.

Remember that right up to the Federal election my colleagues and I will remind our battling families and pensioners in our electorates that it was the Liberal-National Coalition Government in Canberra that abolished the \$100 million Commonwealth dental program in the 1997 Federal budget. How many times have honourable members been forced to confront distressed elderly constituents whose dentures or teeth require urgent attention? If it were not for the heartless, lousy and tricky Federal Coalition Government, they would have received the service they required.

This Government has responded to real people's needs with real programs, not by spending \$200 million plus on television and newspaper advertisements six months from an election, as the Coalition is doing in Canberra. As the Federal President of the Australian Dental Association, Mr David Thompson, said, the position of the Federal Government is illogical and lacks compassion. Whether it is a new fire station at Tingira Heights, the \$2.3 million upgrade to the sewerage system for Swansea, the \$500,000 upgrade of the Belmont Water-Waste Treatment Plant, the \$3.4 million Warners Bay to Valentine Waste Water Amplification System, the \$325,000 to replace the bridge at Sheppards Creek, the \$210,000 for the construction of a new bus bay on Croudace Bay Road, Belmont, the \$300,000 towards the installation of new traffic signals to improve safety at the intersection of Gooramba Avenue and Pacific Highway, San Remo, or the much-needed \$150,000 for intersection improvements at the Pacific Highway and Tall Timbers Road, Lake Munmorah, this Government has delivered. I commend the motion.

House adjourned at 10.30 p.m. until Thursday 28 June 2001 at 10.00 a.m.
