

LEGISLATIVE ASSEMBLY

Wednesday 22 June 2005

Mr Speaker (The Hon. John Joseph Aquilina) took the chair at 10.00 a.m.

Mr Speaker offered the Prayer.

AUDIT OFFICE

Report

Mr Speaker tabled, pursuant to section 38E of the Public Finance and Audit Act 1983, the performance audit report of the Auditor-General entitled "Managing Disruptions to CityRail Passenger Services", dated June 2005.

Ordered to be printed.

WORKPLACE SURVEILLANCE BILL

Message received from the Legislative Council returning the bill with an amendment.

Consideration of amendment deferred.

POULTRY MEAT INDUSTRY AMENDMENT (PREVENTION OF NATIONAL COMPETITION POLICY PENALTIES) BILL

Second Reading

Mr JOSEPH TRIPODI (Fairfield—Minister for Housing) [10.02 a.m.], on behalf of Mr Kerry Hickey: I move:

That this bill be now read a second time.

Before I deal with the content of the Poultry Meat Industry Amendment (Prevention of National Competition Policy Penalties) Bill, I will give honourable members an overview of the poultry meat industry, which is thriving and expanding in this State and nationally. Australians are eating more poultry meat per capita than at any other time in history. In fact, the growth rate of this industry has been higher than that of any other meat industry in the past 40 years, and recently chicken meat has overtaken beef and veal as the most consumed meat in Australia. This go-ahead industry makes a very valuable contribution to the Australian economy. For example, in 2001-02 the Australian chicken meat industry gross food revenue was measured at \$3.2 billion, with a total of 415.6 million chickens grown. Exports of chicken meat that year added a further \$26 million to the Australian economy.

The industry in New South Wales accounts for approximately 35 per cent to 40 per cent of the industry nationally—the largest share of any State or Territory. The New South Wales chicken meat industry contributes more than \$150 million every year to the State economy, and the industry underpins a \$1.35 billion retail sales market. In New South Wales there are slightly more than 300 registered growers in the industry, with poultry farms supporting an estimated 3,000 on-farm jobs. A 2001 study estimated that a further 15,000 people are employed in poultry meat processing facilities and up to 26,000 in related services. All up, this suggests that as many as 44,000 New South Wales jobs are directly or indirectly supported by the poultry meat industry. Participants in this industry may be involved in one or many of the various integrated enterprises, such as hatching chicks, growing those chicks into mature birds, basic processing of whole chickens and further value-added processing.

The industry is vertically integrated and highly concentrated both industrially and geographically. In New South Wales there are just six main poultry meat processing companies. Those processors own and operate breeding farms, hatcheries, feed mills, processing plants and some growing farms. Other growing farms are

independently owned. The New South Wales industry is characterised by having the majority of birds grown under contract on independent farms. In contract situations processors supply the birds to contract growers, as day-old chicks, together with feed, veterinary services, medication and animal husbandry advice, and undertake processing, marketing and distribution. The contract growers receive the day-old chicks and grow the birds to maturity, at which point the processor collects the birds and pays the farmer the agreed per bird grow-out fee. The growers provide animal management, capital inputs such as land, housing and equipment, meet some variable inputs such as bedding, gas and electricity, and are responsible for waste disposal.

The relationship between processors and growers is one of strong mutual dependence in meeting the needs of the marketplace and balancing meat demand and bird supply. It is that relationship, particularly as expressed in the grow-out contract and the associated growing fee, that has been regulated in New South Wales since the mid-1970s, most recently under the Poultry Meat Industry Act 1986. The problem addressed by this legislation and similar legislation in other States is the well-accepted fact that contract growers are in a weak position relative to the market power of processors, and that statutory protection is required to prevent market power abuse. This issue was first addressed through the Chicken Meat Industry Act 1977, which was the forerunner to the current Act. In both 1999 and 2001 reviews of the Poultry Meat Industry Act 1986 were undertaken to fulfil the New South Wales Government's commitments under the competition principles agreement.

The 2001 review found that certain relatively minor changes to the legislation should be adopted to protect jobs in the chicken meat industry. Amendments to the Act were subsequently made to implement these recommended changes. However, the regulatory arrangements remained fundamentally the same. The New South Wales poultry meat industry has thus operated in a stable and consistent regulatory environment for almost 30 years and, as I have already indicated, has flourished. The evidence is that the legislation has been instrumental in protecting the interests of 300-odd growers, has provided regional employment opportunities and has made a considerable contribution to the New South Wales economy. Despite this, the Howard Coalition Government is forcing us to make changes. I remind honourable members, particularly those opposite, that despite strong representations to the Australian Government defending the legislation, in 2003-04 the New South Wales Government was hit with a \$12.86 million penalty for keeping the Poultry Meat Industry Act 1986.

However, the Minister for Primary Industries subsequently met with the president of the National Competition Council and reached a breakthrough agreement under which the council agreed to certain concessions about penalties if a further independent review of the Act was undertaken. In return the council agreed to recommend the suspension of competition payments for 2004-05 rather than another permanent deduction. Following a competitive tender process a consultant was appointed to conduct a review in 2004. During the course of the review consultations were held with growers, processors and other industry stakeholders, including the New South Wales Farmers Association, to ensure that the views of all sectors of the industry were represented. This review assessed whether the Act continues to provide net public benefits and whether the identified net public benefits could be achieved in alternative ways that minimise restrictions on competition.

Consideration was also given to regulatory best practice issues. The bill I have presented to Parliament reflects the findings of the 2004 review and maps out what I believe to be a sustainable future for both the growing and processing sectors. It is important to appreciate, however, that the Howard Government has an axe hanging over our heads on this matter. It has applied a further \$13 million competition payment suspension to New South Wales this year, which will turn into another deduction if it does not agree with our response to the review. That means another \$13 million next year, bringing the payment suspension to a total of \$39 million.

The Poultry Meat Industry Act 1986 currently requires that grow-out contracts and the price paid to growers for mature birds must be approved by the Poultry Meat Industry Committee established under the Act. Unfortunately, under the extreme interpretation of competition policy rules that the Australian Government has chosen to adopt, the National Competition Council will not support retention of this degree of intervention in the New South Wales poultry meat industry. The centralised price-setting function of the Poultry Meat Industry Committee and the fact that it allows not only growers but also processors to bargain collectively are key concerns of the council.

A further concern of processors is that the committee price-setting process forces them to share commercially sensitive information. It is apparent that a regulatory system with these features will not pass council scrutiny. Critically, however, the 2004 review categorically concludes that there are strong grounds for continued intervention to protect growers through less restrictive arrangements that provide oversight of

collective bargaining between processors and growers. As I will outline in a moment, the Poultry Meat Industry Amendment (Prevention of National Competition Policy Penalties) Bill seeks to retain as much in the way of grower protection as possible whilst also avoiding further financial penalties. The proposed amendments to the legislation are entirely consistent with the findings of the independent review. Let me again make it clear that this Government would prefer to retain the legislative arrangements as they currently stand, but regrettably the Australian Government is forcing us to change a proven success story for the New South Wales economy.

The object of this bill is to amend the Poultry Meat Industry Act 1986 so as to replace the existing system with modified regulatory arrangements, which provide safeguards against anti-competitive behaviour by processors whilst avoiding the use of centralised, compulsory price-fixing and contract approval mechanisms. At this point it should be noted that even processors have not sought the total removal of the New South Wales legislative arrangements but have supported change whereby the legislation facilitates individual processors negotiating privately with their group of contract growers. A key feature of the new regulatory system is that it continues to provide statutory authority for collective bargaining by poultry growers in their negotiations with poultry processors. However, rather than being channelled and approved through the Poultry Meat Industry Committee, as is currently the case, collective bargaining will now happen at the level of individual processors and their respective cohort of contract growers. Importantly, growers will be able to choose whether they wish to participate in collective bargaining with their peers or whether they would prefer to negotiate privately with their processor.

To assist in ensuring that this process results in fair outcomes for all parties, the Poultry Meat Industry Committee will have four functions. First, it will identify issues that in the opinion of the committee it would be desirable for grow-out contracts to cover. It is anticipated that this would include much of the content of the current guidelines for agreements already approved by the existing Poultry Meat Industry Committee. A subsequent function of the committee is to identify a more limited set of issues that it is not only considered desirable that grow-out contracts cover, but it is recommended that there be a statutory requirement for contracts to cover. In this regard the committee will have the role of making recommendations on default contract provisions to be applied by regulation, unless otherwise agreed by the contracting parties. The committee will also have the task of developing, and promoting to the industry, a voluntary code of practice for contract negotiations. The intent of this is to promote co-operative and orderly negotiating procedures between growers and processors.

Finally, the committee will have a role in relation to resolving contract-related disputes between growers and processors. The parties in dispute over the terms of a proposed or existing contract will be able to call upon members of the committee to act as mediators and, in certain circumstances, arbitrators. To assist and advise the committee in these tasks the bill provides for the constitution of an industry-based Poultry Meat Industry Advisory Group. The bill also provides for processors to be required to notify the Department of Primary Industries within a month of entering into a contract with a grower. This important provision is directly linked to disease control. Poultry in modern production facilities are highly susceptible to outbreaks of disease that can decimate flocks not only on individual farms but also across the industry if not controlled.

Moreover, outbreaks of certain diseases, such as Newcastle disease, have trade implications. This provision will ensure that the Department of Primary Industries always has an up-to-date record of poultry farms and is thus well positioned to respond rapidly and effectively to disease incidents when they occur. I am confident that the Poultry Meat Industry Amendment (Prevention of National Competition Policy Penalties) Bill represents the most fair and balanced approach that can be achieved, given the constraints the Federal Government has placed on us. I commend the bill to the House.

Mr IAN ARMSTRONG (Lachlan) [10.17 a.m.]: I make it clear that the Opposition will not oppose this bill, it having already passed through the Legislative Council. The Opposition successfully moved some amendments to the bill. The poultry industry is one of the most efficient industries we have. It is one in which Australia is leading in its genetics, and the performance of domestically bred poultry in meat production is world class. We produce more poultry meat per kilogram of input fodder than any other nation. As a former Minister for Agriculture, I am well aware of the ongoing difficulties that have often been experienced in the industry by contractual growers, who contract to the suppliers and processors, and by the processors.

However, over the years various management practices have been put in place to try to ensure that both areas of the industry—that is, the growers and the processors—can make and maintain a profit and improve their efficiency, and therefore ensure that Australia has a supply of quality poultry meat. There is no doubt they have achieved that on a continuing basis, despite the many problems that have beset them from time to time.

This legislation introduces a Poultry Meat Industry Advisory Group, an innovation that has been long overdue. It is a form of intermediary to arbitrate effectively between the producers and the processors where necessary. In addition, with the migration of fowl and of people in this day and age, we are increasingly at risk of imported disease. Over the years Newcastle disease has wiped out an area of poultry or massive slaughtering of poultry has taken place to contain the disease.

Australia has the lowest disease rate for poultry in the world. In fact, we have the lowest rate of exotic diseases for animals in the world today. We need to maintain that unique position and protect it at all costs. The Poultry Meat Industry Advisory Group will offer advice to both producers and processors on the prevention of disease and, no doubt, will assist them in the case of an outbreak in the future. Hopefully they will not have to address an outbreak, but we must be realistic. The poultry meat industry is one of the major food sources in Australia. At various times there has been a push for greater importation of poultry meat. Those campaigns have been resisted, and rightly so, because we want to maintain our quota and price and protect our industry.

The poultry meat industry provides huge employment benefits, including secondary employment. The secondary benefits to the supplier are often underestimated. For example, in my area from West Wyalong back to Young and down to Cowra the feed industry now has a feed manufacturing capacity of 750,000 tonnes per annum. That equates to 1.5 million tonnes of grains and additives transported in and out of the area every year. The poultry industry is the biggest user of the feed mills in my area. The industry is a major employer, a major utiliser of materials and a generator of activity in country areas. Again, in my electorate at West Wyalong, Frank Pace and his family have invested upwards of \$50 million in world-leading technology with the erection of fully airconditioned Canadian sheds.

I recently went through some of the sheds, which are in pristine condition. Before entering a shed you have to shower and change into sterilised clothes. Workers have told me they may have five or six showers a day. Hygiene in the shed areas is a matter of importance. Inside the sheds the only smell is from the feed. The science that has been used to manage millions of heads of poultry, effluent and so on is amazing. It is a great example of leading-edge technology and management. A number of poultry producers, like Frank Pace and the Inghams, who virtually started from nothing, have done extremely well over the years. The poultry industry is full of wonderful stories of Australians achieving from a humble start and becoming world-class leaders in their industry. I thank the House for the opportunity to speak on this bill.

Mr PETER DRAPER (Tamworth) [10.23 a.m.]: I want to say at the outset that I strongly oppose the bill. I welcome the opportunity to contribute to this debate, in particular, on behalf of the 14 contracted chicken meat growers in the Tamworth district. The Federal Government may well be holding the State to hostage with its threat of a \$26 million penalty—or, as the Minister pointed out, possibly a \$39 million penalty—unless changes are made to the collective bargaining arrangements of New South Wales poultry growers. Tamworth growers fear they will be disadvantaged by the legislation, as a standard fair price for growers statewide will no longer apply. Unlike their city counterparts, growers in Tamworth, Griffith and Lismore have only one processor for whom they grow birds. As they are no longer subject to the price negotiated by the Poultry Meat Industry Committee on behalf of all growers, and in the absence of competition from a pool of processors, the sole processors in these regional areas will undoubtedly seek to lower the fee. It is believed this amendment will foster monopolies in these grower districts.

Prior to the introduction of poultry meat industry legislation in 1986 Tamworth growers were being paid considerably less per bird by their processor compared to arrangements in city areas. It is feared that this amendment will again reduce the fee, sending a ripple across the State that could threaten growers' viability. It is unrealistic to expect competition to increase in regions where there is a single processor to haggle with over fees. Even if Tamworth producers wanted to register a protest against a fee offer they would be unable to do so because supply to the nearest processors on the coast is negated by the fact that birds ready for market rapidly lose condition when travelling.

In the Tamworth district the breeder farms—the meat chicken contractors who grow out the birds—and the hatching, feed production and processing of meat chickens are among the city's largest employers. The industry has some of the most up-to-date equipment and technology to grow out chickens for the larger east coast markets. Contract growers are pitted against one another in vigorous competition in a pooling system. The grower who can produce more chicken meat using less feed can be paid thousands of dollars more than the grower in the middle or on the bottom of the pool. Tamworth growers believe that amending the New South Wales poultry meat legislation and introducing competition policy when there is no competition would be devastating. As I said earlier, the introduction of the original legislation brought peace to the industry and

allowed country centres to develop because a standard fee was negotiated on an industry-wide basis for a homogenous product across the State.

One of the most progressive periods in the industry's turbulent history followed the legislation with the industry undergoing rapid expansion. It is understood that there is more upgraded tunnel ventilation in Tamworth's chicken sheds than in any other contract growing area in the State. Prior to the Act, shedding in Tamworth was a shambles. Following the legislation contract growers in Tamworth began investing with confidence. The processor enjoyed a lower cost per kilo from chickens grown under vastly improved conditions. Birds were less stressed as a result of being insulated against extremes of heat and cold, which resulted in much less disease. The processor replied by ensuring that sales staff sustained more than five batches per year, thereby maintaining the viability of all the growers around Tamworth.

The link between the growing fee for chickens among the processors and growers of Sydney and Newcastle and other growing centres in New South Wales would be broken if the competition policy did not recognise the achievements of the New South Wales legislation. It has kept country centres with only one processor alive. If Tamworth, Lismore and Griffith growers are thrown into the role of unwilling price leaders for New South Wales, the industry could fall into a similar state as the egg industry. Growers in the Tamworth district are incorporating expensive cutting-edge technology with poultry-specific computers sourced from Israel and the latest tunnel ventilation know-how from the United States of America and Europe.

In recent years Tamworth processor Baiada has encouraged growers to upgrade to tunnel ventilation because of the particular requirements of the imported Cobb bird. New farms have started and others have been renovated. From a national perspective, Tamworth growers are breaking new ground and expanding a truly modern industry near the grain belt. Large grain purchases are putting a floor in the grain price by underpinning the sorghum and wheat markets. Chicken litter, the major by-product, is being used to renovate degraded cotton and pasture country. As I said, Tamworth has only one processor. I am told he is a persuasive, astute businessman who is very active when it comes to lowering his input costs. One can understand that position.

Growers in the area believe a real threat to regional areas will occur if there is a change of ownership. They believe that should there be a change in ownership, a new processor committed to heavy repayments would rationalise staff and review payments to suppliers. Unless safeguards relating to ownership transfer are included in this legislation, the industry could be confronted with significant difficulties in the future. Growers believe that strong competition already exists within the industry. Tamworth district growers want to maintain this situation by being able to negotiate a fair fee with processors on an industry-wide basis. This proposal may not meet all of the national competition policy guidelines, but failing to recognise their concerns ignores the tyranny of distance and the isolation of farms in the grain belt west of the Great Dividing Range.

Concerns have also been raised with me about changes to the Poultry Meat Industry Committee. The bill amends section 4 (3) so as to reduce the membership of the committee from the current 15 to 3, abolishing the 12 positions currently held by poultry growers and poultry processors. Item [3] of schedule 1 states:

Omit section 4 (3). Insert instead:

- (3) The Committee is to consist of 3 members appointed by the Minister, of whom:
 - (a) one is to be an independent person of the Minister's own choosing, and
 - (b) two are to be independent persons of whom at least one is, in the opinion of the Minister, skilled in arbitration, mediation or some other form of dispute resolution.

That places an enormous onus on the Minister to ensure that the right people occupy positions on the committee. However, as a result of some of the decisions made recently in relation to the Brigalow, there are serious concerns within industry that the decisions may not be of benefit to all of the participants.

The functions of the new committee will be to establish the codes of practice for use in the conduct of negotiations between growers and processors, and contract guidelines as to the matters that poultry growing agreements might appropriately address; to make recommendations to the Minister regarding matters that poultry growing agreements should be required to address, and standard provisions for inclusion in poultry growing agreements in relation to those matters; and to inquire into and report to the Minister on such matters relating to the poultry meat industry as the Minister refers to the committee for inquiry and report, and such other matters relating to the poultry meat industry as the committee considers appropriate for inquiry and report. Further functions of the committee will be to facilitate the resolution of disputes between processors and growers, and to exercise such other functions with respect to the industry as are prescribed by the regulations.

That is pretty vague and it puts a great deal of pressure on the Minister to make sure that the right people are in place. Those are the concerns that have been raised with me. The Minister who introduced the bill pointed out that there are some for 44,000 jobs in the industry in New South Wales and that the legislation is designed to address market power abuse. Once again, I would point out that there cannot be much market power abuse when there is only a single processor in the three main centres in country New South Wales. I shall conclude my contribution to the debate. I merely reiterate that there are serious concerns in the regional area that I represent. The growers were hoping that the amended legislation would contain provisions that would preserve regional areas from a lack of competition because of the single processor situation. They are worried that that may cause the fee to drop to a level that would see them lose significant income across the State.

Mr RUSSELL TURNER (Orange) [10.31 a.m.]: I am pleased to speak to the Poultry Meat Industry Amendment (Prevention of National Competition Policy Penalties) Bill. I have taken into account what previous speakers have said and I note that this matter has been dealt with in the upper House. Although the Coalition will move some amendments in Committee, it will not oppose the bill. Some of the changes to the bill are designed to ensure that the industry meets national competition policy guidelines to avoid the risk of penalties being incurred.

As the honourable member for Lachlan pointed out, the industry has undergone enormous change over the years. Although I was involved in the poultry industry for more than 35 years, I was traditionally involved in egg production and not in the meat industry. However, the two sides of the industry shared similar problems, including the risk of the outbreak of disease and feed conversion. I moved from Sydney to Orange because I could get access to cheaper feed supplies and because the risk of disease was greatly reduced outside the Sydney Basin. A number of the larger egg producers, such as Pace Farms, have undertaken major upgrades of their operations outside the Sydney Basin, significantly because of the lower risk of disease. However, they have not moved out of the Sydney Basin altogether. Poultry meat growers and egg producers currently face the huge risk of an outbreak of the Asian flu virus, which is currently rife through some South-East Asian countries.

Major producers of meat and eggs are moving to the country to isolate their operations in an attempt to reduce the risk of the outbreak of disease. There is much less chance of a major outbreak of disease in country areas. There have been outbreaks in the Sydney Basin in the past. As other honourable members have said, the poultry meat industry has made enormous gains over the years. It is now exposed to a lower risk of disease and it incurs a lower mortality rate among birds. Today poultry meat is very tender and is accepted by the general public as a quality product. The vast majority of chicken meat is produced in modern sheds under strict quarantine standards. However, a small section of the industry continues to produce meat under free-range conditions. A producer of free-range chicken still operates in Blayney. Unfortunately, the inclement weather means that he has to close down his free-range operation during winter, whereas modern shedding has the benefit of a consistent temperature throughout the year and incredible feed conversion ratios.

Though the poultry meat industry is going from strength to strength, there is always risk and continual pressure on contract growers to obtain a reasonable return on their investment. Modern shedding results in world-class standard production. However, it is expensive and the capital outlay of poultry farms, whether it be for meat birds or for eggs, is enormous these days compared to when I first entered the industry years ago. At that time, the birds had a roof over their heads and virtually nothing else—sometimes not even walls on the four sides. Everything has changed. Now growers and egg producers have a consistent temperature throughout the year and the birds are housed in comfortable conditions, the risk of disease is reduced and the mortality rate as low as it could possibly be. However, as I said, there is a high capital outlay and the growers are concerned that, whilst they have a multimillion-dollar set-up, they have no long-term guarantee that the processors will buy their birds.

The top growers will always get a contract. It is the growers at the bottom end whose feed conversion may not be as good and whose mortality rate may be higher who, in times of overproduction, risk having their contracts cancelled altogether or suspended. I have taken on board the concerns of the producers in relation to fragmentation. They are located all over the State, but principally in the Sydney metropolitan area and in the Hunter Valley. In addition, a considerable number of producers are located in the Tamworth area. I have taken note of the comments made by the honourable member for Tamworth about isolation and the fact that there is only one processor in the area. However, chickens can be transported to the Sydney Basin in a few hours at a cost of only a few cents per bird. That cost can be partly offset by the fact that there is less disease in country areas, growers have access to cheaper feed and real estate is not so expensive. That perhaps helps to compensate for extra transport costs when that becomes necessary.

When I was located in Orange I sold a lot of my birds into Sydney, but every now and then a processor from Queensland would come to New South Wales offering a better price. Growers can transport a lot of birds in a very short time, usually overnight when the temperature is more favourable. Although there is some risk so far as producers are concerned, especially those in country areas, there have been great advances in the poultry meat industry and processors offer a wide range of quality products. Not so long ago shoppers could buy a frozen chicken and that was about it. Now they can buy a fresh chicken, chicken pieces and chicken mince. They can buy chicken through fast food outlets, such as McDonald's and Kentucky Fried Chicken, or take it home and cook it themselves. The consumer has a vast array of choice, which has encouraged the chicken meat industry to go from strength to strength. However, I readily acknowledge that individual growers have problems because they do not have a guarantee that the processors will take their product. I believe that there is a long-term future for the chicken industry—both meat growers and egg producers—because it is supplying a quality product to the people of New South Wales.

Mr JOSEPH TRIPODI (Fairfield—Minister for Housing) [10.39 a.m.], in reply: I thank honourable members for their contributions to this debate. The poultry meat industry is an important part of our food industry. It is also a very important part of our agricultural economy and, given the significant flow-ons and value adding associated with the industry, the broader New South Wales economy. It is worth reiterating that the industry now contributes more than \$3 billion in gross food revenue and \$26 million in export revenue to the Australian economy, in addition to supporting perhaps as many as 44,000 jobs.

The orderly functioning of this legislation has helped the poultry meat industry in New South Wales make such a major contribution to the food sector, contributing over \$1 billion to the New South Wales economy. We are now being forced to make some fundamental changes to comply with the somewhat extreme economic rationalist views of the Howard Coalition Government. In light of the heavy-handed treatment dished out by the Commonwealth on this issue, it is interesting to reflect on the report produced by the National Competition Council in October 2004. The council identified that New South Wales had reformed 83 per cent of its priority legislation and 84 per cent of its non-priority legislation, and the State was commended for its "above average" performance compared with that of other jurisdictions. I thank the Hon. Gordon Moyes for reminding us of this fact when he spoke on this bill in the other place, and for his congratulations on the Government's achievement in this regard.

The Poultry Meat Industry Act 1986 currently requires that grow-out contracts and the price paid to growers for mature birds must be approved by the Poultry Meat Industry Committee established under the Act. Unfortunately, and despite acknowledging this State's progress on competition policy reform, under the extreme interpretation of competition policy rules that the Australian Government has chosen to adopt, the National Competition Council will not support retention of this degree of intervention in the New South Wales poultry meat industry. The proposals in the Poultry Meat Industry Amendment (Prevention of National Competition Policy Penalties) Bill seek to retain as much in the way of grower protections as possible, whilst avoiding further financial penalties being imposed on the State.

As indicated by the Deputy Leader of the Opposition in the other place, the bill is largely consistent with the findings of the independent review and is not opposed by processors and growers. A key feature of the proposed new system is that it continues to provide statutory authority for collective bargaining by poultry growers in their negotiations with poultry processors. The bill also introduces a requirement for processors to notify the Department of Primary Industries within a month of entering into a contract with a grower. This important provision is directly linked to the issue of disease control. I note that during debate on this bill in the Legislative Council, the Greens raised this issue to support their blanket opposition to intensive farming.

It needs to be pointed out that while modern production systems bring together large numbers of birds, these diseases can affect poultry in any situation, not just chickens on poultry farms. Moreover, the high standard of housing, nutrition and veterinary supervision in today's poultry meat industry ensures that disease is not an issue for the poultry industry or for consumers of poultry product. The ability to respond to outbreaks of important or unusual diseases is another matter. The notification provision in the bill will ensure that the Department of Primary Industries always has an up-to-date record of poultry farms and is thus well positioned to respond rapidly and effectively to disease incidents of this kind that may occur.

We will closely monitor the industry into the future to ensure that any adverse consequences that may arise under the new arrangements are identified early and responded to quickly. To this end, I also indicate that the bill includes a requirement for a three-year review of the new poultry meat industry arrangements. This provision ensures that there will be a timely review of the Act and regulations to ensure their effectiveness. I

also point out that a legislation review can be undertaken at any time, and I can assure honourable members that the Government is prepared to take this action if industry outcomes indicate that it is warranted. The Government remains strongly committed to the poultry meat industry in New South Wales.

I note the concerns expressed by the honourable member for Tamworth about the possible impact of the proposed amendments on growers. I assure the House that the changes seek to maximise the protection of growers within the constraints imposed by the Federal Government. The amendments will also introduce new measures to ensure a fairer trading environment for growers. I commend the honourable member for Tamworth for raising these concerns, and for caring enough to be in the Chamber to bring these issues to the attention of the Government. I note that the honourable member for Murrumbidgee is not in the Chamber. I understand that the amendments would have a significant impact on his electorate. I am a little concerned that Opposition members have not assisted the Government in a significant campaign against the Federal Government's attitude towards this reform. I am confident that the Poultry Meat Industry Amendment (Prevention of National Competition Policy Penalties) Bill represents the most fair and balanced approach that can be achieved, given the constraints the Howard Government has placed on us. I commend the bill to the House.

Question—That this bill be now read a second time—put.

Division called for. Standing Order 191 applied.

Noes, 5

Mr Barr
Mr Draper
Mrs Fardell
Ms Moore
Mr Torbay

Question resolved in the affirmative.

Motion agreed to.

Bill read a second time and passed through remaining stages.

PREVENTION OF CRUELTY TO ANIMALS AMENDMENT BILL

In Committee

Consideration of the Legislative Council's amendments.

Schedule of the amendments referred to in message of 25 May

- No. 1 Page 6, Schedule 1 [14], proposed section 24C (1), lines 25–28. Omit all words on those lines. Insert instead "An officer is required, in relation to the exercise of a power conferred on the officer by this Part, to provide the person who is subject to the exercise of the power with the following:".
- No. 2 Page 6, Schedule 1 [14], proposed section 24C. Insert after line 34:
- (2) An officer is to take the action required by subsection (1) before or at the time of exercising the power concerned or, if to take the action at that time is not reasonably practicable, as soon as is reasonably practicable after exercising the power.
- No. 3 Page 7, Schedule 1 [14], proposed section 24D (2), lines 8 and 9. Omit "an officer of the Department of Primary Industries authorised by the Minister". Insert instead "the Director-General or a Deputy Director-General of the Department of Primary Industries".
- No. 4 Page 7, Schedule 1 [14], proposed section 24E (2), lines 20–24. Omit all words on those lines. Insert instead:
- (2) Despite subsection (1), an inspector may exercise a power under this Division to enter a dwelling only with the consent of the occupier of the dwelling, the authority of a search warrant or if the inspector believes on reasonable grounds that:
- No. 5 Page 12, Schedule 1. Insert after line 33:

[16] Section 28A
Insert after section 28:

28A Offence of impersonating an authorised officer

A person must not impersonate, or falsely represent that the person is, an officer.
Maximum penalty: 100 penalty units or imprisonment for 6 months, or both.

- No. 6 Page 13, Schedule 1 [20], lines 29-31. Omit all words on those lines. Insert instead:
- (1A) A charitable organisation may sell or rehouse, either permanently or temporarily, an animal to which this section applies (other than an animal that was surrendered by its owner to the charitable organisation), or cause any such animal to be humanely killed and its body disposed of, if:
- No. 7 Page 14, Schedule 1 [20], lines 4-6. Omit all words on those lines. Insert instead:
- (1B) A charitable organisation may at any time sell or rehouse, either permanently or temporarily, an animal to which this section applies that was surrendered by its owner to the charitable organisation, or cause any such animal to be humanely killed and its body disposed of.
- No. 8 Page 15, Schedule 1 [24], proposed section 34A (1), lines 26 and 27. Omit "any document (however described)". Insert instead "a document in the nature of guidelines or a code of practice".
- No. 9 Page 15, Schedule 1 [24], proposed section 34A. Insert after line 37:
- (4) A document adopted as referred to in subsection (1) may be adopted wholly or in part, with or without modification and as in force at a particular time or as in force from time to time.

Legislative Council's amendments agreed to on motion by Mr Joseph Tripodi.

Resolution reported from Committee and report adopted.

Message sent to the Legislative Council advising it of the resolution.

SUPERANNUATION LEGISLATION AMENDMENT BILL

In Committee

Consideration of the Legislative Council's amendments.

Schedule of the amendments referred to in message of 8 June

- No. 1 Page 13, schedule 4. Insert after line 11:
- 7 Validation in respect of shift allowance**
- The regulations may contain a validation provision substantially to the same effect as clause 42 of schedule 25 to the *Superannuation Act 1916* in respect of the loading (if any) to be treated as part of an employee's salary for the purposes of this Act.
- No. 2 Page 18, schedule 5. Insert after line 17:
- 10 Validation in respect of shift allowance**
- The regulations may contain a validation provision substantially to the same effect as clause 42 of schedule 25 to the *Superannuation Act 1916* in respect of the loading (if any) to be treated as part of a contributor's salary for the purposes of this Act.
- No. 3 Page 24, schedule 6. Insert after line 6:
- [18] Schedule 24 Loading in respect of shift allowance**
- Omit the definition of *S* in clause 2 (5). Insert instead:
- S* is the sum of:
- (a) the number of such shifts the contributor actually worked during the relevant period, and the number of such shifts the contributor would have actually worked during the relevant period but for the contributor being on leave, being leave for which a shift allowance or an equivalent allowance or loading (including that part of annualised salary that replaces shift allowance in respect of the contributor) is paid.
- No. 4 Page 24, schedule 6 [19], proposed Part 11 of schedule 25. Insert after line 21:
- 42 Validation**
- Anything done or omitted to be done, on or after 1 March 1999, that would have been validly done or omitted had the amendment made to clause 2 (5) of schedule 24 by schedule 6 [18] to the *Superannuation Legislation Amendment Act 2005* been in force at the time that the thing was done or omitted, is validated.

Legislative Council's amendments agreed to on motion by Mr Joseph Tripodi.

Resolution reported from Committee and report adopted.

Message sent to the Legislative Council advising it of the resolution.

SURVEYING AMENDMENT BILL**In Committee****Consideration of the Legislative Council's amendment.**

Schedule of the amendment referred to in message of 8 June

Page 7, Schedule 1 [10], proposed section 33. Insert after line 9:

- (2) This section does not apply to any function of the Surveyor-General as an Electoral Districts Commissioner under Part 2 of the *Parliamentary Electorates and Elections Act 1912*.

Legislative Council's amendment agreed to on motion by Mr Joseph Tripodi.**Resolution reported from Committee and report adopted.****Message sent to the Legislative Council advising it of the resolution.****WORKPLACE SURVEILLANCE BILL****In Committee****Consideration of the Legislative Council's amendment.**

Schedule of the amendment referred to in message of 21 June

Page 9. Insert after line 17:

18 Restrictions on use and disclosure of surveillance records—*notified surveillance*

An employer who carries out or causes to be carried out the surveillance of an employee of the employer while the employee is at work for the employer, not being covert surveillance, must ensure that any surveillance record made as a result of that surveillance is not used or disclosed unless that use or disclosure is:

- (a) use or disclosure for a legitimate purpose related to the employment of employees of the employer or the legitimate business activities or functions of the employer, or
- (b) disclosure to a member or officer of a law enforcement agency for use in connection with the detection, investigation or prosecution of an offence, or
- (c) use or disclosure for a purpose that is directly or indirectly related to the taking of civil or criminal proceedings,
- (d) use or disclosure that is reasonably believed to be necessary to avert an imminent threat of serious violence to persons or of substantial damage to property.

Maximum penalty: 20 penalty units.

Legislative Council's amendment agreed to on motion by Mr Joseph Tripodi.**Resolution reported from Committee and report adopted.****Message sent to the Legislative Council advising it of the resolution.****BUDGET ESTIMATES AND RELATED PAPERS****Financial Year 2005-06**

Mr JOSEPH TRIPODI (Fairfield—Minister for Housing) [10.57 a.m.], on behalf of Mr Carl Scully: I move:

That this House take note of the budget estimates and related papers for the financial year 2005-06.

Mr IAN ARMSTRONG (Lachlan) [10.58 a.m.]: It is one of the highlights of the year for members to debate the budget. The Government brings down a budget each year that sets out a program for the management

of the finances of the State. We are now halfway through the term of this Government—this is its second last budget. In the normal course of events, this budget would be a steady-as-she-goes budget, putting into place and announcing the solid infrastructure programs that the Government would no doubt attempt to ramp up in the last budget prior to the next election. I am not sure how the Government will manage its next budget because this budget has failed to identify, let alone set as an example, funding for any infrastructure in the State. I refer to the fundamentals of life: business, commerce and industry, such as water, roads, small business, insurance and rail. I refer also to the maintenance and repair of government buildings. The Government is the largest property owner in this State. Therefore, one would expect the budget to include significant details about programs. One would expect those programs to be clearly and transparently set out so that everyone knows what is to happen to parks, gardens, grandstands, railways, buses, roads, bridges and so forth owned by the Government.

Mr Joseph Tripodi: And schools.

Mr IAN ARMSTRONG: Thank you very much indeed. I should have included schools. The budget is bereft of any positive identification of maintenance programs for such things as country roads and rail infrastructure. I refer particularly to those 13 branch rail lines west of the Newell Highway. The budget contains no details about any significant upgrade of roads, which are coping with increasing amounts of both passenger traffic and heavy vehicle traffic, which is now being transported by road instead of rail. Rail transport is being abandoned because services are gradually contracting and, in many cases, the speed at which rail freight can be transported is totally unsatisfactory for this day and age. Thus, there has been a massive escalation in road transport.

One does not need to carry out a survey to ascertain that. People need only talk to Kenworth, Volvo, Mercedes and some of the other large truck manufacturers and distributors to find out how many trucks they are selling. We can take a few graphic shortcuts in this world without the necessity of a department spending \$4 million or \$5 million on surveying the community. The bottom line is that the transportation of bulk goods and light parcels has moved from rail to road. The wonderful Visy operation at Tumut, which involves the recycling of paper under the entrepreneurial skills of Mr Richard Pratt, has recently purchased 40-odd prime movers and Skel trailers for moving containers. Australia's number one paper processor will now move most of its product by road.

Small business is paying the cost for much of the change in infrastructure in their service delivery. Road transport is undoubtedly reliable in most cases, but it is expensive. With respect to manufacturing and repairs, fortunately manufacturing operations are drifting to country areas. That drift would increase massively if the Government were prepared to put in the necessary road infrastructure to support it. My hometown of Cowra employs approximately 160 people to manufacture furniture for stores such as Harvey Norman and Domayne across Australia. They sell an Australian range of furniture, including dressing tables, beds, chairs and dining room suites. Nearly all of that type of furniture is manufactured in Cowra. A couple of other companies manufacture pine furniture and probably as many as 20 pantechnicons leave Cowra each day, six days a week, carrying processed furniture. That is just one small example of the manufacturing that is taking place in country areas.

National Engineering, which was responsible for the Olympic Stadium, is located in Young. The stadium was manufactured in Young and brought to Sydney in pieces like a Meccano set and then assembled. There are couple of reasons why there are not more manufacturing operations in country areas. I have outlined the problem of road transport. The other problem is the difficulty in attracting sufficient trained staff such as engineers, welders, carpenters and electricians to country areas. The Government makes virtually no mention in the budget of how it will address that problem. It is keen on attacking the Federal Government but is thin on acknowledging its own responsibilities.

In recent weeks there have been some horrific and sad fires in this State. Houses have been burnt down, resulting in many deaths. We can all remember the major bushfires of only a few years ago that destroyed hundreds of houses and sheds and hundreds of thousands of kilometres of fencing and livestock. Unfortunately, those sorts of events are quite common in Australia. Yesterday the Government introduced legislation, which was supported by the Opposition, to make the installation of smoke detectors in residential dwellings mandatory. However, in the same month that it is making smoke detectors compulsory in houses, it has increased State tax on insurance policies. I cannot understand that. The Government has said it is addressing the problem of fires and will lower the cost to individual communities and families of protecting lives and give people who are renting, purchasing or building new houses more certainty. That is fine, but the Government then works against the community by increasing its take of taxes on insurance policies. That is the ultimate contradiction.

This morning at about 6.30 I was taking my early morning walk when two business-type women slowly jogged past me. As they did so one said to the other, "Look, to put it simply, if you sell something for \$200, you then give \$20 to the Government—10 per cent." The other one replied, "Yes, that goes to the Labor Party." That was a completely unsolicited comment, which I purposely remembered. It highlights how the cynical public is thinking. They used to support governments and were not as cynical. Indeed, it is an Australian characteristic to support governments, but if members walked down Martin Place during the next hour or, indeed, anywhere the city, they would hear equally cynical comments.

I want to return to the subject of government property. Like every electorate across the State my electorate of Lachlan has an enormous amount of government property. I refer to roads, rail systems—what is left of them—recreation facilities, parks, gardens, sporting fields, cricket grandstands, sporting sheds and water facilities. Most showgrounds and racecourses have grandstands. The racecourse at Cootamundra, which is in the south-west, has a magnificent grandstand. It has typical circa 1900 architecture and is based very much on the English model. However, it is just about unusable. It was used a few weeks ago for a race meeting, but only part of it could be used. The guttering has been leaking for years and water has caused the front cement steps to subside. The gauze around the top of the luncheon pavilion rusted away long ago and only about one-third of the seats would comply with occupational health and safety requirements—and even those will not last much longer.

Cowra showground has a large grandstand that would seat probably 600 people. It was widely used until two years ago when operational health and safety inspectors closed it. The grandstand needs about \$400,000 spent on it. The structure itself is sound and was painted a few years ago by some guests of Her Majesty's Corrective Services. Indeed, the whole showground is in great condition. It is used for shows, pony club activities, polocrosse, machinery exhibitions, youth camps in summer, farmers market days. Only last Saturday one of the churches used it. However, there is pink ribbon all away round the grandstand and it cannot be used.

The way the Government maintains the property is cheap, simple and effective. It merely sends out a couple of guys with a utility and a couple of rolls of pink ribbon. They place the ribbon around the structure and put up a sign that states, "O. H. and S. Not to be used". That is it. They then say to the government-appointed trustees, the local people who have undertaken their responsibilities voluntarily, that they have to find the money to repair this government-owned property. It would be wonderful if I could appoint a committee to maintain my home. I could appoint the honourable member for Blacktown as the chairman of the committee and make him responsible for maintaining my home. That is what the Government is doing with public property. I could rattle off another half a dozen grandstands that have problems. There are also problems with safety fences and turf on racecourses—and I include those used for harness racing.

In many cases we are losing fundamental infrastructure in our towns and suburbs because the Government is not budgeting and taking responsibility for looking after its own sheds, houses and playgrounds. Society is expected to do that, and does so very well. Australians are a proud people, and we are proud of our houses and places of work. Certainly, we are prepared to participate and to volunteer. For goodness sake, the Government must recognise that it has a responsibility to maintain its own property and, in doing so, ensure that it helps the volunteers who are often willing to do a lot of the work themselves. The Government must give them sufficient support through the budgetary process to maintain the Government's assets on behalf of the people of New South Wales.

Let us look at some of the government programs. In terms of the Health budget, Junee was mentioned again for the start of a multipurpose services [MPS] centre, which is set down in the budget for completion by 2008. I understand that the preliminary report has just been completed. Indeed, the Southern Area Health Service has given me a copy of the report, and I appreciate that. However, I have a press release issued in March 2002 by Janet Chapman, manager of primary care, and Rodney Brady, manager of capital works, on behalf of the Southern Area Health Service which details the process for a new Junee multipurpose services centre development: community consultation, March 2002; public meeting, 2002; election of MPS advisory committee, April-May 2002; development of MPS service plan, June-September 2002; commencement of building under the Rural Hospital and Health Service program, October to December 2002; and awarding of tender and start of construction, July 2003. It is now 2005, and we have been told that we will get the new multipurpose services centre in 2008. According to my simple calculations, that is five years behind time.

If it was necessary to build a new multipurpose services centre in Junee in 2002, that need has not gone away. Yet this Government, in the way it is managing, has demonstrated that it thinks the need has gone away.

It was happy to postpone or, indeed, hoped that the needs of the great community of Junee for a new multipurpose services centre would go away for five years. What is happening to staff at the hospital, the doctors, nurses, administrators and community volunteers who support the hospital through their fundraisers and so on? They have all been slaving away feverishly in the hope that they will get this new multipurpose services centre. Now they have been told that they will not get it until 2008.

The first matter I wanted to raise this morning is that the Government has consistently let down the Junee community. That is demonstrable of the Government's management of health services in country areas. Fortunately in Young a new district hospital, which is co-located with the Mercy Care Centre, has just opened with some 60 beds. That wonderful facility is already full. The community raised some \$560,000 for an oncology unit and helped to furnish the wards in it. The community weighed in. That is what communities do if the Government honours its commitments to provide proper buildings such as the new district hospital, co-located with the Mercy Care Centre, in Young. The community of Junee will respond. However, it will not do so if its partner, the Government, welsches and goes into hiding. That is what has happened in Junee. The Government has treated the people of Junee shabbily in terms of the promise it made way back in 2002.

In terms of primary industries, as honourable members know, the drought is one of the most severe in our history. Not only does it affect farmers, I make it clear that it also affects country businesses. They are often forgotten, and once again they have been forgotten by the Government in the budget. This morning many rural distributing businesses that sell fertiliser, seeds for crops, chemicals for spraying weeds, maybe points or parts for sowing machinery and fuel for tractors carry probably \$1 million worth of stock. Because of the extent of the drought and the last two failed crops across most of New South Wales, many of those businesses would have \$500,000 to \$1 million worth of debts owing from farmers to them over 90 days, and they have little or no chance of recouping those debts until, give or take, February of next year. That is on the premise that there might be an average or better crop as a result of the rains we have had in the past week or so. So they are forgotten.

The people who own aeroplanes or ground spraying rigs and who spray the weeds and country to prepare for crops have been sitting there for eight or nine months now without any income at all because no farmer wants to employ them as there has not been any rain to produce weeds and so on. Their planes, pilots and infrastructure have been lying idle. Those who have tip trucks that are needed for carting wheat and the next crop are idle as well. Yet they are not recognised as part of the agriculture infrastructure in terms of drought assistance. Indeed, they are not even mentioned in the State budget.

In terms of what the Government has done for infrastructure, the capital expenditure budget for the Department of Primary Industries has been cut by 50 per cent. In a major blow to farmers, the New South Wales Labor Government has allocated only \$16.2 million in ongoing drought assistance for the coming year while the Federal Government has committed \$300 million. We are disappointed that Labor has also failed to reinstate a \$149 million budget cut to the Department of Primary Industries over three years, which was announced in last year's mini-budget. Last year the Government announced that it would provide an additional \$149 million but it has not done so. After selling off various assets within the merged departments of agriculture, fisheries, forestry and mineral resources, more than \$10.5 million has been slashed from the Department of Primary Industries budget under this Minister and this Government.

The Department of Primary Industries is responsible for providing vital front-line services to our primary producers. The Carr Government has cut the staff of—guess who—the Rural Assistance Authority, which is the very authority set up to assist farmers in drought. The Government has slashed the funding for country towns water sewerage supply schemes to \$32.2 million; it was more than \$85 million when this Government came to office. I believe that currently there is a 13-year backlog of towns and villages waiting to obtain water services and facilities, although the Government has a responsibility to bring them up to current occupational health and safety standards. Let us be honest: This morning, if push came to shove, the Department of Health would close the sewerage systems in many towns and villages. To put it simply, the Government has again walked away from its responsibilities. That was made clear in an article in the *Financial Review* of 21 June. The *Financial Review* is the most respected financial paper in the country. An article on the front page titled "Carr's taxes drive business interstate" stated:

NSW is increasingly the most expensive place in the nation to do business after the other states pledged to slash taxes by nearly \$500 million in the new financial year.

Queensland, here comes New South Wales! Open the gates because more and more people are going to Queensland every day. Many people are voting with their feet. There is strong interstate migration away from

New South Wales because business in the other States is booming. The *Financial Review* article quoted Mark Bethwaite of Australian Business Ltd, which is a much-respected organisation across the nation. The budget is a sham. Unless the Government can improve on it next year it has no hope, and Government members who are on margins of less than 7 per cent should look at their superannuation and at job vacancies.

Mr PAUL GIBSON (Blacktown) [11.18 a.m.]: It is a pleasure to lead for the Government in this debate on the recent State budget, which was delivered in this Chamber by the Treasurer on 24 May 2005. The major winners in the budget include a record capital works program of more than \$34.7 billion to be spent over the next four years, which represents an increase of 30 per cent over the past four years. For 2005-06 capital works expenditure will increase by 15.2 per cent to a massive \$8.2 billion. As the Treasurer said, this level of capital expenditure is the highest ever in New South Wales and continues the upper trend of previous years. One area of particular concern for the people of New South Wales is the health portfolio, in which we will see massive additional health funding for the coming 12 months with the recurrent health budget totalling \$10.9 billion—a total increase of \$901 million or 9 per cent on the 2004-05 figure.

In addition, the education and training budget has increased to a record \$10.1 billion for the coming financial year. That is a massive increase of \$440 million or 4.5 per cent on last year. Law and order is always of great interest both to the people of the State and the whole nation. There has been an increase in the law and order budget for the coming 12 months of \$128.7 million or 6 per cent, more than double the rate of inflation, to an outstanding amount of \$2.1 billion. The police at Blacktown do a wonderful job under the command of Acting Superintendent Wayne Murray. Under his control, nearly all categories of crime in the Blacktown area are down. The people of Blacktown appreciate the job being done by NSW Police.

The record \$3 billion to be spent on improving public transport in the upcoming financial year was a long-awaited announcement. The budget allocation of \$3.01 billion represents an increase of \$337.6 million or 12.6 per cent on last year's figures. As stated in the budget, once fair interest and borrowing are included, a grand total of \$4.6 billion will be available for transport services. Since the budget another ticket window has opened at Blacktown railway station because of problems people had in buying their weekly tickets on Monday mornings. That is having an effect. People are managing to buy their tickets more quickly without having to form long queues, as they used to do.

One negative relating to railway stations is that from September 11 rubbish bins on railway stations were discarded. I noticed that rubbish bins in railway stations in New York had not been discarded after September 11. Instead, the authorities used a heavy, see-through plastic liner as a garbage bin. We should be doing that in our railway stations. I ask the Government to look at that. It would clean up a lot of the mess we find on our railway stations today. A pleasing aspect of the Government's budget is that for the first time more than \$1 billion will be spent on community services. That represents a massive increase of 12.2 per cent or \$110.2 million on last year's budget.

I am closely connected to road safety. The announcement of \$2.88 billion, an increase of \$93 million or 3.3 per cent on last year's budget, to be spent on programs to improve roads is welcome. According to the Minister, that will result in the biggest road improvement program in New South Wales in the past 50 years. Road safety is improving in this State because of improved roads. As of yesterday, unfortunately, the number of people killed on the roads in New South Wales so far this year stood at 240. That is 11 fewer than were killed during the same period last year, and last year the number of people killed on our roads was the lowest in history. For the 12 months ending in February this year fewer than 500 people died on the roads. That was the first time that has happened. Losing one person on the roads is one too many, but in the early 1980s 1,400 people were dying each year on the roads of this State. Today, with 1.5 million more cars on the road, that number is down to fewer than 500. Road safety is improving but it can improve even more.

Spending in 2005-06 is budgeted to grow by 5.5 per cent after adjusting for accounting changes. One of the biggest challenges to the Government is recurrent spending on the Government's wage bill. The State's work force has grown sharply in recent years. I note that our public sector wages have grown more quickly than they have in other States. This year the Government has budgeted for an operating surplus of \$657 million, which is slightly up on the \$569 million budgeted surplus last year. The Carr Government must go down as one of the most fiscally successful governments in the history of this State. When the Government took office in 1995 the underlying government debt stood at 7.4 per cent of gross State product [GSP]. It is now down to 1 per cent of GSP. By 2008 it is expected to drop to 0.6 per cent of GSP.

During the next financial year the State's worth, which was mentioned by the honourable member for Lachlan, will tally to more than \$120 billion. This is the highest net worth of any State government in the nation

and higher than the net worth of the Federal Government. I believe members on both sides of the Chamber would agree that the return of GST by the Federal Government to New South Wales is farcical. New South Wales receives just 79¢ for every dollar of GST generated in the State. GST grants for New South Wales in the next financial year will total \$1,526 per head, which is 16 per cent less than the average of all other States. Every member of this Chamber should be up in arms about that. It is denying the people of this State their proper return from the GST.

I would be telling a lie if I did not say that I believe land tax and the 2.25 per cent vendor tax are probably the most unpopular taxes that have ever been levied. They seem to have had a downward effect on the housing market in this State. Changes have been made to land tax in the budget. The current system of land tax has been scrapped, with the \$330,000 tax-free threshold reintroduced. Owners of investment and holiday homes worth more than this amount will pay 1.7 per cent tax. Stamp duty will rise from 5 per cent to 9 per cent on insurance premiums. The 2.25 per cent vendor tax on investment properties will stay the same as it was prior to the budget, as will the stamp duty exemption for first home buyers. Those refinancing mortgages worth more than \$1 billion will pay duty for the first time. Those measures will take 350,000 investment property owners out of the land tax net.

The proportion of landlords in New South Wales is about 16 per cent of taxpayers. That is double the rate in the United States of America and six times that in Britain. The Treasurer has announced the \$330,000 threshold, but had the 2004 system continued the former \$317,000 threshold would have increased to \$377,000 because of indexation in 2005. The worrying factor is that it is hard to buy a block of land anywhere in Sydney near the \$330,000 mark and, as the unimproved capital value increases, more people will be caught up in land tax again. I am aware that tenancy groups fear that landlords could use these changes in land tax to increase rents, which has happened in the past. I hope for the sake of fairness that landlords refrain from that practice.

Under these changes, 350,000 investors will no longer have to pay land tax, 50,000 will pay less and about 100,000 wealthy investors will pay more, keeping revenue from land tax relatively neutral for the next four years. On the other side of land tax, some 41,500 first home buyers in New South Wales have saved more than \$400 million in stamp duty concessions under Australia's most generous package for first home buyers. The Government should be patted on the back for that. It is a great incentive for people to buy their first homes. In Blacktown alone more than 550 applications have been processed, and the average duty concession saving has been \$10,633, amounting to a total saving of \$5,848,421 after adjusting for accounting changes.

Another good measure in the budget was the announcement that \$854 million will be spent on improving mental health services during the coming year. That is an increase of \$71.1 million or 9.1 per cent. Funding has been allocated for the continuation of major capital works projects at Blacktown South Public School. That major project will provide a new hall, a canteen and a covered outdoor learning area for the benefit of students and staff. Funding for the program will amount to \$1.4 million. I know the principal, Mr Geoff Scott, very well. He is very happy about the allocation, as are the parents and citizens, the teachers and all the students and parents at that school.

Funding of \$170,000 has been allocated to upgrade facilities at The Hills Sports High School. The project will involve the provision of a library and specialist amenities. Another school in my area, Marayong Public School, which is one of the largest primary schools in New South Wales, was number one on the priority list four or five years ago for the construction of a school hall. Currently the school does not have a school hall and, from what I can gather, it is not even on the list to get one. I ask the Government to look at this issue. Further, Walters Road Public School, another fine school in my electorate, desperately needs a hall. I hope the Government will also consider the needs of this school and include those two schools in next year's Education budget.

The recurrent Health budget totals \$10.9 billion. A total of 20 permanent new beds will open at Blacktown Hospital as part of this year's budget process. Also, Blacktown Hospital will benefit from the capital works spending, which includes \$1.5 million for the commissioning of additional operating theatres at Blacktown Hospital and the relocation of paediatric services at Mount Druitt hospital. As to the capital and maintenance program for roads and traffic, we have received record amounts totalling more than \$13 million for network development in Blacktown. The total allocation for road maintenance, road safety, traffic and transport for Blacktown is \$20,716,621. Also in the budget is an allocation of \$250,000 for improvements to Main Street, which is much appreciated by the people of Blacktown; \$9,900 for pedestrian access and mobility plan works at Blacktown; \$144,670 to Blacktown City Council for regional roads and traffic facilities; and \$2,178,590 for traffic management. The total transport and traffic management program is \$2,333,160. This year \$13 million

will be spent in the Blacktown area on the State Transitway and another \$69,800 has been allocated for the Blacktown section of the M7 motorway. Blacktown has fared well in this budget.

A pleasing part of this year's budget is an allocation for the badly needed upgrade of Seven Hills railway station. Seven Hills is one of 14 stations to receive funding for a new easy access upgrade. I am very pleased that Seven Hills station has received a share of the \$3 billion being spent on this project. This year \$300,000 will be spent to commence work on the station. The people of Seven Hills are pleased their station is part of the project. The Government has again allocated record amounts in the Police budget. The Government will provide funds for the position of civilian managers at the Blacktown Police and Community Youth Club, which will free up police officers to spend more time reducing crime and working with the young people of Blacktown. The budget also allocates \$5.6 million to complete Blacktown and Mount Druitt courthouse complexes. Construction on the Blacktown courthouse began in late 2004 and the project is expected to be finished by 2006. This year \$600,000 will be spent to complete the \$4.4 million Blacktown project, which will change the complex from a two-court to a three-court facility.

A record \$89,886,000 will be spent on roads funding in Blacktown. That amount includes the road component, the supplementary road component, the traffic facility component and repairs to roads. The total allocation for regional roads in the area is \$2,001,600. In the Housing budget a record \$5.19 million will be spent in Blacktown on public housing. I welcome the \$890,000 that has been allocated for group homes for people with disabilities. Further, \$800,000 will be spent in the next financial year to extend the Blacktown train stabling yard. There is some concern that there is no allocation in the budget for the location of government offices in Blacktown. It is one of the largest cities in this nation, with a population of approximately 300,000, yet it does not house any government offices.

A few people work with the Department of Education and Training in Blacktown, but there are no other departments located in the area. We recently learnt that the Roads and Traffic Authority is in the process of moving from Blacktown to Parramatta. I know of one person in the Blacktown area who is on the shortlist to provide premises for government offices. I ask the Government and the relevant Minister to look at this situation. I ask them not to take the RTA away from Blacktown. It is one of our largest employers. We will fight tooth and nail to keep it. People working locally reduces traffic congestion. [*Extension of time agreed to.*]

I thank the House for its indulgence. The Treasurer said in his Budget Speech that the green space stretching from the Australian Defence Industries [ADI] site to Blacktown will be compulsorily acquired by the State Government and used as active space. The land sale is still being negotiated and has not yet been budgeted for, but it is expected to be a multi-million dollar purchase. This acquisition is welcomed by the people of Blacktown and throughout the State. I want to put on record that the area of Prospect contains a lot of heritage land. I hope that this heritage land is not included in the parcel of land to be turned into active space. Most of the heritage of our nation has been put in front of the bulldozer blade. This is one area that we can preserve not only for ourselves, but for our kids and for their kids in the future. The State Government must think long and hard about this issue before it turns that heritage land at Prospect into active space.

I would not be doing justice to my constituents, nor to myself, if I did not say something about the vendor tax. It has been a worry of many of my constituents. It is not only a worry of mine: apart from the tax itself, politically it is a bad tax for this Government as well. The vendor tax is a tax on tax, no matter how you look at it. It is not only a tax on profit, it is a tax on investment. It discourages property owners from undertaking renovations and refurbishments to their property— which means that the building industry is not being given the opportunities. When there is trouble in the building industry and it loses opportunities, the whole process of economic flow stops. This tax makes New South Wales, in my opinion, a poor choice for an investor.

Whether we like it or not, we have seen investment move out of this State. The demand for investment property loans in New South Wales fell by more than \$5 billion in the first eight months after the vendor tax was introduced in April 2004. The number of commercial property market transactions fell by more than 16 per cent in this State in the first six months after its introduction. In December 2004 only \$116 million in commercial property changed hands in New South Wales, compared to almost \$400 million in Victoria and \$500 million in Queensland. That was this State's lowest result for more than 18 months.

With the negative impact on employment in the building industry since its introduction, investment for residential construction is down, overall lending for construction is down. Looking at the indicators, the fall in residential building is likely to continue. It has got to be a worry to everyone. The vendor tax has failed to raise its projected revenue. In the first five months after the vendor tax was introduced it raised just \$123 million,

which is less than 20 per cent of the \$690 million annual target. It has consistently failed to raise anywhere near the \$57.5 million revenue monthly target. The vendor tax is actually losing the New South Wales Government revenue. From figures I have seen, I would say that so far the State is probably \$330 million worse off than if the tax had not been introduced. People are not selling their properties. We are missing out on two amounts of stamp duty—stamp duty on the sale of a home and on the purchase of a home. So we are missing out both ways.

As I said, the Government would have collected more revenue if we had not had a vendor tax. The \$690 million budgeted for in the last financial year was not achieved. Concern has been expressed by many people in my electorate and, I am certain, in every electorate in the State. Let me put to rest one thing that we keep talking about. We keep saying that we need the vendor tax to pay for the first home buyer, to pay for no stamp duty. But let me say this: No money is required to fund the first home buyers scheme because the Government is merely forgoing a small amount of income from stamp duty and mortgage duty not paid by a first home buyer. So it is not as if we need the money in one pot in order to transfer it into another pot. Hypothetically, if there were no first home buyers we would be cost neutral.

As I say, the vendor tax hurts so many ordinary people, including mum and dad investors, tenants and workers in the property industry. It is a little bit akin to giving somebody a hiding and then, as they are walking out the door, you give them a kick in the backside. That is what I think it is, and that is what people in my electorate think. I told them that I would bring their concerns to this Chamber at the first opportunity. I hope that the Government will think long and hard between now and the next budget about doing away with the vendor tax. It is not a tax that we should have and I believe it is having a detrimental effect on the revenue that this Government should be getting to spend on schools, hospitals, roads and everything else that has been mentioned in the budget.

Mr BARRY O'FARRELL (Ku-ring-gai—Deputy Leader of the Opposition) [11.43 a.m.]: I am delighted to follow an economic rationalist in this debate. The 2005-06 budget once again illustrates the vast sums of public money spent on Health in New South Wales. As the honourable member for Blacktown indicated, \$10.9 billion has been allocated this financial year. It is the largest area of public expenditure in New South Wales. We have had the usual spin from the Minister and Labor members about the so-called record health budget, but the reality is that in my lifetime every Health budget will almost certainly be a record budget. That is caused by movements in the consumer price index. That is what adjusting budgets for inflation does to the largest single component in the New South Wales budget. What is important is not the total expenditure but how that money is put to work, and what is important above all are the outcomes that money achieves.

In New South Wales too much money is soaked up by the bloated Health bureaucracy at the expense of services at the frontline of the health sector; a bloated bureaucracy that measures activity but ignores the outcomes within the health sector; a bloated bureaucracy that burdens hard-working nurses and doctors in an attempt to justify their own jobs; a bloated bureaucracy that takes up too much of the valuable Health portfolio finances that should be better directed to our hospitals and clinics, and to those working amongst the communities to improve health outcomes. Users of public hospitals in New South Wales are simply not getting value for money. The honourable member for Blacktown rightly described the increase in Health expenditure over the past 10 years. The reality, though, is that the services being offered to the community have not doubled and the quality of services has not doubled; what have doubled are the waiting lists and the delays within our public hospital system.

More than 66,000 people are currently on a hospital waiting list, and almost 10,000 have been languishing on a list for more than 12 months. Those numbers have skyrocketed since the last election. The number of people who have been waiting longer than 12 months has more than doubled, an indication of the cynical approach taken by Labor governments to reducing waiting lists. Despite record budgets and record revenues, what we have seen over the past 10 years is increasing delays and problems within our hospital system—the number of beds slashed, the number of nurses reduced, and difficulties in recruiting and retaining nurses in the system—all because this Government is focused on measuring activity. This Government is focused on spin; it is not focused on outcomes in the Health portfolio.

Under the Carr Government we are experiencing something akin to groundhog day. Labor has rediscovered its commitment to waiting lists, a discovery which, like clockwork, can be timed to coincide with the approach of a State election. The Labor Government has shown over 10 years that it can address waiting lists when it wants to. At the last election there were 55,324 on the waiting list including 4,129 who had been waiting more than 12 months. The list had come down in the lead-up to the election. Unfortunately for the people of New South Wales, that commitment ended almost the day after the Government was elected. As soon as the election was won the money was turned off, literally, in country hospitals where surgery was cancelled.

The result is that waiting lists have spiralled out of control. The most recent figures for April showed a total of 66,114 people waiting for elective surgery, an increase of 19.5 per cent since the election. The number of people who have been waiting for longer than 12 months has more than doubled. They now number 8,885, a blow-out of 115 per cent. The current Health Minister is heading down the same path as his predecessors. Waiting lists can be brought down with appropriate funding and commitment. However, despite the Minister's latest promises, experienced surgeons are still being denied theatre time and patients are still waiting in pain. The modus operandi of the New South Wales health system is exemplified by the current situation at St George Hospital. Professor David Morris is a leading Australian liver cancer surgeon. Many cancer survivors have Professor Morris to thank for being alive today. Their families speak of him as a modern day miracle worker, but it seems the Carr Government is the only one not wanting to recognise the value of his work.

Professor Morris advises me that currently a person diagnosed with colon cancer faces a three- to six-month wait for potentially life-saving surgery, known as a peritoneotomy. Of course, as with most medical conditions but particularly so with cancer, the best chance of overcoming the disease is by treating it early. The reality is that a three- to six-month wait can end up being a death sentence. Professor Morris is currently restricted to one peritoneotomy per week. He says he could easily double the number of operations he undertakes. Staffing would not be a problem as the nurses and anaesthetist in Professor Morris' team are available. They are paid regardless of whether another operation goes ahead. St George Hospital currently has two operating theatres sitting idle; underutilised at a time when more people than ever are waiting more than 12 months for surgery.

This, in essence, sums up the health system under the Carr Government. Instead of working for patients—and what could be more important than surgery to remove cancer—bureaucrats are penny pinching frontline services while at the same time trying to justify their own existence. In the New South Wales health system it is easier to find a spin-doctor than a real doctor. Whereas Professor Morris seeks to operate on his patients as soon as possible, spin-doctors seek to justify why he should not. Anyone who knows someone with cancer could not defend people going without vital surgery. Yet that is exactly what the spin-doctors in the Department of Health are doing. The Carr Government spins out the line that each operation performed by Professor Morris costs the taxpayer \$230,000. Professor Morris strongly refutes this figure, and on the basis of my past dealings with government spin-doctors I prefer his views on the matter.

The Government appears to be deliberately muddying the waters by calculating wages and overtime for doctors and nurses who are already being paid regardless of whether a further operation takes place. As I mentioned earlier, operating theatre space is not an issue because the theatres at St George are currently being underutilised. It is the sort of voodoo economics this Government has quite unashamedly become well known for. Earlier this year when news broke of Professor Morris stepping down from his position as head of surgery at St George Hospital, the spin-doctors went into overdrive. In an attempt to counter the damaging headlines that were around that day, the health Minister's spin-doctors circulated a press release drawing attention to the Government's efforts to bring down elective surgery waiting lists. Only a desperate Government would seek to compare elective surgery with lifesaving cancer surgery, but that is exactly what happened.

It surprised me, upon further investigation, that the type of potentially life-saving surgery performed by Professor Morris is classified as elective. Cancer patients have to wait on the same list as someone needing surgery on varicose veins. This situation is completely unacceptable. If your mother, father, wife or husband were diagnosed with cancer, it would be an insult to be told the surgery is regarded as elective and the expected wait is up to six months, while watching your loved one's condition deteriorate each day in the expectation that in many cancer situations they would die before the surgery took place. Cancer surgery is not elective surgery. These people elect to live; they ought to be given the resources and the operations required to ensure that they do live.

The Carr Government's waiting list reduction program is based on the political needs of the Government rather than the clinical needs of patients. Professor Morris has cited examples where his theatre list for cancer patients was shut to allow for a day to treat what is known as vascular long waits—that is, varicose vein operations. On Tuesday 26 April three varicose vein patients received operations in place of cancer surgery. Professor Morris has also provided me with the operating schedule at St George on Monday 23 May, when a scheduled colorectal list was shut in order to do a long wait list. As Professor Morris said, "Instead of operating on cancers, you can see that a collection of haemorrhoids, hernias and other minor procedures were done." It sums up completely the preferences and priorities of the Department of Health.

How can any health system, any Health Minister, any government, justify this practice? What sort of health system tells patients needing life-saving cancer surgery that they have to wait up to six months, while

varicose veins patients are given priority. Procedures such as varicose veins are being given priority because of their relative low complexity. Their list is much easier to work through, thus giving the public the impression that overall waiting lists are coming down. The reality is that the more difficult surgery cases are not changing.

It typifies the cynical brand of politics the Carr Government has perfected over more than 10 years. It should not come as a surprise. This is the Government that, prior to the 2003 State election, gave the people of Camden a new maternity ward that no longer delivers babies and a redeveloped emergency department that cannot accept ambulances, even if someone suffers a heart attack on the street outside the hospital. Few country residents will forget the former failed Minister for Health's lap of honour as he travelled the State announcing increased funding for elective surgery in early 2003—only for the money to be taken away and hospitals to be told to cut the number of operations they did just days after Labor won the 2003 State election.

Much of the debate about Professor Morris surrounds the procedure known as a peritoneotomy. The New South Wales Cancer Institute throws up the argument that more evidence on this procedure is needed. But, as Professor Morris points out, for those with colon cancer there is no other option available to them. Peritoneotomy gives them a chance at life that they would not otherwise have. The good news is that because of this procedure many people's lives have been saved and they are now cured of the cancer. Survival rates for colon cancer sufferers who undergo a peritoneotomy vary depending on how much disease they have and how early it is detected. Professor Morris has patients with five-year survival rates that exceed 30 per cent. The figures are much better than for many other types of cancer that are treated in our public hospital system.

The peritoneotomy procedure is ground-breaking surgery that, for some reason, the Carr Government does not want to know about. The people who have suffered this wretched disease and have lived to tell the tale because of Professor Morris's work are fully aware that the procedure works and that further research into its benefits is not needed. Almost every country in the western world performs the procedure for public patients. Two large centres exist in the United Kingdom, having been established by the National Health Service, all major European countries now have centres, and the United States has many such centres. Units will shortly be established in every other Australian capital city.

The Carr Government has an opportunity to make Professor Morris's unit at St George Hospital the national centre of excellence for peritoneotomies. Surely one of the hundreds of bureaucrats working in the health system could jump on a plane to see the work these overseas centres are doing, to ensure that Professor Morris and the unit at St George Hospital get the support they need and, more importantly, that patients who suffer this form of cancer get the life-saving surgery they deserve from our public hospital system.

It is hard to fathom that this debate centres on St George Hospital—the local hospital of the Minister for Health, the Minister for Science and Medical Research, and the Parliamentary Secretary Assisting the Minister for Health. St George Hospital is the local hospital of the three most senior political figures managing health in this State. Their apparent lack of understanding about what is happening in the hospital in their own backyard sends a chilling message to those working in the health system at other hospitals across New South Wales. If these people do not care about their own backyard, why should communities across this city and country expect any of those responsible for the political direction of health to care for their hospitals and clinics?

This budget mentions nothing about cuts to the bureaucracy. While front-line services continue to suffer, the bureaucracy grows like Topsy—the bureaucracy that has grown by 20 per cent since Labor came to office. Health bureaucrats seem intent on justifying their existence by lumbering doctors and nurses with paperwork. Some 600 bureaucrats sit in the airconditioned offices of the Department of Health headquarters in North Sydney. Even the Minister does not know what they do. Their salaries could pay for hundreds of doctors and nurses, many peritoneotomies, and other life-saving operations carried out in our hospital system by doctors like Professor Morris.

Despite this record Health budget, the Department of Health is still the tardiest organisation around when it comes to finalising accounts. For some reason, the department operates on an accountancy principle that applies only to itself. While most businesses work on a 30-day billing period, the Department of Health works on 45 days. Most creditors who deal with NSW Health would be happy to be paid even within 45 days. The reality is that many payments come in much later. The accountancy trickery used by the Department of Health has not gone unnoticed by the Auditor-General. Last year the Auditor-General reported on the practice of area health services settling their accounts by the end of the financial year, only to have late payments blow out again in July and August. In other words, the final financial position as reported in annual reports is not a true reflection of how area health services operate for the other 11 months in the year.

I receive a steady stream of correspondence from small business, particularly in country areas, telling me that getting money from the health service is like extracting blood from a stone. It is hard to believe we are talking about a portfolio that has, as the honourable member for Blacktown said, a budget of more than \$10 billion. If hospitals like Mona Vale hospital need to purchase an item worth more than \$7 the chief executive officer has to sign off on it, and suppliers to country hospitals can wait literally months for payment. Why does Labor so knowingly place such a hefty financial burden on business in this way? This may be a record Health budget in terms of dollars, but doctors, nurses and patients will be disappointed that the budget does nothing to address the waste and mismanagement of the past. Front-line services continue to miss out in a department that has become far too politicised—so much so that we must question whether the department's first priority is its patients or, rather, the electoral fortunes of the Carr Government.

I want to briefly refer to another hospital that I believe exemplifies the ongoing failings of the Government. It is a hospital in my own backyard, in the electorate of the honourable member for Willoughby. Royal North Shore Hospital has long been promised an upgrade; indeed, it is probably the last of the major Sydney hospitals on the upgrade list. Stage two of the redevelopment has apparently commenced, and last year's budget allocated \$22.6 million for that upgrade. However, the measure of commitment of this Government to Royal North Shore Hospital is reflected by the fact that less than 50 per cent of the allocation was spent in the last financial year. It is another blow to all those people on the North Shore and the Central Coast, and the long-suffering hospital staff who have waited too long for this major overhaul. There is no excuse for such a budget underspend. It has resulted in a 12-month blow-out in the project's completion date, which is now estimated to be 2011.

The Government's treatment of Royal North Shore Hospital is more disgraceful and cynical than its treatment of any other health issue since the Camden and Campbelltown hospitals issue. Members will recall that following the Bali bombings in 2002 the Carr Government announced grand plans for a specialised burns service, and new operating theatres were established at Royal North Shore and Concord hospitals. Indeed, the Minister for Health, Morris Iemma, opened the specialised burns unit in September 2003. But the reality is that since the unit was opened the only patients who have been seen in the operating theatres are actors from the television skit *Comedy Inc*. The Government built the operating theatres, but it did not provide the funding to allow them to be used to provide the life-saving and remedial operations and treatment that those suffering the horrific impact of burns deserve.

The Carr Government's inaction in this regard is despicable, but it is typical of the way it approaches its job in Health. The Government is concerned about announcements, media opportunities, and convincing the public that all is well. It recognises that the percentage of people who use our public hospital system represent a minority. The Carr Government is about convincing the great majority that all is well in the hospital system and that it has the job under control. Yet we do not have to look very far to see its failings. I refer to what is going on with Professor Morris, who is trying to save cancer patients' lives at St George Hospital, the overdue renovation of Royal North Shore Hospital, and the Government's cynical refusal to provide recurrent funding to allow burns units at Concord and Royal North Shore hospitals to provide the services they were meant to provide—the services the Premier was prepared to take credit for on television following the Bali bombings, and the services that the Minister for Health, when he opened the units in September 2003, conveniently failed to remind the media would not be funded.

This may well be a record Health budget, but it will not do anything to significantly improve the lives of the many people who require services through our public hospital system, those whose only option for health treatment is through the public hospital system, and who will continue to put up with delays and problems within the public hospital system because of a Government that is obsessed with activity and media spin but is not focused on outcomes.

Mr JOHN BARTLETT (Port Stephens) [11.58 a.m.]: Good governance revolves around property rights, independent courts, accountable politicians, an active civil society, religious tolerance, and free media. A healthy society needs three vital sectors—a public sector of efficient governments, a private sector of effective business, and a social sector of effective community organisations. I wish to outline a comparison between the Commonwealth and New South Wales governments. Commonwealth tax revenue totals \$200 billion a year. New South Wales tax revenue totals \$15.5 billion a year, but we spend just over \$40 billion. The Commonwealth employs 131,000 people, whereas New South Wales employs 340,000 people. The Commonwealth's superannuation liability is of the order of \$90 billion, whereas the New South Wales superannuation liability is in the order of \$23 billion.

There are more New South Wales teachers than personnel in uniform in the armed forces of the Royal Australian Air Force, the Navy and the Army combined. The Commonwealth is also running about a \$12.5 billion surplus. Yet through GST payments \$13 billion per annum is collected in New South Wales but only \$10 billion is returned. The GST is a State tax collected by the Commonwealth Government. However, now that Howard and Costello are telling us how to spend it one would have to say it has become a Commonwealth tax.

Every State electorate in New South Wales pays in the vicinity of \$25 million per year in GST to the other States. In the case of Port Stephens, the residents ostensibly pay \$25 million a year to Queensland. In New South Wales 36 electorates contribute \$25 million each to Queensland; that is the amount of money that goes from New South Wales to Queensland. In some electorates, the \$25 million that goes to Queensland is more than goes into capital works. This information is now getting out into the community. On Tuesday 22 March an Australian Business Ltd survey showed that 77 per cent of firms in New South Wales supported the campaign to reform the Commonwealth Grants Commission system for allocating the GST. I quote from that survey:

Business supports the NSW Government in its attempt to end the significant unnecessary cross-subsidisation of other States with taxation collected from NSW businesses and residents.

The State Chamber of Commerce Chief Executive, Margy Osmond, called on the Federal Government to take a lead in reforming the GST carve-up. She said:

I am outraged that year in year out NSW continues to subsidise other States to the detriment of its own economic growth and prosperity.

At a recent meeting in Newcastle the Treasurer said that if the GST were returned to New South Wales he would imagine one-third would go to tax reduction, one-third would go to capital expenditure and one-third would go to services and salaries. In the case of Port Stephens, over a four-year period approximately \$30 million would go towards capital works. That is an enormous amount of money. It is the amount that comes to Port Stephens per year for capital works, as opposed to capital works that have a regional focus.

I now turn to the composition of the total revenue chart in the budget, chart 3.1. The Commonwealth specific purpose payments are 15 per cent of our revenue and the Commonwealth general purpose payments are 26 per cent of our revenue. That adds up to 41 per cent of our budget. Taxation in New South Wales, in total, is 39 per cent. That basically pays for the wages and superannuation of the 340,000 people employed in New South Wales. Therefore, the component of the Commonwealth addition to our budget is now greater than the taxation that we collect in our own right in our budget. If in New South Wales we are paying only the wages and the superannuation of our 340,000 employees out of the taxation we collect, basically the 41 per cent that comes in from the Commonwealth pays for the capital works that go to New South Wales electorate by electorate.

The total State capital expenditure is about \$8.25 billion. If we got the GST back that would be an extra \$1 billion a year going into the State capital expenditure program. As I said, to Port Stephens alone that would amount to something like \$30 million over a four-year period. Much needs to be done in Port Stephens. Imagine if I could get that \$25 million per year that goes in GST to the other States back for Port Stephens. It would mean a reduction in State taxes, but it would include items on my wish list. I constantly harry Ministers, but they do not have the money in their budgets. A few items on my wish list include the Raymond Terrace police station, Irrawang Public School hall, Tanilba Bay Public School airconditioning and power upgrade to protect it from the noise of the FA18 aircraft overhead, stage two construction for Soldiers Point Public School, stage two construction for Anna Bay Public School, and Port Stephens marine park. If I could get that \$30 million back from the GST over a four-year period, I could tick off all those items that the Port Stephens electorate is trying to get at this time.

I will briefly refer to some of the budget highlights for the Port Stephens electorate. The Raymond Terrace Public School upgrade has been agreed to. The upgrade will include a replacement of the existing school hall and an expansion of the existing hall into the library. There is no project cost right now as the work is out for tender. I have been working on this issue with the Raymond Terrace Public School community for more than six years—since I have been in this place—and I am delighted to finally see it up and running. In many instances, there is a timeframe when problems arise in an electorate and projects need doing. We must remember that most of the capital funding that is around right now comes directly from the Commonwealth Government.

I refer to the \$710,000 for Hunter Water Corporation projects, including the Raymond Terrace No. 2 and No. 3 wastewater pumping station, the Medowie wastewater system upgrade and an additional freshwater

reservoir at Boat Harbour. Port Stephens also has at its centre Grahamstown Dam. We are spending \$5.57 million this year to finish the upgrade of the spillway. That will be the conclusion of a \$25 million project stretching over the past three to four years. The water level in Grahamstown Dam will be raised about 12 feet, which will give the dam a 30 per cent increase in capacity. The dam is only four kilometres from the coast, where the rain now falls. Unfortunately, it does not seem to rain inland to the extent it used to.

Water in the Hunter is currently at about 105 per cent capacity. The dams are full. When this spillway wall is constructed there will be a 30 per cent increase in capacity. As of today, that is enough storage for 3½ to four years if it does not rain again. That is the sort of forward-thinking commitment the Water Board has made to Grahamstown Dam. That capital works program is shared in the Hunter region; obviously Grahamstown Dam supplies more than just Port Stephens. I am happy that \$400,000 has been allocated for ongoing work for the Manning Bioregion Marine Park, which I like to call the Port Stephens marine park. When the park comes into existence it will be 30 per cent bigger than any other marine park on the east coast of New South Wales.

I refer now to funding for roads. There is funding of \$1 million for the Pacific Highway, planning the F3 to Raymond Terrace; \$500,000 for Nelson Bay Road for weighting the peat, and that is going in at Bobs Farm; \$500,000 for the Nelson Bay Road replacement of the Tourle Street bridge over the Hunter River; and \$1.6 million for the final seal of the final section of Medowie Road, which will link the Pacific Highway to Medowie. It is some 11 kilometres. It is the final stage of a four-year project to seal a road that will provide excellent access into Port Stephens from the north. The Tomago Road and Pacific Highway intersection will get a much-needed upgrade, at a cost of about \$1.18 million. In the morning there can be a queue of up to one kilometre long waiting to turn right across that intersection as people try to get to Newcastle airport, the Royal Australian Air Force base and Tomago Aluminium. This upgrade will be a big safety improvement in my electorate.

The budget has allocated \$170,000 for a roundabout at Nelson Bay. I am pleased that the Hunter area has received an allocation of \$49.6 million for improvements to the John Hunter Hospital and \$13.7 million for redevelopment of the Mater Hospital. These two hospitals are the major hospitals for the Hunter and surrounding areas. The budget contains an allocation of \$62 million to complete the dual carriageway upgrade of the Pacific Highway from Karuah to Bulahdelah. My electorate has also received \$100,000 for a cycleway from Anna Bay Public School to the Boat Harbour residential area. I am delighted with the budget allocations for my electorate. One can always criticise and suggest that the balance is not right, but I consider that this budget has reached the appropriate balance across all programs, especially with the constraints placed on the public purse. One should be grateful for any allocations made to the electorate, even though all members of Parliament would wish for more funding.

I turn now to a successful local business in Port Stephens. This year Newcastle airport had an estimated 500,000 passengers, but the actual number will probably be 700,000 passengers. This is a huge increase on passenger numbers at the time when the two local councils took over Newcastle Airport from the Commonwealth 10 years ago, when only 70,000 passengers went through that airport. The catchment for the airport is as far south as Cherrybrook and Hornsby, to Tamworth in the west and the Central Coast in the south. The catchment area for the airport has ballooned and the terminal can no longer handle the volume of passengers. I am pleased to say that at present \$8.25 million is being spent on improving the airport facilities.

Approximately 10 years ago only 10 people worked at the Williamstown-Newcastle airport. Today nearly 500 people worked there. It is a huge generator of jobs for the Port Stephens and Hunter economies. Sydney airport has 66,500 indirect and direct jobs generated from the airport and Auckland Airport has 10 per cent of New Zealand's gross domestic product. Therefore, we should put as much effort, time and money into Newcastle Airport, at both the political and commercial levels, because it will be money well spent. Two years ago 10 per cent of all bookings for the airport were made over the Internet. Today 73 per cent of all bookings are made over the Internet for Jetstar Airways and Virgin Blue. That is the huge increase. The return airfare from Newcastle to Melbourne is \$160, and that is not for one of the cheap flights. Newcastle Airport is the fastest-growing regional airport in Australia and it is great to see the success of this 10-year project.

I refer also to Smorgon Steel's newest and most significant metal recycling plant in Australia, just south of Hexham near Sandgate. The project has cost Smorgon Steel more than \$20 million and is the culmination of five years of effort by the company to secure a suitable replacement site for its current metal shredder at Chipping Norton. That shredder will be relocated to Adelaide. The plant takes cars, refrigerators and other metal products from all over New South Wales. It chips the metal at 200 tonnes an hour into useable pieces of six-inch diameter pieces of metal. A car goes through in about a minute. The shredder is the best ever built in Australia.

It sorts the maximum amount of metallic resources from waste and supports 40 jobs. Once the metal is shredded, it goes to the Smorgon Steel plant at Waratah, where 600 people are employed to turn it into steel products.

I would like to turn now to the very effective community organisations in my electorate, such as the Tidy Towns Program. There are 130 such Tidy Town Committees in New South Wales and the Port Stephens electorate has 12 Tidy Towns groups, almost one-tenth of the State, which means that the people of the Port Stephens electorate own their community. One of the great things about being the member for Port Stephens is that I regularly liaise with community and volunteer groups, which constantly seek grants for projects to improve the environment. The electorate has many volunteer groups and it is always a delight to work with them to improve the environment. They own their environment and do their best to look after it. Indeed, it is one of the pressures of being a local member that they always let me know if there is something they do not like. That is not a bad trade-off because I think the Port Stephens electorate is one of the best environments in New South Wales to live, work and play.

Mrs SHELLEY HANCOCK (South Coast) [12.17 p.m.]: There is no doubt that the budget is not only one of several lost opportunities but also it does nothing to allay the fears and anger of the people and communities throughout New South Wales, whose pleas, requests, submissions and representations to the State Government on a range of issues have been largely ignored in many areas. Last month the Treasurer delivered a budget that lacked passion or enthusiasm for his portfolio and reflected the lethargy, laziness and indolence of the Government, which seems to be no longer willing to listen, is unable to find solutions to the many critical problems it faces and is rushing, in my view, headlong towards failure.

Where were the real solutions to the problems of our State's schools infrastructure? All members express views on this from time to time, including the honourable member for Blacktown, who spoke earlier and expressed his disappointment about delays in dealing with school infrastructure problems. Where were the solutions to the ageing and crumbling infrastructure throughout New South Wales? Where was the commitment to long-term solutions to water issues or to roads in this State, in particular, of course, the one that affects me most—the Princes Highway? Where was the commitment to increasing front-line policing resources? There were so many missed opportunities to listen to the people of New South Wales, but there was no passion, no dedication and seemingly insufficient pride in this great State to fix the things that matter to the people of the State.

The people of the South Coast received this budget with the same measure of enthusiasm as that with which the Treasurer delivered it. It was really a ho-hum experience for the residents of the South Coast, most of whom said to me that the Government had failed to listen to them on many issues. I make no excuse for putting the Princes Highway at the top of the list. I have spoken about the Princes Highway a number of times in this place and again reiterate what I have said. After many long years of representations from individuals, community groups, council lobby groups and families of those tragically killed on the Princes Highway, the budget again failed to address the need for a realistic work and funding plan for the Princes Highway, especially south of Nowra, where tragedies and fatalities continue to happen.

Not one extra cent has been allocated for any major upgrading works, above the inadequate amount already allocated by the Government. I remind members opposite, who say that it is the Federal Government's fault, that the State Government signed up to an agreement in 1993 that the Princes Highway was a State road. The Government has done nothing to try to change that agreement. It has not gone to the Federal Government to say, "Let us change the agreement. We need to work together on this highway." It accepted the agreement that the Princes Highway is a State road. Before Christmas the Government announced some dollars for maintenance and upgrading works at rural road intersections. These works are long overdue. I spoke in Parliament early in my career about the very dangerous Strongs Road intersection, accidents and fatalities at that location, and the concerns of residents in that locality for their safety and lives.

I am pleased to say that the project is now happening, but that is a result of community lobbying, my raising the issue in the House and the long-awaited Roads and Traffic Authority [RTA] audit of the Princes Highway, which identified many dangerous rural road intersections. The project should have happened long ago, and it has happened only after sustained lobbying of the Government to behave responsibly in terms of its road funding deliberations and its concern about accidents and fatalities. As is so often the case, the Government has reacted reactively rather than proactively in trying to address the problems of the Princes Highway and roads in general.

Other projects in the area, apart from Strongs Road, remain without a budget allocation. Many intersections remain as dangerous and as prone to accidents and fatalities as ever. Indeed, due to the increasing amount of traffic on the Princes Highway, the situation gets worse and more dangerous each year. The Liberal-Nationals Coalition has committed and recommitted an additional \$200 million over and above the Government's commitment as recognition that something must be done to save lives and prevent accidents. The RTA's own audit has indicated the deficiencies in the Princes Highway. Now the NRMA and the Australian Automobile Association have joined the groups that are increasing the pressure on the Government just to listen to them.

Earlier I said that the Government has not listened to the people of New South Wales and has ignored the councils and communities in my part of the world from Wollongong to the Victorian border. It is not just in my electorate; it is from Wollongong to the Victorian border. They have joined forces under the banner of the Southern Councils Group, whose main aim is to lobby the Government for real increases in road funding for the Princes Highway. They were as disappointed as I was regarding this year's budget allocation for the Princes Highway. They have fought a long and hard campaign under the umbrella of the PHOCUS group, which has an emphasis on the Princes Highway, but again the Government has failed to listen to them.

Where is the commitment for a third bridge crossing of the Shoalhaven River? A feasibility study was promised more than two years ago as part of a package of election promises to re-elect the former Labor member, but what has happened about the third river crossing since then? Meanwhile, two years later, traffic at Illaroo Road and traffic crossing the Shoalhaven River is alarming. There is a virtual gridlock at the Illaroo Road intersection in that locality. Only today it has been highlighted in the *South Coast Register*. The intersection is a nightmare as populations continue to grow in the north Nowra area.

I note that the honourable member for Kiama is interested in lifting his profile in North Nowra and Bomaderry because those areas are to become part of his electorate. He has facilitated a meeting this week with the roads Minister and the local mayor to discuss the issue of a North Nowra link road. I remind the honourable member that two years ago this Labor Government declared a regional park in the area, which has effectively ruled out the best and most viable option for a link road for North Nowra. I will be watching the deliberations closely, and I will be catching up with the member for Kiama after the Thursday meeting. I hope that he will work hard towards resolving this important issue, which affects many thousands of people in my electorate at the moment but who will become his constituents in the future.

I raise the important issue of police resources. I noticed with interest that the honourable member recently visited Nowra police station in my electorate. Interestingly, he did not want to talk to the local area commander about police numbers, which are down from 137 in 2003 to 130, with a Government target of 121. The maths tell us that that is 16 fewer police than we had in 2003. The honourable member for Kiama called into Nowra police station unannounced to reannounce the reannouncement of upgrades to the police station and courthouse. However, he failed to apologise for the long delays in this project and the budget blow-out of more than \$1 million over two years because of those delays.

This was another major election promise of the former member for South Coast, but the Government has failed to deliver. It is now for the honourable member for Kiama to come back and reannounce this reannouncement. I hope that we can work together on this issue and get this project at least up and running soon. But being cynical, as I have learnt to become after two years in this place, I will believe it when I see it. As I believe all of the announcements the Government made in the budget, I will believe them when I see them. I am sure that as usual the Government will try to trot out the various projects, turning sods, et cetera, in the lead-up to the next election. That will be a cynical exercise in vote getting, rather than getting on with the job in a sustained way over the term of this Government.

I suppose we will see something happening at Milton Primary School. Perhaps the honourable member for Kiama will venture into my electorate again to turn the first sod on this project, which has been stalled for more than three years at least and whose budget has blown out correspondingly. I do not believe that the budget will allow for airconditioning in parts of the school and some upgrade works to the administration areas. The long-overdue refurbishment of Milton hospital looks wonderful. The hospital has four new beds, over and above the number at the hospital when I delivered my children there more than 20 years ago. Perhaps the honourable member for Kiama will also hand out some of his recyclable bags, as he has been doing lately in North Nowra and Bomaderry, telling the residents that he is their new member of Parliament. Their outrage at this stunt has been astonishing.

Returning to police numbers and resources, I suggest that the honourable member for Kiama look in his own back yard and attend a public meeting to be held next week in his electorate. He should listen to the concerns of the communities of Gerringong about the closure of their police station and the downgrading of Kiama police station, and look at the alarming reductions in police numbers in the Lake Illawarra command. The police Internet site shows what is happening in the Lake Illawarra command. I understand that the Lake Illawarra command has one of the highest crime rates in the State, yet police numbers there are to be reduced.

I turn now to the niggling problems of school infrastructure. I am sure all honourable members in this place have problems with schools in their electorates. I have spoken before about the independent Professor Tony Vinson chairing a committee regarding the restructure of schools throughout the State. I chaired a meeting in Milton regarding Milton Primary School, Ulladulla High School and Ulladulla Primary School. Enormous concerns about infrastructure were conveyed at that meeting. If infrastructure problems are not addressed at the appropriate time the backlog of work and the infrastructure problems continue to grow. If asset maintenance is not addressed at the appropriate time the assets continue to downgrade at a much faster rate. I spoke about this issue when the House was debating the Government School Assets Register Bill introduced by my colleague the honourable member for North Shore.

Having a school assets register was a marvellous idea, but the bill did not receive the full support of the House, although it should have. Talking about the niggling problems of school infrastructure, I refer to Culburra School car park. Land was purchased for a car park, but it has not been sealed; it is dangerous. I raise again the danger to kindergarten students who are continually in that locality. Nothing has been done to upgrade or seal the car park, or to make it safe for primary school and infant school children. School building works have been ignored at Huskisson for many years. Terara Public School traffic arrangements again pose a danger for students, and I cannot go on without speaking about Ulladulla High School. Basically, because no-one has bothered to notice or take account of the high growth rates in Milton-Ulladulla for a long time—for more than a decade—Ulladulla High School has grown well beyond the limits of its current infrastructure. Due to years of delays, the project will now cost in excess of \$23 million because of lack of attention to basic infrastructure requirements.

I am sure we have all heard stories about sewage leaks in the playground. At a recent public meeting students talked about walking through sewage to get to their classrooms. In this day and age and in this modern State, we should all abhor that and work towards fixing it immediately. Ulladulla High School will have 23 demountables on site and that number is growing rapidly because of the population increase in the area. I am pleased to say that the Minister for Education and Training bothered to visit the site last year, unlike her predecessor, the current Treasurer, who failed to visit the school to respond to the concerns of the teachers and students.

It seems that something will now be done. It is highlighted in the budget as a new project, with no dollars attached at this stage, but next year I will be watching to make sure that realistic dollars are attached to it. Time is running out for Ulladulla High School. I point out that one of the highest university admission index scores in the region, 99.3, was achieved by a student at Ulladulla High School. The academic achievements of the students and the achievements of the teachers in that school are remarkable, yet they continue to work in what can only be described as a construction site. There are demountables everywhere; it is simply a disgrace. Time does not allow me to discuss a detailed list of school projects. Suffice it to say that the Government has missed a golden opportunity to give back some pride to the students of our State schools by improving the environment and amenity of those schools.

What has this budget delivered for the people of New South Wales? In my view it has been reannouncements of reannouncements of capital works expenditure, and we will believe it when we see it. In the past so much has been promised but so very little has been delivered. All we have had are excuses for delays, budget blow-outs because of delays and no excuses for major projects having been dropped. The vendor tax will remain for the people of New South Wales. It was fascinating to listen to the honourable member for Blacktown this morning pretend that he was pleased that at least the vendor tax did not increase. In concluding, he soundly criticised his own Government over the vendor tax and spoke about the devastating effect it is having on New South Wales, which is what we on this side have been saying for some time. It was certainly refreshing to hear the comments of the honourable member for Blacktown. He was honestly reflecting the views of his community—as we should all be doing in this place. I congratulate him on behalf of all members on this side of the House on his honesty about the vendor tax and its destructive effect on the State. Of course, we know its effect on the Queensland economy, because that is where people are heading and will be heading.

The honourable member for Blacktown was also particularly honest in expressing disappointment in the budget with respect to schools. I noticed this week that he is also opposed to the application fee for exemption from the new P-plate regulations. Here again is a new tax in this budget, another blatant revenue raiser: a \$23 application fee for exemption from the P-plate regulations. That is a slug on young people who may legitimately work on farms or properties and have a reason to drive eight-cylinder vehicles. Talking about revenue raisers, the latest is the tax to be imposed on scuba divers. Apparently they will have to pay \$20 a day. That will affect a number of people in my electorate. That was highlighted in an article in a newspaper in my electorate only this morning.

The Government pretends that there has been an increase in disability funding, but there has not. There have been serious cuts to disability funding. There have been cuts to teachers' aides at Havenlee, a school for severely and moderately intellectually disabled children. We should not be making cuts to funding for those kinds of children at those kinds of school. We should be doing far more to assist them. Cuts to the priority assistance funding program for schools will affect Shoalhaven High School. That school has been delivering wonderful transition classes to students who are having difficulty progressing from year 6 to year 7. Cuts to the priority assistance funding program are a great disappointment to a number of schools throughout the State.

Shoalhaven hospital received a much-needed upgrade and to all intents and purposes it is a wonderful addition for Nowra. However, two operating theatres are not operating. They are unable to be used because the budget will not allow it. In this day and age that is unacceptable. It is a bit like *Yes, Minister*—build a new hospital but do not put patients in it because that might cost something. At the moment Shoalhaven hospital is trying to cope with the burgeoning numbers of people on the South Coast, yet it does not have beds or emergency operating theatres open. I spoke before about Milton hospital. The upgrading work is almost finished. It is only a modest increase in the number of beds but there is not enough in the budget, because of cost blow-outs, to ensure that the airconditioning and administration work in that hospital will be finished.

It is also a disappointment to me that there was no money in the budget for the purchase of an area called Plantation Point at Vincentia for community use. There has been an ongoing dispute about an application from residents to purchase this piece of land, as the Government did prior to the election in relation to Captain Street, Vincentia. That was a cynical ploy before the election. The Government thought it was a good idea for the community to purchase it, but for Plantation Point it has made no commitment. The Government is undoubtedly in trouble. It continually blames the Federal Government for everything, but forgets it has received more than expected GST windfalls and has failed to remove many of the taxes agreed to by the States in return for GST funding. People are sick and tired of the blame game played by the Government. It needs to seriously address the problems of the State and start to manage the economy of New South Wales much more wisely if we are going to turn this State around.

Mr PETER DRAPER (Tamworth) [12.36 p.m.]: I welcome the opportunity to briefly comment on the budget from the perspective of the Tamworth electorate. I sincerely thank the honourable member for Strathfield for allowing me to speak before her. Despite the gloom and doom I have heard from previous speakers, spending in the electorate of Tamworth has been a feature of the budget this year. I am delighted with some of the investment opportunities that have come to the electorate. For 12 years or more Gunnedah South Public School, which has more than 500 students, has been attempting to get a school hall. This year \$2 million is allocated in the budget to make sure that project comes to fruition. The school recently celebrated its fiftieth anniversary. The celebration was well attended by the local community and everyone is exhilarated by the prospect of having undercover facilities.

When I attended the function at the school I paid tribute to Bruce Sommerlad and his team, who have worked so vigorously through the years to make sure that the need for a hall has been brought to the attention of government time after time. Rob Lewis, the district inspector, paid tribute to the efforts of my predecessor, Tony Windsor, and to my efforts since I have represented the electorate. I am delighted the Minister has accepted the offer to turn the first sod, and I am looking forward to that.

Further good news for the electorate is the allocation of \$840,000 to build a new ambulance station. The original station was built in the 1950s as a temporary structure. In the 1970s the Askin Government designed a new structure but it was never constructed. I know how much our hardworking ambulance officers are looking forward to new facilities. We have our share of the \$60 million to upgrade the local TAFE college. There is an allocation of \$577,000 for group homes for people with disabilities. There will be an upgrade of the Tamworth and Quirindi day care programs at a cost of some \$300,000. Roadworks will be undertaken around Nundle for the bypass to accommodate an increase in traffic because of the opening of the McVicar mill in

Quirindi. Rural and regional communities need a great deal of investment and I was pleased that the Government acknowledged that in this budget.

Walcha hospital has received \$4 million. Contracts have been let for the demolition of the old primary school on the site where the new hospital will be located. That project is on track to be completed by December 2006. There is a budget allocation of \$1.265 million for an upgrade of Lake Keepit, almost \$1 million for dam maintenance and \$750,000 for an upgrade of Chaffey Dam. Walcha has received funding for a new fire engine and for renovations to the West Tamworth Fire Station and a subsidy for a new vehicle for the State Emergency Service at Gunnedah. Works have commenced on Topdale Road and Manilla Road. Those projects need to continue. I was disappointed with the lack of road funding. I held a meeting with the Mayor of Walcha and the Minister for Roads, who has agreed to visit the electorate and look at the priorities. I look forward to the Minister's visit and to his consideration of the area's priorities.

Ms VIRGINIA JUDGE (Strathfield) [12.40 p.m.]: I thank the honourable member for Tamworth for his kind comments. The people of his electorate are lucky to have a representative with such great qualities. The efforts of this hardworking Independent member have resulted in tangible outcomes for his community. His contribution was in stark contrast to the contribution of the previous speaker, who spoke with such doom and gloom that one would believe the people in her electorate want to slit their wrists. The honourable member for Tamworth has worked hard and delivered fantastic outcomes for the people of his electorate.

I congratulate the Treasurer on delivering a progressive budget to the people of New South Wales. The budget shows economic foresight and social responsibility, delivering for all of the people of New South Wales, despite the Federal Government withholding \$3 billion of taxpayers' money, our money, in GST from this State. With Sydney being a global city and the destination of choice for 1,000 new migrants every week, it is essential that we keep developing and delivering change. The budget delivers for the people of metropolitan Sydney, it meets the growing aspirations of the population, and it consolidates Sydney's growing reputation throughout the world as a hub for business, commerce and tourism. The budget also delivers for regional New South Wales. Taking into account the negative effect of changing weather patterns, the Government has provided a further \$160 million for drought relief. More important, it has made a commitment to stand by drought-affected communities for as long as the drought continues.

The Carr Labor Government has spent years redressing the economic ineptitude and financial mismanagement of that lot over there, the Coalition. The voting public placed its trust in us. It gave us the mandate we sought to overcome the burden of a \$12 billion budget deficit. We have a long-term strategy and a vision and in this budget we can recognise the benefits of this strategy. The facts speak for themselves: employment growth and business investment are rising, and the State has a triple-A credit rating. The general consensus is that the New South Wales economy is built on sound principles and a clear vision. The Labor Party has always had a clear vision and a clear plan. The basic premise on which our party is founded is that it is socially and morally just for government to manage the economy to bring about the provision of a more equitable distribution of services and facilities for all of the people, not only a few. That is the reason I joined the Australian Labor Party, that is the reason I represent the people of Strathfield, and I believe it is the reason the Labor party has spent so much time in government in New South Wales over the years.

The electorate of Strathfield is a highly diverse community with a transient population of recently arrived migrants and new Australians alongside old established communities. It is a mixture of students, young families and older people, with some disparity in income and wealth. When I speak on the New South Wales budget for 2005-06 I am mindful of the electorate I am privileged to represent. I value and praise this budget, as it seeks to provide a benefit for all of my constituents by delivering on infrastructure and transport, education, health, police and community services. The budget is characterised by increased spending in all areas that will impact directly on the quality of life of Strathfield residents. It provides better public services and increases the number of nurses, police, firefighters, teachers, and community service workers—the workers who provide the front-line essential services that benefit the entire community.

I will refer to the issues that are of most importance to my community. I welcome the reforms to land tax, which demonstrate the Government's willingness to listen to the electorate and to make policy that better reflects traditional Labor values. The reinstatement of the tax-free threshold of \$330,000 will significantly reduce the burden of land tax on small investors and those who have saved responsibly throughout their working lives to purchase a property to fund their retirement. I refer there to the Treasurer's "Land Tax: A Fairer System". Some 350,000 investors will no longer pay land tax and 50,000 investors will pay less. This is the highest threshold exemption of any State and it is to be indexed annually.

It would have been easy to yield to demands made in some quarters and reduce the revenue that taxes on land bring to the Treasury. In fact, it would be easy if the Federal Government were not short-changing the New South Wales public with its GST revenue. I join the Treasurer in his call for Federal Treasurer Costello to show some leadership and offer a fairer deal for GST for the people of New South Wales. However, until that happens, the revenue from these taxes is essential if we are to continue to increase spending on public services. It would have been easy to scrap the vendor duty of 2.25 per cent on the sale of an investment property, but this tax has been used to provide concessions for 41,000 first home buyers in the form of stamp duty relief. I commend the Treasurer for his assistance, in the face of much misplaced hostility, to our young families and young Australians by providing a helping hand to secure a roof over their heads, their first home. As a result of that policy 41,000 Australians and their families have gained a foothold on the Sydney housing market, which will assist with security of tenure and economic wellbeing throughout their lives. In the face of rising interest rates, how else could these first time home buyers have achieved the purchase of a home?

The Carr Labor Government has consistently delivered on education, and this year's budget is no exception. Its increased spending on education since it came to office in 1995 will leave the population of New South Wales a lasting legacy. This budget provides a comprehensive approach to learning and a commitment to education throughout the State. The \$482 million program of spending in 2005-06 on infrastructure, the largest ever, confirms that commitment. The provision of a world-class education system is essential, not only to the present and future economic prosperity of the State but also to its social and cultural wellbeing. The current vision for education focuses on a massive investment to reduce class sizes and innovative early years literacy and numeracy programs to provide young children with a bright start in life. They are simple, effective measures backed up by a Government committed to public education. Having taught for many years from kindergarten through to the upper years of high school, I know the importance of these initiatives.

To ensure that standards are maintained in public schools, the Government has committed \$146 million over four years to teacher professional development. The increased spending on Aboriginal education includes individualised learning plans, teacher incentives packages, curriculum revision and extended student assessment and teaching. An extra \$53 million over four years demonstrates the Government's commitment to assisting Aboriginal students, to raising their level of achievement and to providing access to opportunities for all. Similarly, a total of \$56.8 million over four years to support students with special needs is further evidence that the Carr Labor Government governs for all, not only a few. It is beyond question that education increases social mobility and it is vital that everyone, irrespective of wealth or background, has access to a good education.

The Government's increased spending on TAFE colleges demonstrates its commitment to adult education and lifelong learning, enabling all Australians to prosper in the workplace and increase productive capacity, efficiency and innovation. Nowhere is that more in evidence than in the Government's spending program for increasing and updating its information technology [IT] program: a total of \$942 million over four years for technology in schools and TAFE, including 100,000 new high-speed computers and 129 additional IT support staff as part of the Technology for Learning Program. That vision, our vision, will ensure that we remain at the forefront of digital technology and inform the rest of the world that New South Wales is open for business.

Three major capital works programs have been included in the budget for my electorate of Strathfield. An upgrade will commence soon at Burwood Girls High School and stage two of the Strathfield Girls High School upgrade has been approved. In addition, the \$2.94 million stage one project will continue, providing a range of improved facilities including new classrooms, toilets, storage spaces, a staff study area and a canteen with covered serving and eating area. That funding will help deliver better amenities for children in the electorate of Strathfield. I must add that Strathfield Girls High School is one of the most outstanding schools in my electorate.

Unfortunately, the downside to investing in our schools and colleges is that, sadly, they sometimes become a target for vandals and thieves. We cannot hide from that, but we can protect our students and staff and work with the police to prevent crime—and that is exactly what we do. With that in mind the Government has committed a further \$55 million to achieve these outcomes with initiatives such as security patrols, fencing and upgrading of alarms. The Federal Government is determined to disrupt student services and unduly interfere in campus life at our universities. When an attempt was made to abolish voluntary student unionism, I took part in the march with the wonderful students, so I know full well what it is all about. I am pleased that public education in New South Wales is in safe hands.

The decision to commit a further \$901 million to health spending, bringing the budget total for this year to \$10.9 billion, is unequivocal confirmation that the Government is continuing to fulfil its election promise to

improve health care throughout the State. An increase of \$472 million for front-line services and a \$429 million increase in the wages of health care professionals represent a 9 per cent increase on the 2004-05 budget. We realise the dedication of those who work in this profession and we reward them accordingly. Other features of health funding include an additional 800 beds, \$1.5 billion on elective surgery, \$854 million on mental health, which is an increase of \$71 million, \$646 million for capital works projects this year, a further \$10 million for the New South Wales Ambulance Service to recruit new staff and lease 22 new vehicles, and \$19.7 million to initiate a major new clinical redesign program.

Once again, those initiatives reaffirm the Carr Labor Government's pledge to provide free, comprehensive health care to all. The \$19.7 million program to redesign clinical services will enable administrators to work closely with clinicians and patients to improve patient treatment and create better working environments. That is a clear example of a confident government using funding to find effective ways to improve efficiency and deliver more for less. The people in my electorate will share in the benefits of this increased spending. In particular the Central Sydney Area Resource Transition Program will receive an additional \$45.4 million to continue the upgrade of both the Royal Prince Alfred Hospital [RPA] and Concord Hospital, and a number of other community health services. In addition, a burns unit is to be built at Concord Hospital to meet the needs of those who have suffered severe burns. That unit will not only have a positive impact on those who have suffered horrific injuries but also free up time in main operating theatres.

Cancer is the second largest killer in New South Wales, accounting for almost half of the deaths in the 45 to 64 age group. The Carr Labor Government is committed to fighting this disease and the Cancer Institute of New South Wales is leading this courageous fight. The success of the Cancer Institute of New South Wales in its inaugural year in combating this disease with research and prevention programs has prompted the Government to increase funding to \$65 million. Recruiting and retaining the best professionals in this field is an enormous challenge but it is one that the Government recognises, and the additional \$30 million in funding will improve co-ordination of care for cancer patients, increase research grants, improve education programs for professionals and the public, and increase and improve screening and prevention programs. That increase in funding for screening will rationalise services by establishing a \$3 million cancer screening program, bringing cervical, breast and bowel screening under the same roof. A further \$3.6 million will boost the number of fixed and mobile screening units. That will benefit women across the State by providing free access to mammograms, thus increasing their chance of early cancer detection, which is vital in improving survival rates. Statistics show that older women can reduce their chances of dying from breast cancer by having breast screening every two years. I am pleased that women in my electorate will benefit as a result of the new radiological equipment for breast screening at the RPA.

Our Government recognises that it has an obligation to the sick and has put forward a budget that demonstrates its responsibility. However, it has also recognised that we can make a difference by adopting strategies that inform the public about living healthier lives and enable them to do so. As a result of the Carr Government's health policies we are living longer and healthier lives and that demographic change means that our ageing population is increasing. However, we also recognise that many of our wonderful elderly people require additional care and many face the onset of old age with a disability. We have made provision for that by providing funding in the budget for accommodation, the purchase of new equipment, and increased respite care and specialist services. I also welcome the substantial additional resources the Government has committed to assisting older people with disabilities and their carers.

The budget allocation of \$1,549 million will help more than 178,000 people with a disability, the frail aged and their carers. Only the Labor Party can claim to be the party of social inclusion and this level of spending to help the elderly, the frail and the disabled establishes it as the party of social inclusion. The most undervalued and often hidden people in our society are the frail and the disabled, and the tireless work of their carers and the professional staff that work in this industry often goes unnoticed in the wider community. The Government recognises the value of these compassionate people and has committed to a joint funding program that will spend \$468.7 million on the Home and Community Care Program [HACC]. A society's compassion can be assessed by the emphasis that it places on the wellbeing of the sick, the elderly, the frail and the disabled. The Government has taken a leading role in improving their lives and valuing the work of those who look after people who are unable to care for themselves.

The need for good-quality public housing is as strong as ever. Whilst we have implemented policies that assisted 41,000 families to purchase a property last year, there remains significant demand for housing. To meet that demand the Government has allocated an extra \$190 million to the housing budget in the next four years. A range of measures designed to improve maintenance and to tailor housing policy to specific community

and individual needs demonstrates the progressive attitude of the Government to address difficulties with innovative thinking. I welcome the \$1.25 million spent in my electorate to add to the current housing stock.

The provision of good public transport is essential to the daily lives of the people of the electorate of Strathfield. Many residents are wholly reliant on bus and train services and, as one would expect, we are some of the highest users of public transport in the State. There are seven stations located in my electorate and, given its proximity to the Sydney central business district, many residents choose to reside in the area because of the good public transport links. Similarly business is attracted to the area for the very same reasons. In short, public transport is a public good. Like any other large metropolis around the world Sydney needs a fast, reliable and affordable rail network to move its citizens around. To achieve that, a clear vision was needed to untangle the existing rail networks and implement a bold plan to bring the train service into a new era. A clear vision to improve capacity and reliability. With this in mind I congratulate the Carr Government on its Rail Clearways plan and on its record commitment of \$1.2 billion to infrastructure spending for public transport in 2005-06.

I recently visited Homebush station and I am delighted that work is under way on the turnback. It will be a major boost for public transport, not only for residents in the electorates of Strathfield and Drummoyne, but for all commuters in the inner west. When it is completed it will enable CityRail to run more services at peak times between the City and Homebush. In addition to that massive investment in rail infrastructure and rail cars, further spending on new buses will ensure that commuters will have a comfortable and comprehensive bus fleet that will meet their public transport needs. The sum of \$138 million has been earmarked for the purchase of new buses over the next four years with 124 new buses to be on the roads in 2005-06.

The maintenance, upgrade and improvement of roads in my constituency are of paramount importance to me and to my community. I welcome the spending in my electorate as part of a massive commitment to road improvements in this State. Local government in my electorate will receive more than \$750,000 to repair and improve regional roads, whilst the maintenance and traffic management programs on State roads will receive a combined total well in excess of \$1 million. I welcome the spending on road safety in my electorate and dismiss any crass remarks from the Opposition that speed cameras generate too much money. Unlike them, I have not lost sight of the fact that their principal objective is to slow down traffic and save lives. The Treasurer has exercised sound economic judgment and provided a budget designed to deliver for all the people of New South Wales. I pay tribute to the current Treasurer and praise the Carr Labor Government for these initiatives.

Debate adjourned on motion by Mr John Mills.

[Mr Deputy-Speaker left the chair at 1.00 p.m. The House resumed at 2.15 p.m.]

TERRORISM LEGISLATION AMENDMENT (WARRANTS) BILL

Message received from the Legislative Council returning the bill without amendment.

PETITIONS

Alstonville Bypass

Petition requesting that the Alstonville Bypass be completed by the end of 2006, received from **Mr Donald Page**.

Gaming Machine Tax

Petitions opposing the decision to increase poker machine tax, received from **Mrs Judy Hopwood, Mr Malcolm Kerr, Mr Steven Pringle and Mr Andrew Tink**.

Government Cleaning Contracts

Petition requesting the maintenance of jobs and cleaning standards under government cleaning contracts, received from **Mr Steve Cansdell**.

Residential Parks Development

Petition opposing any development of residential parks with permanent residents, received from **Mr Jeff Hunter**.

Kurnell Sandmining

Petition opposing sandmining on the Kurnell Peninsula, received from **Mr Barry Collier**.

Lake Macquarie Clean-up Funding

Petitions requesting funding for continuation of the clean-up of Lake Macquarie, received from **Mr Jeff Hunter** and **Mr Matthew Morris**.

Anti-Discrimination (Religious Tolerance) Legislation

Petitions opposing the proposed anti-discrimination (religious tolerance) legislation, received from **Mr Geoff Corrigan**, **Mr Malcolm Kerr**, **Mr John Price**, **Mr Andrew Stoner** and **Mr John Turner**.

Yamba Policing

Petition requesting an increase in police numbers for Yamba, received from **Mr Steve Cansdell**.

Breast Screening Funding

Petitions requesting funding for BreastScreen NSW, received from **Mr Steve Cansdell** and **Mrs Judy Hopwood**.

Campbell Hospital, Coraki

Petition opposing the closure of inpatient beds and the reduction in emergency department hours of Campbell Hospital, Coraki, received from **Mr Steve Cansdell**.

Coffs Harbour Aeromedical Rescue Helicopter Service

Petition requesting that plans for the placement of an aeromedical rescue helicopter service based in Coffs Harbour be fast-tracked, received from **Mr Andrew Fraser**.

Willoughby Traffic Conditions

Petition requesting a regional traffic plan for the Pacific Highway at Willoughby, received from **Ms Gladys Berejikian**.

Edinburgh Road, Willoughby, Traffic Conditions

Petition requesting a right turn arrow for traffic travelling west on Edinburgh Road, Castlecrag, turning north onto Eastern Valley Way, received from **Ms Gladys Berejikian**.

F6 Corridor Community Use

Petition noting the decision of the Minister for Roads, gazetted in February 2003, to abandon the construction of any freeway or motorway in the F6 corridor, and requesting preservation of the corridor for open space, community use and public transport, received from **Mr Barry Collier**.

Barton Highway Dual Carriageway Funding

Petitions requesting that the Minister for Roads change the Roads and Traffic Authority's priority for Federal AusLink funding for the Barton Highway, received from **Ms Katrina Hodgkinson** and **Mr Ian Slack-Smith**.

Macdonald River Signage

Petition requesting that the Macdonald River be provided with signage stating "4 or 8 knots, no skiing, no wash", received from **Mr Steven Pringle**.

Old Northern and New Line Roads Strategic Route Development Study

Petition requesting funding for implementation of the Old Northern and New Line roads strategic route development study, received from **Mr Steven Pringle**.

Pacific Highway Overpass

Petition requesting the construction of an overpass for the Pacific Highway at the Tea Gardens-Hawks Nest intersection, received from **Mr John Turner**.

Forster-Tuncurry Cycleways

Petition requesting the building of cycleways in the Forster-Tuncurry area, received from **Mr John Turner**.

CountryLink Rail Services

Petitions opposing the abolition of CountryLink rail services and their replacement with bus services in rural and regional New South Wales, received from **Mr Steve Cansdell** and **Mr Andrew Stoner**.

Southern Tablelands Rail Services

Petition opposing any reduction in rail services on the Southern Tablelands line, received from **Ms Katrina Hodgkinson**.

Newcastle Rail Services

Petitions requesting the retention of Newcastle rail services, received from **Mr Jeff Hunter** and **Mr John Mills**.

Sydney to Newcastle Light Rail Service

Petition requesting the provision of a light rail service between Sydney and Newcastle using the existing rail corridor, received from **Mr Jeff Hunter**.

Pets on Public Transport

Petition requesting that pets be allowed on public transport, received from **Ms Clover Moore**.

Murwillumbah to Casino Rail Service

Petitions requesting the retention of the CountryLink rail service from Murwillumbah to Casino, received from **Mr Neville Newell** and **Mr Donald Page**.

Blacktown to Richmond Night Bus Service

Petition requesting a bus service from Blacktown along the Richmond line between midnight and 5.00 a.m., received from **Mr Steven Pringle**.

Mid North Coast Airconditioned School Buses

Petition opposing the removal of airconditioned school buses from the mid North Coast, received from **Mr Andrew Stoner**.

Colo High School Airconditioning

Petition requesting the installation of airconditioning in all classrooms and the library of Colo High School, received from **Mr Steven Pringle**.

Kempsey Water Fluoridation

Petition opposing the addition of fluoride to the Kempsey and district water supply, received from **Mr Andrew Stoner**.

Isolated Patients Travel and Accommodation Assistance Scheme

Petition objecting to the criteria for country cancer patients to qualify for the Isolated Patients Travel and Accommodation Assistance Scheme, received from **Mr Andrew Stoner**.

Crown Land Leases

Petitions requesting the withdrawal of changes to the rental structure of Crown land leases, particularly enclosed road permits, received from **Mr Chris Hartcher** and **Ms Katrina Hodgkinson**.

Collector Bushrangers Reserve Motorcycle Track

Petition requesting approval for the construction of a motorcycle track at Collector Bushrangers Reserve, received from **Ms Katrina Hodgkinson**.

Great Lakes Council Rate Structure

Petition opposing a 30 per cent rate increase proposed by Great Lakes Council, received from **Mr John Turner**.

Business Enterprise Centres

Petition requesting the reinstatement and funding of business enterprise centres, received from **Mr Steve Cansdell**.

Whale Protection in Australian Waters

Petition requesting that whales are protected in Australian waters, received from **Mrs Judy Hopwood**.

Public Housing Tenants Rights

Petition requesting amendments to the Residential Tenancies Amendment (Public Housing) Act to provide public tenants with the same rights as other tenants and to protect their security of tenure, received from **Ms Clover Moore**.

BUSINESS OF THE HOUSE

Reordering of General Business

Mr JOHN BROGDEN (Pittwater—Leader of the Opposition) [2.34 p.m.]: I move:

That the General Business Notice of Motion (General Notice) given by me this day [Vendor Tax] have precedence on Thursday 23 June 2005.

In his reply to the Budget Speech today the honourable member for Blacktown enlightened the House on his very correct views about Premier Bob Carr's vendor duty. We are grateful for the transcript of his comments. He said in part:

It is not only a worry of mine: apart from the tax itself, politically it is a bad tax for this Government as well. The vendor tax is a tax on tax, no matter how you look at it.

It was a fine speech. He went on to say:

This tax makes New South Wales, in my opinion, a poor choice for an investor.

Those are the comments of the honourable member for Blacktown. He continued:

... since its introduction, investment for residential construction is down, overall lending for construction is down. Looking at the indicators, the fall in residential building is likely to continue. It has got to be a worry to everyone.

He went on to say, very correctly:

The vendor tax is actually losing the New South Wales Government revenue.

Finally from within the Government ranks we get the revelation, we get the truth about this tax. He said:

Let me put to rest one thing that we keep talking about—

"We", I assume, is the Labor Party—

We keep saying that we need the vendor tax to pay for the first home buyer, to pay for no stamp duty.

Let me say this: No money is required to fund the first home buyers scheme because the Government is merely forgoing a small amount of income from stamp duty and the mortgage duty paid by the first home owner—a complete and utter destruction of Premier Bob Carr's argument for the punitive, stupid vendor duty and, finally, it comes from one of their own. He went on to say, quite correctly:

As I say, the vendor tax hurts so many ordinary people, including mum and dad investors, tenants and workers in the property industry.

Most pointedly, the honourable member for Blacktown said, in his wise words:

It is a little bit akin to giving somebody a hiding and then, as they are walking out the door, you give them a kick in the backside.

The only person who is getting a kick in the backside from the vendor duty is the Premier. The honourable member for Blacktown knows it, and he is right. We congratulate him on his speech and we call on his colleagues, his comrades, to join the fight to abolish the vendor duty in New South Wales.

Mr CARL SCULLY (Smithfield—Minister for Police) [2.37 p.m.]: The only person standing in the way of scrapping the vendor tax is Peter Costello. We have made a claim that if Peter Costello gives us back the \$13 billion we will be happy to scrap the vendor tax. So they cannot come in here and tell us this is a priority, this is the most important thing confronting them.

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

Mr CARL SCULLY: We would love to scrap the vendor tax, provided we get \$13 billion of the GST that the people of this State pay. And let us not forget who voted for the vendor tax when the bills to support the appropriation went through this Parliament. They did. They did not vote against it. The message from this Parliament is: Ring Peter Costello and ask him where our money is. The answer is: No.

Question—That the motion be agreed to—put.

The House divided.

Ayes, 35

Mr Aplin	Mr Hazzard	Ms Seaton
Mr Barr	Ms Hodgkinson	Mrs Skinner
Ms Berejiklian	Mrs Hopwood	Mr Slack-Smith
Mr Brogden	Mr Humpherson	Mr Souris
Mr Cansdell	Mr Kerr	Mr Stoner
Mr Constance	Mr Merton	Mr Tink
Mr Debnam	Ms Moore	Mr Torbay
Mr Draper	Mr Page	Mr J. H. Turner
Mrs Fardell	Mr Piccoli	Mr R. W. Turner
Mr Fraser	Mr Pringle	<i>Tellers,</i>
Mrs Hancock	Mr Richardson	Mr George
Mr Hartcher	Mr Roberts	Mr Maguire

Noes, 52

Ms Allan	Mr Greene	Mrs Paluzzano
Mr Amery	Ms Hay	Mr Pearce
Ms Andrews	Mr Hickey	Mr Price
Mr Bartlett	Mr Hunter	Dr Refshauge
Ms Beamer	Mr Iemma	Ms Saliba
Mr Black	Ms Judge	Mr Sartor
Mr Brown	Ms Keneally	Mr Scully
Ms Burney	Mr Knowles	Mr Shearan
Mr Campbell	Mr Lynch	Mr Stewart
Mr Carr	Mr McBride	Mr Tripodi
Mr Collier	Mr McLeay	Mr Watkins
Mr Corrigan	Ms Meagher	Mr West
Mr Crittenden	Ms Megarrity	Mr Whan
Ms D'Amore	Mr Mills	Mr Yeadon
Mr Debus	Mr Morris	<i>Tellers,</i>
Ms Gadiel	Mr Newell	Mr Ashton
Mr Gaudry	Ms Nori	Mr Martin
Mr Gibson	Mr Orkopoulos	

Pair

Mr Armstrong
Mr O'Farrell

Miss Burton
Mrs Perry

Question resolved in the negative.

Motion negatived.

BUSINESS OF THE HOUSE**Routine of Business**

[During notices of motions for urgent consideration]

Mr Andrew Tink: Point of order: the motion of which the Minister for Regional Development has given notice cannot be urgent. Yesterday the Minister claimed this matter was urgent and we voted against it.

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

QUESTIONS WITHOUT NOTICE**TRAIN DRIVERS**

Mr JOHN BROGDEN: My question without notice is directed to the Premier. Given today's damning report from the Auditor-General about Sydney's decaying rail system, how can he explain the fact that train drivers on average work 15½ hours a week out of a rostered 37½ hour week?

Mr BOB CARR: As I said earlier today, we welcome the report of the Auditor-General. There is acknowledgement in that report of the range of things the Government is doing to see that customers—

Mr John Brogden: Giving them a holiday!

Mr BOB CARR: No. For example, \$7 million is allocated in this budget for this year alone on communication systems for commuters.

Ms Gladys Berejiklian: What about the hours?

Mr BOB CARR: I responded this morning on this. Where has the Leader of the Opposition been? Where is his research team? In 2005-06, \$7 million; a new timetable is planned for 4 September this year and the establishment of a rail management unit to co-ordinate operations—all new measures.

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

Mr BOB CARR: To be fair to the Auditor-General, they are acknowledged by him. The Audit Office found:

RailCorp is making a serious effort to improve its performance in managing disruptions. Much is being spent on improvements. It has a large number of projects underway that are developing and implementing long-term engineering solutions, new technology, timetable and staffing changes to help it reduce disruptions and recover faster.

That is an acknowledgement from the Auditor-General of staff changes in train to deliver a more robust service.

Mr John Brogden: Point of order—

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

Mr BOB CARR: Once again the Opposition leader is making a criticism—

Mr John Brogden: Point of order—

Mr BOB CARR: But not a plan and not a policy. I thank the House for its attention.

Mr SPEAKER: Order! What is your point of order?

Mr John Watkins: He has finished the question.

Mr John Brogden: He had not finished answering the question when I took my point of order. My point of order is that he refused—

Mr SPEAKER: Order! There is no point of order. I was willing to listen to the Leader of the Opposition—

Mr John Brogden: You can't hear me because of that lot. We know you are deaf in the right ear but we would love for you to listen to us for a change.

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

AIR QUALITY IMPROVEMENTS

Mr ALLAN SHEARAN: My question is addressed to the Minister for the Environment. Will the Minister advise the House of any moves to improve Sydney's air quality?

Mr BOB DEBUS: It is 20 years since the Wran Government decided to introduce unleaded petrol. It was one of many farsighted decisions made by environment Ministers who served in that Government, including the current Premier and the late Paul Landa, who was tireless in attempting to clean Sydney's air. The decision, I might add, was opposed at the time by the Federal Government and some State governments. But like so many of the Wran Government's environmental decisions, it was visionary and it has improved our quality of life.

In 1985, around 1,000 tonnes of toxic lead were pumped into the skies of Sydney, each year, every year—thousands of tonnes of lead slowly accumulating in the bodies of our children, damaging their nervous systems, affecting their behaviour and undermining their future health. So, it is a pleasure for me to be able to report to the House on the latest estimates of lead emissions. This year, the Environment Planning Authority estimates that only around five tonnes of lead will be emitted—1,000 tonnes 20 years ago; five tonnes now—a reduction of 99.99 per cent. Unleaded petrol is obviously a great success.

It is not just about lead. Under the landmark pollution legislation that the Government enacted in 1997, carbon monoxide emissions are down by nearly 30 per cent and nitrogen oxides are down by 6 per cent. That is not to say that we do not have more to do, and the Government remains committed to further improvement in Sydney's air quality. Members of this House, especially those who represent electorates in Sydney, will be well aware of the smog we sometimes see on the hottest summer days.

Mr Adrian Piccoli: It is better in the bush.

Mr BOB DEBUS: That is true, because smog is caused by complex chemical reactions in the atmosphere and made worse by emissions of petrol fumes, both from petrol stations and from cars. Those fumes and the smog they cause are known to result in health problems. But even in low levels these petrol fumes can cause acute respiratory problems, aggravate asthma, impair the body's immune system and reduce lung function in otherwise healthy adults. As with lead, young children are most at risk.

Today I announce a major initiative to reduce smog. We previously negotiated voluntary undertakings with petrol refiners, importers and blenders to limit petrol volatility in greater Sydney—that is, in Sydney, on the Central Coast, in the lower Hunter and the Illawarra. These undertakings were moderately successful, with around 3,000 tonnes of toxic petrol fumes removed each year from Sydney's skies. But we should do better. New clean air regulations have now been made to ensure that petrol volatility limits are compulsory. This decision will double the benefits we have seen from the voluntary scheme. That is, up to 6,000 tonnes of toxic petrol fumes will now be removed from the skies of Sydney, the Central Coast, the lower Hunter and the Illawarra each and every year. That will significantly improve air quality and slash harmful air pollution. We

will have cleaner air, healthier air. Just as we look back today at what we did with unleaded petrol, in 20 years time members of this House will be able to look back with the same pride and satisfaction at this decision I announce today.

CITYRAIL COMMUTERS INFORMATION

Mr JOHN BROGDEN: My question without notice is directed to the Premier. How does he explain this Treasury memorandum, which states that RailCorp's, "Industrial framework supporting flexible work practices—train drivers on average drive 15½ hours out of a 37½ hour week and rostering results in weekend work as overtime"? When is the Premier going to do something to stop the union rorts?

Mr BOB CARR: That is precisely why this year we have reformed rostering and the allocation of drivers. We have implemented it this year so that drivers no longer have to cross Sydney to arrive at the depot where they start their rostered work. That is precisely why we implemented those major changes—I might say, with the co-operation of the union. The Leader of the Opposition talks about rorts in a work force. We asked this work force in 2004, in the wake of the Waterfall disaster, to accept major cultural change. That is, health tests for drivers with their jobs on the line, alcohol and drug tests—

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

Mr BOB CARR: Right across the work force there are major cultural changes. The changes have been accepted by the work force. It is a work force that is co-operating to produce changes and improvements in the operation of rail. The shadow Minister for Transport was saying the other day that an announcement about the recruitment of additional drivers was bad news. We are proud that we have recruited 409 new drivers in the past 18 months, and that is not bad news—that is good news.

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

Mr BOB CARR: They take the Greiner approach to the public sector work force, that is, take them on and grind them down. How dare the Opposition accuse hard-working professionals of not working!

Mr SPEAKER: Order! The Leader of the Opposition will stop calling out.

Mr BOB CARR: The employees are undergoing increased training, which the Government is proud to be funding with \$22 million being allocated to RailCorp for training next year, including \$2.6 million specifically for driver training. We have introduced improved guard and driver training backed by a reformed allocation of the work force to achieve efficiencies. It is all done with the co-operation of the work force. Not one Opposition member has any empathy for or rapport with the hard-working front-line employees of the State Government. They have no understanding of the co-operation required to make our rail work well and better.

TRAIN DRIVERS

Ms ANGELA D'AMORE: My question is directed to the Minister for Transport. What is the latest information on CityRail service improvements and related matters?

Mr JOHN WATKINS: I welcome the report from the Auditor-General tabled today, to which the question of the honourable member for Drummoyne relates.

Mr John Brogden: Point of order: I have a Liberal Party membership form for the honourable member for Drummoyne. I thank her very much for that question.

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

Mr JOHN WATKINS: It must be fascinating for members of the public gallery to come here and see the Opposition ask a question about hard-working men and women and then laugh at them.

Mr SPEAKER: Order! The Leader of the Opposition will stop calling out.

Mr JOHN WATKINS: The Opposition members come into this place and laugh at the labours of men and women who every day go to work and do their best to improve safety and reliability. Those people are the backbone of our rail system. The Opposition members laugh at them and mock them in this place. They hate workers.

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

Mr JOHN WATKINS: The Opposition members only do so in here because they know that outside no-one knows what they are doing. If they thought otherwise, they would not do it. So they play around in here and insult hard-working rail employees, thinking they can get away with it. They disgust me.

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

Mr JOHN WATKINS: The Auditor-General today released a report entitled "Coping with disruptions to CityRail passenger services". I welcome that report, which acknowledges that the New South Wales rail network is one of the most operationally complex in the world. On an average day CityRail provides 2,600 services, carrying almost one million passengers to 306 stations. Sydney has a huge, complex rail system.

The report's comments echo the issues being raised by the travelling public. Having caught public transport every working day since I was appointed the Minister for Transport, I understand the frustration of commuters about their access to information. Station announcements are often too loud, too soft, garbled or non-existent. Announcements about emergencies or delays have the potential to frustrate commuters more than ease their minds. Display boards do not always keep up with the changes train controllers have to make at short notice. All the while, recorded messages tell passengers not to smoke, litter or leave bags unattended. Commuters want timely, accurate information to help them make decisions about their travel plans. I would have been concerned if the Auditor-General had not identified these issues and the various challenges we face to improve the system. The Auditor-General said:

RailCorp is making a serious effort to improve its performance in coping with disruptions. Much is being spent on improvements.

The Opposition does not like the Government quoting the Auditor-General when he recognises the excellent work being done by CityRail to improve the system. I will read onto the record what the Auditor-General said.

Mr Andrew Tink: Point of order: The answer is not relevant to State Rail performance. There's the Auditor-General's report for on-time running!

Mr SPEAKER: Order! I place the honourable member for Epping on three calls to order. I place all members who have been called to order on three calls. I have been tolerant so far in question time but that will not continue. Questions and Ministers' replies will be heard in silence. I will not allow members to take frivolous points of order to disrupt the flow of proceedings.

Mr JOHN WATKINS: The Auditor-General said in his report:

RailCorp is making a serious effort to improve its performance in coping with disruptions. Much is being spent on improvements. It has a large number of projects underway that are developing and implementing long-term engineering solutions, new technology, timetable and staff changes to help it reduce disruptions and recover faster.

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

Mr JOHN WATKINS: In his report the Auditor-General acknowledges the work being done by RailCorp to improve the system. The report points out that many of the solutions to better communication are technology based. Irrespective of that, some stations do much better than others in informing commuters about what is happening on the network. Clearly, there is room for improvement while we await those technological solutions. Improving RailCorp's capacity to provide accurate information to commuters is important. But improving the reliability of the rail network will reduce the number of service changes that need to be communicated. Again, I thank the travelling public for their patience and forbearance as we improve the reliability of our rail system.

I inform the House that the Government will formally respond to the recommendations in the Auditor-General's report. I have referred the report to the Independent Transport Safety and Reliability Regulator for advice on the issues raised by the Auditor-General. I have asked RailCorp to develop a plan outlining the technological options to improve passenger information in the short, medium and longer term. That plan is due to be handed to me within one month. RailCorp also advises that a number of initiatives already under way will improve passenger information. These initiatives include a \$7 million State Government investment in the coming financial year to roll out the automated station passenger information systems on the Bankstown line. Following that roll-out, the systems will be extended to the East Hills and Illawarra lines.

Further, the computerised train location systems will be expanded to 60 CityRail stations to give station staff better access to the precise location of trains. The initiatives also include the installation of large plasma screens at CBD stations to provide passengers with the latest information; the investigation of the use of GPS technology to increase network visibility; and the roll-out of pagers to all guards and some station staff to provide faster access to information about service changes. Another initiative is the development of clear plans for station staff to ensure alternate transport is provided during major disruptions. We are improving the training of station staff and train crew in making announcements, engaging transit officers in more frontline customer information, and improving the Rail Management Centre's capacity to deal with service disruptions, especially in the dissemination of information.

The Auditor-General's report identifies many opportunities for RailCorp to improve passenger information and on numerous occasions since I became Minister for Transport I have expressed a commitment to achieving that. I look forward to receiving advice from RailCorp and the Independent Transport Safety and Reliability Regulator on the best way to progress that essential component. My advice to the Opposition is: Stop attacking public servants, stop attacking hard-working train drivers and crew. They are integral to the success of our rail system. They are skilled, they are talented and they are hard working. They deserve our support; they do not deserve the constant attacks they get in this place.

DESALINATION PLANT PROPOSAL

Mr ANDREW STONER: My question without notice is directed to the Premier. Why does the Premier continue to reject large-scale water recycling proposals, which can deliver up to 450 billion litres of water for irrigation and industrial purposes and for environmental flows, in favour of desalination, which will require huge amounts of electricity, resulting in significant additional greenhouse gas emissions?

Mr BOB CARR: Where has the Leader of The Nationals been? We just called for expressions of interest for recycling worth 80 billion litres in Sydney.

[*Interruption*]

We have called for expressions of interest. The two billion dollar man does not read the news, and I said it in the House as well yesterday. That is the sort of mistake the accountant, the honourable member for Upper Hunter, George Souris, would never have committed in the days when he was Leader of the National Party, let alone the honourable member for Lachlan. Now, listen. Andrew, we know that things get complex here—there is a lot of difficult matter—but you must learn to pay attention in the House. When we make announcements here, you must pay attention or take Gough Whitlam's advice—advice I have always followed—that is, read yourself to sleep each night with *Hansard*. You must read *Hansard*. You must go back there and read it, and then you will find out more about this Government's strong and detailed plans for water recycling.

Mr SPEAKER: Order! Government members will come to order.

DRUG USE STATISTICS

Ms MARIE ANDREWS: My question is directed to the Premier. What is the latest information on drug use statistics and related matters?

Mr BOB CARR: This week is National Drug Action Week. It is a great opportunity to reflect on some of the things that have happened since the Drug Summit in 1999. In the past six years we have transformed drugs policy. We have increased funding by 50 per cent. That means 3,600 more drug treatment places than in 1999; a doubling of residential rehabilitation beds over the past five years; 3,000 more detoxification places a year through new treatment centres in Lismore, and in Nepean and Wyong hospitals; new detoxification services in the Hunter and Illawarra to treat an extra 1,000 patients a year.

In April the Australian Institute of Health and Welfare released its National Drug Strategy Household Survey for 2004, the results of which I am happy to present today. They are very positive. When you compare the 2004 figures for recent drug use to those from 1998, the results are in fact startling. The percentage of adults who have recently used illicit drugs of any kind has fallen from 19.8 per cent to 14.6 per cent—a drop of one-quarter. Looking at individual drugs, cannabis use is down from 16.7 per cent to 10.7 per cent; heroin use is down from 0.6 per cent to 0.1 per cent; and cocaine use is down from 2.1 per cent to 1.2 per cent. The fall in cannabis use among young people is particularly important, given what recent medical evidence has suggested.

In the 14-to-19 age group cannabis use fell from 25 per cent to 18.4 per cent. In the 20-to-29 age group, cannabis use fell from 30 per cent to 22 per cent. It would appear that our efforts to educate young people about the dangers of cannabis are working. In February 2003 I announced the establishment of four treatment clinics to help heavy cannabis users quit the drug. Our first clinic opened at Parramatta in December 2003. More than half the people attending the Parramatta cannabis treatment clinic have stopped using cannabis completely. Almost all the other patients have reduced their cannabis use to once a week or less. These are encouraging results and I congratulate Dr Jon Currie and staff at the Sydney West Area Health Service.

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

Mr BOB CARR: I am praising public servants in the front line, not disparaging, abusing and defaming them. What a great job they have done there. That is a terrific set of indicators that has an impact on the health of young people and their usefulness in latter life. I am happy to say we are making the benefits of these clinics more widely available. We opened a second clinic on the Central Coast last year and we will shortly open two more—in Sutherland and in Orange. The other big success story is the huge fall in heroin use. I give full credit to the State and Federal law enforcement authorities—once again praising our people in the front line, not disparaging or defaming them—who are working closely with their counterparts in Asia.

[*Interruption*]

He said Dave Madden broke the law. Once again he is defaming public servants at every opportunity.

Mr SPEAKER: Order! The Leader of the Opposition will resume his seat.

Mr BOB CARR: They are intercepting far more heroin—let us give credit to our police—working with their Federal counterparts than they were before the Drug Summit. As well as attacking supply, we are attacking demand through education and treatment. The number of regular heroin users in New South Wales has dropped by 58 per cent since 1999, from 48,200 to 19,900 in 2002. That is a 58 per cent drop since 1999 in the number of regular heroin users in this State. Overdose deaths went down from 481 in 1999 to 143 in 2003. The Australian Crime Commission reports heroin-related arrests in New South Wales are down from around 4,700 in 1999 to 1,300 in 2003. The New South Wales Ambulance Service reports that ambulance call-outs are down from around 4,500 in 1998 to 1,800 in 2003.

A lot of hard work has gone into producing this turnaround. That is reflected as well in the Bureau of Crime Statistics and Research figures relating to crimes associated with drug use, such as steal from a person and robbery without a weapon—down 23 per cent and down 21 per cent. Our front-line police are doing a great job in driving down crime. Let us do something members on the other side of the House would never do: that is, give them credit and give them praise. The efforts of front-line public servants should be talked up, not talked down. There is no room for complacency in any of this.

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

[*Interruption*]

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

Mr BOB CARR: Recent publicity out of Bali would confirm that drug pushers are hard at work every day, trying to bring their poison through our borders and onto our streets, and there is still a worrying trend of party drug use—ecstasy, speed and crystal meth. There is a lot more to be done, but for the moment everyone involved in the remarkable discussions that occurred in these Chambers in 1999, and the public servants and others, people in non-government organisations who carefully tended to the implementation of the recommendations, can take a lot of pride in these consistent and measurable falls in drug deaths, drug use and drug-related crime. These are encouraging figures. It is an outstanding record and I commend it to the House.

NORTHERN TABLELANDS CHILD PROTECTION RESOURCES

Mr RICHARD TORBAY: My question is directed to the Minister for Community Services. When can the Northern Tablelands expect a boost in child protection resources from her department?

Ms REBA MEAGHER: As honourable members would be aware, the Carr Government has a strong and detailed plan to strengthen the child protection system in New South Wales.

Mr SPEAKER: Order! The Minister will be heard in silence. Again I urge members of the Opposition to stop calling out. It is unbecoming to them and to the Chamber.

Ms REBA MEAGHER: The Carr Government is investing \$1.2 billion to strengthen child protection systems in New South Wales and to develop early intervention programs. Families in rural and regional New South Wales will benefit greatly from this significant investment, and I am pleased to confirm that the Northern Tablelands is no exception. I can advise the House that when accommodation becomes available, the Department of Community Services [DOCS] will recruit extra staff for the Northern Tablelands district. This will mean an additional three high priority caseworkers, three early intervention caseworkers and one casework manager for Armidale. These additional caseworker positions build on the current eight caseworker positions at the centre, and will double our front-line response in the Armidale area.

I can also advise the House that in 2007-08 an extra three caseworkers will be appointed in Glen Innes and an extra four caseworkers will be appointed for the Inverell community services centres, once again doubling our front-line response in these areas. These extra resources are part of our long-term plans to help families in the Northern Tablelands. Earlier this year I announced extra funding for the upgrade of preschools in the Northern Tablelands to improve children's safety and comfort. As part of that package, Uralla preschool's annual funding has been increased by more than \$17,000. The funding will allow local families access to 17 subsidised child care places. Funding has also been provided to the Boongaiai preschool, in Armidale, for the purchase of a craft sink.

Some 500 families with young children from the Armidale, Uralla, Guyra, Black Mountain and Walcha areas have benefited from a \$20,000 New South Wales Government grant to the Armidale toy library. The service provides parents with access to low-cost toys, books, tapes and videos for children, as well as educational resources promoting literacy and numeracy skills. Our efforts in the Northern Tablelands reflect our efforts around the State. Our \$1.2 billion reform program will almost double the DOCS caseworker work force, and it is well advanced.

Over five years, these additional resources will fund the recruitment of 375 high priority caseworkers, 350 early intervention caseworkers, and 150 out-of-home-care caseworkers. So far, upgraded sites known as enhanced service delivery sites have been established in areas including Maitland, Bankstown, Blacktown, Broken Hill and Tweed. A reform agenda of this magnitude requires a staged roll-out. This means that some officers will benefit before others, but I place on record my gratitude to our staff for maintaining their unwavering commitment to New South Wales families. The Carr Government is investing in child protection and making families stronger. More caseworkers on the ground means that more families are being helped with essential child protection concerns. Extra dollars for early intervention services means we are building stronger, more resilient families. As our roll-out progresses around the State, the families of the Northern Tablelands will also benefit.

HUNTER REGION CANCER SCANNING TECHNOLOGY

Mr JOHN PRICE: My question is addressed to the Minister Assisting the Minister for Health (Cancer). What is the latest information on access to cancer scanning technology in the Hunter region?

Mr FRANK SARTOR: Lung and bowel cancer are two of the greatest cancer killers in New South Wales. More than 2,700 lung cancer cases are detected in New South Wales every year and there are 2,200 deaths. Bowel cancer affects 4,200 New South Wales residents a year, and it kills 1,600 people. These are highly aggressive cancers that can swiftly spread to other organs. Early detection is vital, but patients and doctors need access to the latest technology to determine whether the cancer has spread and where it might recur. A new and effective method for detecting the spread of these cancers is a PET [positron emission tomography] scan. PET scanners help in the early detection of lung cancers, brain tumours, bowel cancers, melanomas and lymphomas. The scan detects the consumption of a radioactive sugar. As cancer cells have a noticeably higher sugar consumption than normal cells, PET scans are an extremely effective method of detecting cancer spread throughout the body.

PET scans can show the presence of cancer cells even if the cells have not formed a detectable lump, or if the tumour is hidden within another organ or lymph node. Early detection of the spread of the cancer has a

major effect on treatment. For example, if lung cancer is localised in the chest, surgery is most effective. If it has spread elsewhere, surgery is not useful, and chemotherapy or radiotherapy is required. Worldwide scientific studies show that PET scanning would significantly alter treatment decisions in one in three brain or colorectal cancer cases. A 2001 study found that one in four lung cancer operations could be avoided entirely if PET scans were routinely used.

PET scans can also differentiate between recurrent tumours and post-surgical scarring or radiation damage. A PET scanner costs about \$5 million and about \$2.5 million a year to run. New South Wales has three PET scanners, located at Liverpool, Royal Prince Alfred and Newcastle hospitals. Medicare licences have been issued in respect of the Liverpool and Royal Prince Alfred PET scanners, but no such licence has been issued in respect of the Newcastle PET scanner. Each scan costs \$1,260, of which between \$950 and \$1,000 is claimable from Medicare—that is in relation to the Sydney scanners, while zero is claimable at Newcastle. As a result, while the two Sydney scanners perform 10 scans a day, the Newcastle scanner performs only seven scans a week.

The Newcastle scanner sits idle for six days out of seven, which means that Hunter cancer patients have to drive to Sydney to join the queue for a Sydney PET scan. The waiting time for a Sydney PET scan is around eight weeks, which is too long for some lung cancer and brain tumour patients. The Commonwealth's shameful, penny-pinching attitude is a disgrace. It is reminiscent of the MRI [magnetic resonance imaging] machine licences. Honourable members will remember that the Commonwealth promised MRI machine licences for Gosford and Wollongong, but still they do not have licences.

[*Interruption*]

I knew the honourable member for Gosford would bite. Foxy is so predictable. Predictability is his byword.

Mr SPEAKER: Order! The honourable member for Gosford will come to order.

Mr FRANK SARTOR: The Minister for Health is investing heavily in PET scanners and MRI scanners, but the Federal Government refuses to issue licences for very basic and vital infrastructure for our hospital system. The Cancer Institute is prepared to buy two more PET scanners. But what is the point of buying them if people cannot afford to use them because they cannot get a Medicare licence? This is a scandal. It is outrageous and shameful that the Federal Government will not come to the party and issue Medicare licences for PET scanners and MRI scanners, particularly for the Newcastle area. As members from the Hunter would be aware, the region has a higher incidence of lung cancer than other parts of the State, probably due to the higher incidence of smoking in the region. To deal with this issue, the Federal Government embarked on a review—a very long review; it started in 1997. In 2000 an interim report from the Commonwealth review team found that PET scanners were safe, clinically effective and cost efficient. However, despite this ringing endorsement, the Commonwealth extended the review to 2005. The review has now been extended to 2006. The Commonwealth does not want to resolve this issue.

Mr SPEAKER: Order! The Deputy Leader of the Opposition will come to order.

Mr FRANK SARTOR: More than 2,000 lung cancer patients will die from the disease. Every year some 11,300 cancer patients miss out on access to PET scanning.

[*Interruption*]

I can never understand the Deputy Leader of the Opposition. If he wants to beat his mate, he is going to have to improve, because he is mumbling; I cannot hear him. He is getting excited.

Mr SPEAKER: Order! The Minister will ignore the Deputy Leader of the Opposition and address the Chair. I call the Deputy Leader of the Opposition to order.

Mr FRANK SARTOR: I cannot hear him. He is being influenced by his mate. He is getting excited. As I said, 11,300 patients do not get access to the PET scans that they ought to in this State. It is a public scandal. Why? Because the Federal Government will not give them a Medicare licence. It is an absolute outrage. We call on the Federal Government to take this issue seriously, to wind up its meaningless review, to grant the Medicare rebate for additional New South Wales PET scanners and to give New South Wales cancer patients a chance to have access to a local PET scanner they have paid for. These facilities could save hundreds of lives in the Hunter.

COUNTRY RACING

Mr GEORGE SOURIS: My question without notice is directed to the Minister for Gaming and Racing. What is the Government's position on the Sky Channel-TVN battle, and in what way is the Government proposing to reinstate televised racing to country viewers?

Mr GRANT McBRIDE: Some time ago the commercial management of racing was turned over to the racing industry. In relation to this issue, we have a major corporation, TabCorp Ltd, and the racing industry, TVN. TVN is associated with the racing industry in both New South Wales and Victoria. In Victoria they initiated TVN and the idea was that TVN would become the racing industry—that is, the gallopers—vision for New South Wales and for Australia. Unfortunately, in the negotiations, which I point out are private, commercial negotiations, we have reached the situation where the issue has not been resolved. However, a number of concessions have been made in regard to Sky Channel putting vision in clubs, pubs and TAB outlets in New South Wales.

When it comes to who can resolve this matter, the simple fact is that the matter will be resolved commercially by those commercial entities. I have had many meetings with the participants in this issue, including the race clubs, the major clubs, country and provincial clubs, and clubs in the three codes in New South Wales. In discussing those matters, I recognise that this is a commercial matter. I have spoken to the commercial organisations and they have indicated that they do not want the intervention of government—they want to resolve this matter themselves.

Mr GEORGE SOURIS: I ask the Minister a supplementary question. In view of the Minister's complete ignorance, what is he intending to do about the blackout that applies to Austar television?

Mr SPEAKER: Order! The honourable member for Upper Hunter will resume his seat. The question is clearly not a supplementary question. If the question had been in order, I would have allowed the Minister to answer it.

YOUNG BUSINESS IDOL COMPETITION

Mr MATT BROWN: My question without notice is directed to the Minister for Small Business. What is the latest information on New South Wales Government support for young business people?

Mr DAVID CAMPBELL: I thank the honourable member for Kiama for his question. As a former small business operator, I understand his interest in the small business sector. Members will be pleased to learn about an exciting initiative we have developed to encourage an entrepreneurial spirit in the young people of New South Wales. The Young Business Idol Competition, which I will launch next week, is an innovative event that identifies future business leaders. This competition might identify a young dynamo who will eventually trump Donald. Let us hope that person does not emulate Donald Trump's famous hairstyle or his rollercoaster style of business. Nevertheless, today's corporate giants should hang on to their mahogany desks and leather chairs—the search for their young rivals is on.

This competition is a great opportunity for a young person with a strong commercial concept to win the support that will turn their idea into an ongoing and profitable business reality. The Government supports this competition because we recognise that young people often have great business ideas, but sometimes do not have the resources or guidance they need. It takes tenacity and commitment for anyone to establish their own business. We aim to give the winners a little bit of extra help to set them on their way. I will be launching the competition at Luna Park—and I do not want any jokes about the honourable member for Upper Hunter!

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

Mr DAVID CAMPBELL: This famous location is in some ways a symbol of how much the business landscape in New South Wales has changed over the years. The Luna Park concept was born and developed in the United States and brought to Australia by a trio of American brothers. It was, indeed, an import. Now Australia is an exporter of entertainment, with our expertise from the Sydney Olympics being drawn on for major events all over the world. A guest at the launch will be Justin Herald, a young man who started his own business in 1995 with just \$50 and lots of attitude. He built his clothing company, Attitude Gear, into a multimillion-dollar business in six years. This year's competition will feature a regional award, which recognises that young people outside our major metropolitan areas often face even more challenges when they are trying to launch their own business. As well as the regional award, there will be an award for a new, untested business

idea, and an award for a business less than 12 months old. Each award winner will take away a lucrative business support package, valued at around \$10,000, which will help them to establish or grow their business.

Entrants who make it to the final will publicly pitch their business and its growth potential to a panel of four expert judges, who will provide some very sound feedback, just like that other idol competition. The judges will be drawn from the sponsors of Small Business September: Australia Post, Telstra, Australian Business Ltd TAFE PLUS and Westpac. The competition is open to people under the age of 35 who are residents of New South Wales. It is easy for young people to enter this competition: They just need to telephone the Department of State and Regional Development for an entry form. Entries close on Friday 11 August, and the pitching event will be held on Monday 19 September as part of Small Business September at the Museum of Sydney. I look forward to hearing many clever ideas as part of the Young Business Idol Competition.

Mr Barry O'Farrell: Point of order: My point of order relates to those members in the Chamber today who, as delegates of organised unions, are wearing political badges. I seek a ruling from you in due course as to the relevance and the appropriateness of wearing badges. Members come into this Chamber representing the views of a community as opposed to organised labour.

Mr SPEAKER: Order! I am unaware of any standing order that prohibits members wearing badges. From time to time members have worn badges in support of various causes. I do not see how the members who are wearing badges are being disruptive, and I cannot see any basis for ruling upon the point of order.

TRAIN DRIVERS

Mr JOHN WATKINS: I wish to provide further information about train drivers. I had the pleasure of attending a graduation of new train drivers at the Petersham training centre on Monday. Nine new drivers joined the network this week, bringing driver numbers to 1,293. I am also advised that RailCorp is working well towards reaching its target of 1,350 drivers by the end of this year. The drivers I met on Monday are a great bunch of people. I was proud to welcome them into the public service and into a very responsible position. Our drivers work very hard. I am advised that on average our drivers work a 76-hour fortnight. For most drivers this includes an 8½-hour shift per day. I am further advised that, on average, drivers spend 4.2 hours per shift in the driver's seat. This is due, in part, to the 273 kilometre maximum distance that suburban drivers are able to drive in one shift on our network under the current award. I am advised that drivers also have responsibility during their shifts for a range of other duties, including safety inspections.

Mr Peter Debnam: Point of order: My point of order relates to relevance. Nine drivers will make no difference to the chaos on CityRail. That is the point we have made continually. The Minister can congratulate as many as he likes.

Mr SPEAKER: Order! On a number of occasions I have told members that they should not use points of order to make debating points. The standing orders of this House will be upheld. A point of order must be based on the standing orders; it must not be a speech. I place the honourable member for Vaucluse on three calls to order. The Minister has the call.

Mr JOHN WATKINS: I am advised that drivers also have responsibility during their shifts for a range of other duties, including safety inspections. The new enterprise agreement, currently signed off by the rail work force, is before the Australian Industrial Relations Commission for certification. I am advised that this agreement provides for negotiations on a further functional agreement covering drivers and crew. One of the items for discussion will be the maximum distances drivers can complete per shift on our network. All Opposition members can do is heap scandalous scorn on our drivers. They have called into question their integrity, their work ethic and their intelligence. This should cease. Leave hardworking rail workers alone! Do not criticise them; support them. They are doing an essential job on behalf of the travelling public of this State.

Questions without notice concluded.

CONSIDERATION OF URGENT MOTIONS

Western Sydney Manufacturing Week

Mr DAVID CAMPBELL (Keira—Minister for Regional Development, Minister for the Illawarra, and Minister for Small Business) [3.42 p.m.]: My motion is urgent because the inaugural Western Sydney Manufacturing Week is an important event for a vital sector of the New South Wales economy. It is imperative that this House support the manufacturing sector, particularly the 13,000 manufacturing businesses that are based in Western Sydney. The motion is urgent—and it was urgent yesterday. Indeed, with the effluxion of time

it has become more urgent. However, I accept that government business takes precedence and that was the case yesterday. The standing orders provide that motions for urgent consideration will be dealt with today. My motion is urgent because when I gave notice of it earlier, members on the Opposition frontbench interjected and talked down Western Sydney, just as they talked down public servants. The motion is urgent because Western Sydney manufacturers deserve the support of this Parliament. I look forward to making those points during the debate.

Desalination Plant Proposal

Mr ANDREW STONER (Oxley—Leader of The Nationals) [2.43 p.m.]: Few issues could be more urgent than the need to secure water supplies for the citizens of this State. Yesterday the Premier, stung by criticism that he has failed to plan for water supply needs, began spinning furiously in a vain attempt to convince people that he was doing something about Sydney's water supplies. In yet another announcement without any detail whatsoever, the Premier talked about a desalination plant. It was the same desalination plant he announced on 17 October last year. Eight months later we have the same announcement, but no action and no detail. In the meantime Sydney's dam levels have dropped to 38.4 per cent. It was not a plan; it was merely an announcement. There was nothing about funding, the location or the enormous amount of energy a desalination plant of that size would consume. So much for being strong and detailed!

Mr Bryce Gaudry: Point of order: The standing orders require the member to outline why his motion should have priority. He is debating the matter.

Mr SPEAKER: Order! The Leader of The Nationals is aware of the standing orders. I ask him to comply with them.

Mr ANDREW STONER: My motion is urgent because the Premier prefaced his announcement that the proposal was "in the unlikely event that the drought continues". That is good planning. They are still praying for rain.

Mr Alan Ashton: And you should too.

Mr ANDREW STONER: Try planning, in case it does not rain.

Mr SPEAKER: Order! The honourable member for East Hills will come to order.

Mr ANDREW STONER: Experts predict that Sydney may have only two years water supply left unless there is significant rain, yet even if the Government pulled out all stops, the desalination plant would take three years to build. The motion is urgent because the Premier now has his critical infrastructure legislation. If the Government were fair dinkum, it could announce where the plant would be located and get on with the job of building it. The Government is not fair dinkum about a desalination plant; it is off in the never-never. The Government has not been fair dinkum about other less costly and more effective ways of delivering more water for Sydney. The matter has now become urgent because for 10 long years the Premier has rejected large-scale recycling of Sydney's wastewater and stormwater. In fact, I have some recycled water from Singapore.

Mr Alan Ashton: Drink it!

Mr ANDREW STONER: I am happy to drink it and I challenge the Premier to drink it too.

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

Mr ANDREW STONER: I will have a drink of this recycled water from Singapore; it is a good drop. The motion is urgent because 450 billion litres of wastewater alone, gushing barely treated out to sea, should be reused for irrigation, industrial and environmental flow purposes, not to mention the millions of litres of stormwater wasted every time it rains on the city. Emperor Bob is giving the thumbs down to Services Sydney's proposal to properly treat and reclaim that massive volume of wastewater, despite the fact that the National Competition Council ruled that it should be able to compete for the provision of water and sewage services in Sydney. The Premier has turned his back on a proposal that would not only clean up Sydney's act in relation to sewage but would produce much more water than a desalination plant.

The motion is urgent because a desalination plant would require huge amounts of power, generating massive additional greenhouse gas emissions from coal-fired power. But Emperor Bob has said no to large-scale

recycling; he wants to look at desalination. The matter is urgent because such a plant would consume an estimated 100 megawatts of power, power currently produced principally by old technology—coal-fired power generators. That means around 600,000 tonnes of additional greenhouse gas emissions. It is like putting an extra 130,000 cars on the road. It is a no-brainer when we could have high-quality recycled water in this State, yet the Government is off with its never-never desalination plant.

Mr SPEAKER: Order! The honourable member for Monaro will come to order.

Mr ANDREW STONER: The motion is urgent because the so-called green Premier, who talks about the Kyoto protocol, is prepared to put an extra 130,000 cars on the road and turn his nose up at recycling a huge wasted resource. After a decade of sitting on their hands Government members still have no plans to solve Sydney's water crisis and yesterday's clayton's desalination plant proves it. The motion is urgent because the situation is even worse in country New South Wales; Goulburn has to have bores drilled and pipes connected. It is urgent because the Government has no plans and we must debate our water needs now. [*Time expired.*]

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

The House divided.

Ayes, 50

Ms Allan	Mr Greene	Mr Orkopoulos
Mr Amery	Ms Hay	Mrs Paluzzano
Ms Andrews	Mr Hickey	Mr Pearce
Mr Bartlett	Mr Hunter	Mr Price
Ms Beamer	Mr Iemma	Dr Refshauge
Mr Black	Ms Judge	Ms Saliba
Mr Brown	Ms Keneally	Mr Sartor
Ms Burney	Mr Knowles	Mr Scully
Mr Campbell	Mr Lynch	Mr Shearan
Mr Collier	Mr McBride	Mr Stewart
Mr Corrigan	Mr McLeay	Mr Tripodi
Mr Crittenden	Ms Meagher	Mr West
Ms D'Amore	Ms Megarrity	Mr Whan
Mr Debus	Mr Mills	Mr Yeadon
Ms Gadiel	Mr Morris	<i>Tellers,</i>
Mr Gaudry	Mr Newell	Mr Ashton
Mr Gibson	Ms Nori	Mr Martin

Noes, 35

Mr Aplin	Mr Hazzard	Mr Roberts
Mr Armstrong	Ms Hodgkinson	Ms Seaton
Mr Barr	Mrs Hopwood	Mrs Skinner
Ms Berejiklian	Mr Humpherson	Mr Slack-Smith
Mr Cansdell	Mr Kerr	Mr Souris
Mr Constance	Mr Merton	Mr Stoner
Mr Debnam	Ms Moore	Mr Torbay
Mr Draper	Mr O'Farrell	Mr J. H. Turner
Mrs Fardell	Mr Page	Mr R. W. Turner
Mr Fraser	Mr Piccoli	<i>Tellers,</i>
Mrs Hancock	Mr Pringle	Mr George
Mr Hartcher	Mr Richardson	Mr Maguire

Pairs

Miss Burton	Mr Brogden
Mrs Perry	Mr Tink

Question resolved in the affirmative.

WESTERN SYDNEY MANUFACTURING WEEK**Urgent Motion**

Mr DAVID CAMPBELL (Keira—Minister for Regional Development, Minister for the Illawarra, and Minister for Small Business) [3.56 p.m.]: I move:

That this House:

- (1) supports the inaugural Western Sydney Manufacturing Week, and
- (2) acknowledges the outstanding contribution of Western Sydney manufacturers to the State's economy.

Western Sydney is a manufacturing heartland. That is why the first Western Sydney Manufacturing Week will be held in August. The Carr Government and the Greater Western Sydney Economic Development Board will host 14 manufacturing events at various locations throughout Western Sydney from 2 August to 10 August. Manufacturing is the backbone of the Western Sydney economy. Manufacturing is the largest employer in Western Sydney. Indeed, Western Sydney accounts for a third of this State's manufacturing employment. The region's 110,000 manufacturing employees equal almost 20 per cent of the entire Western Sydney work force. That is significantly higher than the statewide average of 12 per cent. The work of these 110,000 employees, and the 13,000 businesses that employ them, will be acknowledged during manufacturing week. More than 1,000 Western Sydney business leaders will attend events that range from workshops, seminars and forums to site visits and business networking functions.

The site visits highlight various aspects of manufacturing excellence in Western Sydney and tie into the key themes of manufacturing week, such as innovation, lean manufacturing, design and clustering. The visits provide an opportunity for potential investors, customers, suppliers and employees to inspect some of the world-class manufacturing companies in the region. This inaugural Western Sydney Manufacturing Week shines the spotlight on this important industry sector. The Greater Western Sydney Economic Development Board and the New South Wales Government want manufacturers to expand their business networks, and we want to encourage manufacturers to continue growing at rates greater than the national average. Manufacturing in Western Sydney ranges from companies making medical devices to advanced engineering firms and to companies that use steel in the home building market.

One of the week's many high points will be the State of Manufacturing Forum. This forum will pay tribute to manufacturing excellence by examining the achievements of a range of innovative Western Sydney companies. Participants will talk about the needs of the industry and how best to stimulate business growth. They will put forward ideas about the future of manufacturing in the region and how to make the best use of the industry for future success. The forum will include a moderated panel discussion. The forum is an opportunity for manufacturing leaders to understand that Western Sydney manufacturing is a key driver of the New South Wales economy. Another feature of the week will be site visits. The visits to a range of manufacturers operating across the region will showcase excellence in Greater Western Sydney. Each visit highlights one of the key themes of Western Sydney Manufacturing Week—innovation, lean manufacturing and clustering. The visits present opportunities for sharing best practice, and for customers, suppliers and employees to inspect some of the top manufacturing companies in Western Sydney.

Western Sydney Manufacturing Week will also examine innovation in the region, especially industry cluster-driven growth; advances in research and development, and information and communications technology; increasing export and overseas investment opportunities; how manufacturers can maximise outcomes from free trade agreements; human resources issues, including the promotion of manufacturing as an industry of choice to potential employees; supply chain planning and management; and how companies can participate in Western Sydney's major infrastructure projects. The importance of manufacturing to Western Sydney, and the national economy, must not be underestimated.

The Carr Government is committed to helping these manufacturers become stronger, and employ more people. One way in which we are doing that is by making it easier for apprentices to learn their trade. To avert a crippling skills shortage, TradeStart lets some apprentices compress their first year of training into 16 weeks, and first and second year apprentices receive a \$100 rebate on their car registration. Manufacturing Week celebrates the vital contribution this industry makes to the region and the State. I emphasise that Western Sydney Manufacturing Week is a joint venture between the Carr Government and the Greater Western Sydney Economic Development Board. Chairman Frank Gelonesi heads the board, which is the voice of employment

growth and economic development for Western Sydney. Its 11 members represent the business, government and community interests of the 14 Western Sydney local government areas. Together they support a broad range of projects designed to create employment, and trade and investment opportunities for the region's 1.8 million people and its 180,000 businesses.

The board works in partnership with government agencies, councils and other regional organisations with an interest in progressing employment growth and economic development in Western Sydney. The board's members are Steven Chaytor, Professor Tong Wu, Alan Pendleton, John Pearson, Brian Newman, Lisa Hunt, Susan Healy, Kerry Fryer, Greg Evans and Frank Carioti. Each is an advocate of Western Sydney Manufacturing Week and each is passionate about the future of this great region. Greater Western Sydney includes 14 local government areas, and covers 9,000 square kilometres of residential, industrial and rural land. It is the third-largest regional economy in Australia. The Minister for Western Sydney may expand on that when she contributes to this debate.

Allow me to provide the House with a breakdown of manufacturing in each of the 14 local government areas that comprise Greater Western Sydney. Clothing is the major manufacturing activity in Auburn, involving more than 16 per cent of businesses. Bankstown has more than 18,000 manufacturing jobs, more than any other Western Sydney local government area. It has almost 60 sheet metal producers, the most in Western Sydney. Printing and services to printing are the major manufacturing activities in Baulkham Hills—more than 11 per cent. The shire is also attracting increasing numbers of high-tech industries as a result of the growth of the north-western Sydney corridor. Blacktown has nearly 200 fabricated metal producers, more than 100 structural metal producers, more than 60 motor vehicle and part manufacturers, and more than 120 industrial machinery and equipment manufacturers, in each case more than any other Western Sydney local government area.

In the Blue Mountains almost 12 per cent of manufacturers make furniture. In Camden the main manufacturing activity is fabricated metal production—around 13 per cent. Campbelltown has a higher proportion of businesses engaged in manufacturing, nearly 13 per cent, than any other Western Sydney local government area, including nearly 100 furniture manufacturers and 100 fabricated metal producers. Fairfield has more than 170 businesses engaged in manufacturing, more than any other Western Sydney local government area. More than 22 per cent, nearly 400, of those are engaged in clothing manufacture. Fairfield also has almost 170 furniture manufacturers, about 100 food and beverage manufacturers and more than 100 petrochemical manufacturers, in each case the most in Western Sydney. In Hawkesbury, the major manufacturing activity is other wood product manufacturing—over 11 per cent.

In Holroyd more than 32 per cent of all jobs are in manufacturing, the most for any Western Sydney local government area. Holroyd also has the highest proportion of manufacturing businesses engaged in iron and steel production—about 3.5 per cent—of any Western Sydney local government area. In Liverpool, the major manufacturing activities are fabricated metal production and furniture manufacturing—both over 11 per cent. Parramatta has more publishing companies, around 40, than any other Western Sydney local government area, and in Penrith the major manufacturing activity is fabricated metal production. Penrith also has the highest proportion of industrial machinery and equipment manufacturers—almost 10 per cent—of all Western Sydney local government areas. In Wollondilly, 15 per cent of manufacturers are engaged in fabricated metal production.

Next year's early completion of the 40-kilometre M7 Westlink Orbital characterises Western Sydney's confident attitude to the future. When the ribbon is cut on the M7 in April 2006, the tollway will eliminate 58 sets of traffic lights for people travelling across Western Sydney from Liverpool to Castle Hill. Manufacturing and the trade and logistics hubs mushrooming along Western Sydney's motorways will benefit from the \$1.5 billion M7. The recently published Greater Western Sydney Regional Economic Profile portrayed the region as "one of the fastest growing and largest economic regions in Australia". The profile, compiled by the AEC group for the Greater Western Sydney Economic Development Board, said:

Greater Western Sydney is experiencing one of Australia's largest increases in population, currently accommodating more than half of Sydney's population growth.

The profile went on to say:

The manufacturing, property and business services, and finance and insurance industries contribute significantly to the local economy. Industries including advanced manufacturing, information and communications technology, biotechnology, business services and retail trade are growing at much faster rates than the national average.

Western Sydney is now the Australian base for many global corporations and successful small and medium enterprises. According to the Greater Western Sydney Regional Economic Profile, the property and business services sector contributed 13 per cent towards gross regional product in Western Sydney in 2003. That makes property the second-largest industry in the region. These are all reasons why we should congratulate, encourage and support manufacturing in Western Sydney. [*Time expired.*]

Mr WAYNE MERTON (Baulkham Hills) [4.06 p.m.]: The Opposition certainly supports this motion. We accept that Western Sydney is a vital part of the Australian economy. It is common knowledge that about 10 per cent of the Australian population lives in Western Sydney, which, as the Minister said, has the third-largest economy in Australia behind the Sydney central business district and Victoria. It is true to say that Western Sydney is a centre of great economic production, activity and enterprise. The Opposition has a real commitment to work to increase the benefits of Western Sydney, to make life more amenable for its residents and to provide essential items of infrastructure that we say do not exist under the present Government.

We have heard a lot of rhetoric from the Minister. Unfortunately the substance and reality of life in Western Sydney in 2005 under the Carr Government do not match the rhetoric. The Government is big on talk but small on action. Although it is some time since I have had direct shadow responsibility for Western Sydney, being a lifelong resident of Western Sydney and living in Western Sydney as it is defined at present, when I was confronted with the pleasant invitation to speak on this motion I said immediately, "Let us look for the budget book for Western Sydney." People looked for the budget book and made inquiries in several places. We now find there is no such thing as a budget book for Western Sydney. The last budget book devoted solely to Western Sydney was issued in the budget of 2003-04. It was a fairly detailed production. When I was shadow Minister I commended the Minister who presented it, but it seems it has now been given the flick and in its place we have a six-page press release from the Minister for Western Sydney.

I am surprised that the Minister for Western Sydney, whom I regard as a friend, did not move this motion, instead of the Minister for Regional Development. She is a Western Sydney resident and is obviously committed to the area. The Government has neglected Western Sydney and failed to meet its growing needs. There are no budget books for Western Sydney, and I suppose that is because there is no department of Western Sydney. The Premier made an election promise in 2003 that there would be a department of Western Sydney. That is a failed, lost, broken promise. The Minister for Western Sydney finds herself in a most interesting position because she does not have a department to administer. She is a Minister without a department. It sounds like one of those English comedies.

Mr Steven Pringle: A hospital with no patients.

Mr WAYNE MERTON: That is dead right. The Minister is without a department and the Office of Western Sydney does not seem to be very active these days. I do not know who runs that office, but I am sure the Minister for Western Sydney will be able to enlighten me. I have heard very little from the Office of Western Sydney for some years; perhaps it no longer exists. The person who ran the office for many years did a very good job. The interests of the community and businesses of Western Sydney have been neglected by this arrogant and tired Government. The Labor Party considers Western Sydney as its heartland. It holds 21 of the 24 seats, so it is a safe bet. Labor does not have to look after Western Sydney too much.

Mr Steven Pringle: It is taken for granted.

Mr WAYNE MERTON: The Government takes it for granted. But the wheels turn and the Government will learn, very much to its detriment, on the fourth Saturday in March 2007 that it will lose seats in Western Sydney, just as it lost the seats of Greenway and Lindsay in the last Federal election. Who would have believed that the Liberal Party would hold a seat that was once a great Labor stronghold with a margin of 21 per cent? Through Labor's neglect, arrogance and ineptitude, the people of Western Sydney at last realised they were being taken for granted. I understand that the Office of Western Sydney has moved to a desk in the Premier's Department. The Minister for Western Sydney will have an opportunity to enlighten us about infrastructure plans for Western Sydney.

The Government established the Greater Western Sydney Economic Development Board. I admire the members of that board, who do a very good job. When the Government needs to crank up Western Sydney it holds a function or nominates a special week to recognise the benefits of Western Sydney, such as Western Sydney Manufacturing Week. I support those initiatives, but Western Sydney people need more than that. They need initiatives of substance. The Government has had nine years to come up with solutions for Western Sydney

that would benefit business and the community alike. After nine years it has given us a legacy of failure. For example, the Government scrapped the Parramatta to Chatswood rail link. It is now the Epping to Chatswood rail link. That rail link was a vital piece of infrastructure for the area. The Labor Government says it is concerned about Western Sydney and has its interests at heart, yet it has scrapped a major piece of vital rail infrastructure. The Government also scrapped a proposal for a fast train to the Illawarra and Newcastle.

In 1998 the current Minister for Police, in one of his many ministries in this Parliament, made an announcement about the north-west rail link. According to Minister Scully the rail link would be completed in three years. Seven years later we have some lines on a map, which may be the route of the rail link. In response to Opposition questions about the date of commencement and financing we get a negative answer. The people of Western Sydney do not believe the Government. They saw what happened to the Parramatta to Chatswood rail link and they know exactly the same thing could happen to the north-west rail link.

Way back in the 1980s when the Premier was Minister for the Environment the Labor Government adopted a plan for Sydney's north-west development. The area, which would be the same size as Canberra, would have 250,000 people and 80,000 building blocks, but no rail link. The Government gave us a scheme and then walked away from it. It promised a rail link in 1998 but not a sod has been turned. There are some lines on a map, which few people have seen. There is no commencement date and there are no details about finance. Yet the Government seriously says it takes an interest in Western Sydney and is concerned about development and jobs. The Government does not care. It takes the people of Western Sydney for granted.

It thinks they can be conned by functions and gladhanding. People pay big money to attend those functions. They work on a user-pays principle. People pay to attend the functions and with a bit of luck they might get a handshake, a wink and a nod from the Minister or the Premier, or an award. They pay and the Government gives them nothing more than a bit of cheap gladhanding. It does not give them anything of substance. No jobs, no transport, a lack of police numbers and hospital facilities that need upgrading—that is the dismal effort from a so-called Labor Government looking after its heartland. The Government should hang its head in shame. [*Time expired.*]

Ms DIANE BEAMER (Mulgoa—Minister for Juvenile Justice, Minister for Western Sydney, and Minister Assisting the Minister for Infrastructure and Planning (Planning Administration)) [4.16 p.m.]: I support Western Sydney Manufacturing Week, which will be held in August, and the recognition it will provide to some of Western Sydney's most innovative companies. Western Sydney is home to a great diversity and concentration of manufacturers, from small one-person operations through to large multinationals with extensive advanced production facilities, such as large-scale steel producers, high-tech electronics manufacturers and biotechnology firms working at the cutting edge of Australia's scientific development.

This diversity of industry gives Western Sydney its winning economic edge. Western Sydney is Australia's third largest regional economy and generates more than \$60 billion every year, or 30 per cent of the State's economic output. It is home to 150 of Australia's top companies. Traditionally, manufacturing has provided the basis of Western Sydney's enormous economic success. It is still its largest employer. Western Sydney industry is demonstrating its commitment to excellence on the Australian and global stage day after day. There was no better demonstration of that than at last Friday night's Western Sydney Industry Awards, which I had the privilege to host and which was attended by the Premier. Fifty-three of Western Sydney's and Australia's best businesses were on show. The awards showcased the best of the west.

To succeed in Western Sydney is to succeed in one of the nation's biggest and most competitive markets. No other part of Australia has seized the opportunity for change with such vigour. I would like to highlight some of the Western Sydney manufacturers who won awards. They were as diverse as their products. The award winner for regional excellence went to ASP Plastics at St Marys, in the seat of Londonderry. ASP is launching production of 50 million retractable syringes a year, making hospitals and doctors' surgeries safer workplaces. ASP is also heading overseas. The retractable syringes won the world's leading invention award in Geneva last year. That is just one of our companies that is doing well. TC Communications at Auburn won the global excellence award. It designs communications systems that deliver light transmission of video data from a moving aircraft to land-based headquarters. Its clients include the Australian Department of Defence, the United States Navy and the United Nations.

I would also like to talk about the machinery automation and robotics company at Silverwater, which designs, builds and integrates automatic manufactured systems for companies throughout Australia and New Zealand, backed by 24-hour support. Another big Western Sydneyite is Broens Industries at Ingleburn, an award

winner for global excellence. If anyone owns a Holden, Ford or Mercedes vehicle or has flown in a Boeing or Airbus, the chances are that Broens would have supplied some of the parts or supplied the machinery that made some of the parts. That company supplies specialised components and tools for the automotive, aerospace, marine and defence industries, exporting to 17 countries with sales and service centres in Europe, Asia and the United States of America.

Looking to the future, Broens invests 30 per cent of its annual turnover into developing new products and processes, and the company employs 27 apprentices. That company is indeed a worthy winner of the award. The Carr Government's strong and detailed plans for Western Sydney will deliver more than 290,000 jobs to Western Sydney over the next 15 years. The development of the north-west and south-west release areas will house vibrant, sustainable communities and will be home to 300,000 people, backed by \$8 billion in infrastructure. We are building new rail lines in the north-west and south-west as part of the \$8 billion, 15-year expansion plan for the Sydney network.

What gives this Government the confidence and commitment to invest so strongly in Western Sydney? Western Sydney is the place where Australia does business. Western Sydney is a rehearsal for Australia's future. Winning a Western Sydney Industry Award is like winning an Oscar. All 53 award finalists were certainly stars and examples of innovative business practices. Their efforts are backed by a Government prepared to commit to the plans released recently and \$8 billion worth of infrastructure for the two rail lines, in order to ensure that the people of Western Sydney, 10 per cent of Australia's population, can live and work and—as the parklands will attest to—spend their leisure time in a great community. [*Time expired.*]

Mr STEVEN PRINGLE (Hawkesbury) [4.21 p.m.]: I join with every member of this House in commending all those hardworking business people of Western Sydney, particularly those in the manufacturing industry, who have had the drive, determination and enthusiasm to make a success of their business, and to make New South Wales a prosperous place in which to live. I note the staggering figures relating to manufacturing in Western Sydney. Some 116,000-odd workers are involved in manufacturing. In fact, one in five workers in Western Sydney is employed in the manufacturing area. I have been actively involved in local chambers of commerce, in particular Hawkesbury and Penrith chambers of commerce, so I know the great work that each of those businesses is doing to generate wealth and income.

It is also worth noting just where much of this manufacturing takes place in Western Sydney. We have chemicals and engineering in Parramatta and Auburn, advanced manufacturing in Blacktown, information technology in Moorebank and, of course, manufacturing in many other parts of Western Sydney. Unfortunately, as the honourable member for Baulkham Hills pointed out, this Government's track record in regard to helping small business in particular has been absolutely pathetic. As usual, we have rhetoric not matching reality. This Government has not looked after Western Sydney well at all.

What has been happening as a result of legislation introduced in this House recently? No doubt every member of this Chamber received numerous letters complaining about the Occupational Health and Safety (Workplace Deaths) Bill and saying that it would destroy jobs and take jobs away from Western Sydney. We then had the WorkCover legislation. Every honourable member is aware of the horrendous problems that WorkCover is creating for businesses throughout New South Wales. Western Sydney manufacturing is as affected by WorkCover as anyone else.

Honourable members would remember the famous home warranty insurance debacle. We heard that builders who try to do something constructive find it difficult to get insurance and that their ability to generate wealth has been severely hampered, thanks to this Government. Then there were the hassles about getting a simple development application through a council. Part of that problem is, yet again, all of the State environmental planning policies, all of the hoops that businesses have to jump through to actually get anything done. It is little wonder that many local businesses are moving interstate, in particular to Queensland where the tax regime is so good. The threshold for New South Wales payroll tax is \$600,000 versus \$850,000 for Queensland, 6 per cent versus 4.75 per cent. Once again this Government is letting down the manufacturing industry of Western Sydney.

Let us have a look at what an independent umpire might say about this Government's record. What are some of the key recommendations of the Greater Western Sydney Economic and Development Board? That board has stated that public transport links need to be significantly improved; a greater focus is required on the development of arts and cultural industries; the region needs to develop highly specialised and value-added industry networks; and, most important—this is where the Government has neglected real people, where spin

always wins out over reality—incentives must be provided to entice companies to set up their regional headquarters in Parramatta and Liverpool and, I hope, in Penrith and Hawkesbury. Nothing like that happens at all; it is just rhetoric all the way through.

Morgan and Banks' Parramatta Manager, Tony Horrocks, stated that Western Sydney was slowly attracting large information technology and manufacturing companies to the area. But he said, also, that the growth of Western Sydney would very much depend on things such as infrastructure and public transport and some of the basics in infrastructure, such as a reliable electricity supply. How many times have I and other members on this side of the House taken up with the Minister for Energy and Utilities the need to have a reliable electricity supply? How often has it been suggested that his figures are a joke? Let me not forget the Western Sydney Industry Awards. To demonstrate the interest taken by his Government, the Premier could not even stay until the end of the presentation to see Western Sydney schools show how good they are, or to see the awards being presented. [*Time expired.*]

Mr ALLAN SHEARAN (Londonderry) [4.26 p.m.]: I am pleased to speak in support of this important discussion on Western Sydney as a region of manufacturing strength and excellence. I would like to talk about some more of the region's best and brightest manufacturing operations, and there are plenty to choose from. These days manufacturing is far from just smoke stack industries: in fact, they are the rare exception today. Smart manufacturing and niche manufacturing have taken over as the key fields for our success in this sector. It is ideas and innovative work practices that are making a difference and holding New South Wales in good stead in the global economy.

The Western Sydney Information Technology [IT] Cluster provides an excellent example of smart manufacturers working together for the collective good. The New South Wales Government is a key supporter and driver of the Western Sydney IT Cluster—a flagship organisation representing the smart manufacturing that today typifies Sydney's west. Western Sydney's information communication technology [ICT] industry represents the largest concentration of small to medium ICT companies in Australia. These 1,500 ICT businesses collectively represent an annual turnover of more than \$4.5 billion. The Western Sydney IT Cluster represents about 200 members but acts as a driving force for the region's wider ICT community, promoting business growth, innovation, exports and entrepreneurship.

As a result, Western Sydney's ICT community is delivering many smart manufacturing outcomes. For example, the industry's contribution to the New South Wales economy increased 50 per cent between 2002 and 2004—from \$3 billion to \$4.5 billion. Last year the IT Cluster oversaw the filing of four new patent applications whose market value is predicted to be worth more than \$500 million over the next five years. The cluster's IT Start Up Awards identified 17 potential start-up ideas, from which seven have become successful commercial ventures creating 32 new highly skilled job opportunities in Western Sydney. The future of the Western Sydney ICT community is indeed bright.

But it is the diversity of Western Sydney's manufacturing operations that deserves celebration. Let me touch upon some examples of Western Sydney's manufacturing brilliance. In the growing field of biotechnology and medical devices, Western Sydney plays host to some of the world's largest pharmaceutical manufacturers, as well as some of our brightest start-up operations. A benchmark example is ResMed, the Sydney company that has taken on the world with its technology products that ease the suffering of those with sleep apnoea. ResMed is investing \$135 million in new research and development, manufacturing and administration facilities at the Norwest Business Park at Baulkham Hills.

Until recently ResMed's main manufacturing facility was located at North Ryde, but the company is moving to Norwest to cater for projected business growth over the next 10 years and to enable the creation of up to 2,000 Western Sydney jobs. This investment will see ResMed's product lines increase from 4 to 10, more than doubling its manufacturing activities. I note that recently ResMed announced record revenue results for the quarter ended 31 March. The revenue result of \$108.5 million represented a 19 per cent increase over the same quarter last year, and it is further proof of the company's phenomenal success.

Another example of smart Western Sydney manufacturing is Peregrine Semiconductors of Homebush. The company has won worldwide recognition for its production of new generation silicon on sapphire microchips. These ultra-thin chips are used in the broadband fibre, wireless and satellite communications markets. The technology includes excellent high-frequency performance at very low power, better heat control, extremely good isolation between circuit elements, and easy integration of various applications in a much smaller setting. The chips are providing the basis for products and components that are smaller, faster, more

efficient and less expensive. Silicon on sapphire chips were previously thought to be impossible to manufacture in commercial volumes at a reasonable cost, but Peregrine has overcome this problem.

The silicon on sapphire technology has special military and space applications due to its resistance to radiation. In fact, the chips are used in virtually every satellite in space, and were even used in NASA's Mars Rover. The chips are also expected to have important applications in next generation mobile phones, allowing the processing of much more data much faster. Peregrine's corporate offices are in San Diego but the company has chosen Sydney's west as the base for its fabrication facility. Electronics is an area of smart manufacturing in which Western Sydney is indeed excelling. Electronics is a key enabler for a range of industries from ICT, aerospace and agriculture to medicine and health, defence and the automotive field.

The Minister referred to another innovative company located in my electorate at St Marys: ASP Plastics. The company typifies the innovation and creativity of many Western Sydney manufacturers. Not merely content to produce good-quality products, ASP Plastics places great faith in research and development in new areas. With local inventors, the company is motivated to make things by design that no-one else can make. Last year at the Geneva International Exhibition the company was awarded the gold medal for the best medical device for its development of a retractable syringe. The managing director, Paul Brennan, informs me the initial production capacity for the syringe will be 50 million units per year, and that with overseas interest this is expected to expand to about 300 million units per year. Long gone are the days of previous governments creating what were dormitory suburbs. We now have the opportunity to take advantage of the innovation of the workers in Western Sydney, and access to business parks in Western Sydney. [*Time expired.*]

Mr DAVID CAMPBELL (Keira—Minister for Regional Development, Minister for the Illawarra, and Minister for Small Business) [4.31 p.m.], in reply: I thank all members who have participated in this debate. As one would expect, the honourable member for Londonderry and the Minister for Western Sydney made constructive and positive comments about manufacturing in Western Sydney, and about the community that supports it, whether that be the investors, the business owners, or the employees who make those businesses so successful.

Contrasting those members' contributions with the contributions of the honourable member for Baulkham Hills and the honourable member for Hawkesbury provides confirmation that the Opposition has no policies, plans or ideas. Both the honourable member for Baulkham Hills and the honourable member for Hawkesbury commenced their contributions by saying they support the motion. I acknowledge that the honourable member for Hawkesbury spoke briefly about Western Sydney businesses and the contributions they make. The honourable member for Baulkham Hills did not even have the decency to do that. Both members attacked the Government's initiative with regard to local business. The inaugural Western Sydney Manufacturing Week is an initiative of the business community. It is strongly supported by the Government, and as the Minister for Regional Development I am pleased to be able to encourage and support the event.

Both the honourable member for Hawkesbury and the honourable member for Baulkham Hills sought to attack the very people the motion seeks to support—the people who are prepared to put their money where their mouth is by investing in the manufacturing industry and employing people in Western Sydney. Members opposite simply engage in a political rant. They do not refer to policies, they have no understanding about infrastructure and a whole range of other things that are important to community growth. They have no understanding of the importance of working with businesses at both the individual level and the enterprise level, encouraging business owners to take time out to work on their businesses and not just in the businesses. The Opposition has no understanding of the hard work involved in implementing the sorts of policies and approaches that encourage business growth.

The Opposition also attacked the sponsors of the inaugural Western Sydney Manufacturing Week—the Welding Technology Institute of Australia, the Industry Capability Network, the Western Sydney IT Cluster, and James Lang Lasalle. Those organisations have had their efforts and contributions to the event undermined by two members from Western Sydney, the honourable member for Baulkham Hills and the honourable member for Hawkesbury. As I said, when we contrast their contributions with the contributions of the honourable member for Londonderry and the Minister for Western Sydney, we can see why the community has such a strong interest in the Carr Government's efforts to encourage business growth, diversification and relocation.

The honourable member for Hawkesbury also attacked the workplace fatalities bill that passed through this Parliament recently. Indeed, the legislation was supported by Australian Business Ltd, which made very positive comments about it. The honourable member for Hawkesbury attacked the concept of safe workplaces. I

do not believe that such an approach supports productive business. I certainly support safe workplaces from the point of view of employees, but I also support safe workplaces from the perspective of productive business. Where people are in production, where they are working at a job, where there is no injury, where there is no emotion relating to lost time injury, you will find a more productive workplace and business that will have the opportunity to employ more people in the long term.

The Opposition also whinged about corporate headquarters. Western Sydney is experiencing a significant increase in the number of banking and financial services. That growth was highlighted on 10 March this year, when Macquarie Bank opened an office in Parramatta to provide services to one of the fastest-growing client bases in Australia. Indeed, nearly one-quarter of Macquarie Bank's Sydney CBD business banking specialists will be relocated to the new Parramatta office, which will support the region's small to medium enterprises. The Carr Labor Government values its close working relationship with manufacturing in Western Sydney. We have proved this by delivering a competitive economy, a thriving business sector, and a strong working relationship between government and the manufacturing community. The proof is there for all to see, and the proof will be there during the inaugural Western Sydney Manufacturing Week, to be held between 2 and 10 August this year. [*Time expired.*]

Motion agreed to.

McDONALD'S FAMILY RESTAURANTS USE OF IMPORTED ORANGE JUICE

Matter of Public Importance

Mr PETER BLACK (Murray-Darling) [4.37 p.m.]: I raise this matter because it is an important issue for the electorate of Murray-Darling, which incorporates the northern sector of Sunraysia. The Minister for Primary Industries will visit Broken Hill on 29 June, and on 30 June we will travel to Mildura where we will be hosted by the Wentworth shire. While we are in Mildura we will meet with the president and members of the citrus organisation—a great organisation led by Peter Crisp—who are extremely concerned about McDonald's failure to use Australian orange juice. On 21 September 1999 in this House I referred to a letter I had received from McDonald's Australia Ltd on 8 September that year. That letter read in part:

In response to our orange juice, it is made from a blend of Australian concentrate that is sourced from the Mildura region and Brazilian orange juice concentrate. It is reconstituted from 16 to 18 sugar acid ratio imported concentrates and 15 sugar acid ratio of Australian concentrate.

Our orange juice is a premium quality product and demands consistency throughout the year.

We have always aimed to maximise our use of Australian concentrate. However due to the inconsistencies in its taste and colour, as well as uncertainty in supply, we have had no choice but to use imported concentrate to meet our demands.

This is an absolute nonsense. We are pulling out oranges throughout the Sunraysia, particularly Valencias. One has to remember that McDonald's is the largest single orange juice outlet in Australia. On 10 June I received further correspondence from McDonald's bearing the signature of Peter Bush, the Managing Director/CEO. In his letter Mr Bush said that McDonald's uses only 100 per cent beef, which is to be applauded, and that 30,000 restaurants throughout the world use Australian beef, which is also to be applauded. Then he said:

We have no intention to change our current orange juice arrangements! In fact, we have been speaking to Berri about expanding our range of packaged juices in our restaurants.

This is an absolute nonsense and is something to be totally deplored. It is opportune for the Federal Government to move, I would suggest with alacrity, to compel fast food organisations such as McDonald's to label their paper cups. I ask honourable members to cast their minds back to 1987 to 1989, when a great South Australian senator, Senator Nick Bolkus, was in charge of consumer affairs at the Federal level. In support of my campaign, in those two years the Commonwealth agreed that the words "Produce of Australia" would not appear on produce cartons if the product was not made or grown in Australia. We fixed the labelling a little bit so consumers could go to Woolworths, Coles or wherever, inspect the cartons and say, "That's it, I will buy Australian".

The Nationals talk about competition—haven't they had a terrible week this week, but I will come to that later. The infamous John "Glass Jaw" Cobb, Parliamentary Secretary to John Anderson, was running around in the Federal Parliament this week speaking about competition. I will speak about that later in my reply. Decent competition should be between Australian orange juice and foreign orange juice. When people go to McDonald's they may think they are drinking Australian orange juice because the cups are not labelled. It is as

simple as that. We have no honesty in competition. Not that long ago Californian oranges were on the shelves of Woolworths in Broken Hill.

I repeat what is happening. We are taking out Valencias in Sunraysia because we cannot sell the juice. However, a major organisation such as McDonald's is importing Brazilian concentrate. I have mentioned the great news from Auscitus, which is moving from Gosford to Dareton. The company is going to buy two government blocks that were formerly occupied by the CSIRO and are being sold by treaty. The company will go forward and crack all the bud wood necessary, the seed and similar, for 14 new varieties of juicing oranges that will be growing mostly in the Darling area of New South Wales. These oranges will be juicing 12 months of the year; some varieties in spring, others in winter, some in summer and some in autumn. This has got to be encouraged, but it can only be encouraged, I believe, if we have fair dinkum competition. I refer again to the infamous John Cobb and what he had to say on Monday this week in Federal Parliament. *Hansard* states:

The opposition, the member for Murray-Darling and the union leaders probably do not understand competition ...

It stuns me that anybody—the member for Murray-Darling or any union leader—would want to deny anyone who is or is not a member of their organisation the ability to sit down and negotiate one on one ...

I am simply saying the same thing with McDonald's. Incidentally, are The Nationals moving towards amalgamation with the Liberal Party? What was going on in The Nationals toilet on level 12 that led to that unseemly report in the newspaper? I seriously hope they are not going to amalgamate. The bottom line is we want decent competition. The citrus industry in New South Wales produces 40 per cent of Australia's entire product. We have approximately 900 growers, located mainly in the Riverina and Sunraysia. Smaller growing sites are situated at Gosford, Windsor, Forbes, Narromine, Bourke and Menindee in the seat of Murray-Darling. Together they produce approximately 250,000 tonnes of fruit each year on 33,000 hectares. The value of the citrus industry to New South Wales is in the order of \$55 million. It is no mean amount. It is an important amount and something that has got to be cosseted and protected. However, we are not doing that when McDonald's uses the label Berri, which many people would recognise as an Australian company from South Australia, but does not solely use Australian orange juice. There has been mention of the new varieties of citrus. Incidentally, McDonald's says:

We have always aimed to maximise our use of Australian concentrate.

Why do they not use it 100 per cent? Why this devotion, as it were, to a bulk order to Brazil for imported juice? I do not accept this argument at all from McDonald's that our fruit is not of a consistent quality. Only three years ago we were getting \$2,000 a tonne for our navels exported to America. The Minister will be visiting Sunraysia on 30 June. One of the issues in the region is fruit fly. Paranoia breaks out if fruit flies enter Sunraysia, and rightly so, because we are producing a quality crop. It is totally wrong for McDonald's to argue, as it has, that we do not produce a consistent quality. That is a nonsense. The correspondence goes on to say:

In your electorate I am sure that there are farmers who produce beef and grow other produce primarily for McDonalds.

I do not know where McDonald's comes from to make that statement because, quite frankly, I know of no producer anywhere in Murray-Darling that grows things primarily for McDonald's. But, would it not be wonderful if the two orange growers said to the citrus industry that they are going to grow their products primarily for McDonald's? Would that not be a wonderful result for the orange growers of Gol Gol, Buronga and settlements in northern Sunraysia? I refer also to southern Sunraysia. I recognise the importance of oranges to the Murrumbidgee Irrigation Area as well. That is a significant area. I bow to my colleague the Hon. Tony Catanzariti in the upper House. On Monday evening he told me that more orange juice is being produced in the MIA than in Sunraysia. [*Time expired.*]

Mr ADRIAN PICCOLI (Murrumbidgee) [4.47 p.m.]: As honourable members would know, the Minister for Regional Development raised this matter by way of a ministerial statement in this House a couple of weeks ago. All I can say is that with all his ministerial and departmental staff I cannot believe the Minister made so many mistakes in his presentation. In his anxiety to condemn McDonald's the Minister used completely wrong information. He must have watched *Today Tonight* a couple of days before, in which there was a report on this matter. He must have thought, "This is a pretty good idea for a press release." He then came into this place and rattled off more or less what he or his department had seen on the television program. He came in here and made a fool of himself subsequently because most of the stuff he said was wrong. For example, the Minister said:

McDonalds is now sourcing cheap produce from New Zealand, Canada, India and Sri Lanka.

McDonald's has advised both the Minister and other members of Parliament, including myself, that McDonald's indeed sourced no produce from India. I believe 0.2 per cent of the \$600 million that McDonald's spends is sourced from anywhere in Asia.

Even though McDonald's imports produce from New Zealand, it exports to McDonald's stores in New Zealand, so it is a trade-off. It is incredible that the Minister, with all the staff and resources available to him, should make such false statements. Whether one loves or hates McDonald's, it is a big organisation. If the Minister must attack such an organisation, he should have the decency to do the proper research to ensure that his facts are right. The Government can increasingly be described as lazy, lazy, lazy. The Minister's statement is a classic example of that laziness. Indeed, the Minister stated in the first sentence of his ministerial statement:

Honourable members would be aware of the campaign of the honourable member for Murray-Darling to get McDonald's to use Australian orange juice rather than a Brazilian concentrate.

I plead with the honourable member for Murray-Darling to stop campaigning on behalf of citrus growers. He is probably doing the industry more harm than good. Given his antics in his electorate, here in the Parliament and some of the things that have been well reported in newspapers, I do not think that his running a campaign against McDonald's would do the Australian citrus industry any good. The industry is more than capable of conducting such a campaign itself. The Minister for Regional Development owes McDonald's an apology for the mistakes that he made in his ministerial statement. Members of Parliament, particularly Ministers, should not make such statements lightly. McDonald's is a large organisation that employs thousands of young people in Australia and supports, through its franchises, hundreds of small business operators.

Ms Noreen Hay: Young people struggled to get good conditions.

Mr ADRIAN PICCOLI: That is the problem with Labor members—they would prefer young people to be unemployed.

Mr ACTING-SPEAKER (Mr Paul Lynch): Order! The honourable member for Wollongong will come to order.

Ms Noreen Hay: Point of order: The honourable member for Murrumbidgee is being offensive to other members of this Chamber and he should be called to order.

Mr ACTING-SPEAKER (Mr Paul Lynch): Order! No point of order is involved. The honourable member for Murrumbidgee has the call, although he should return to the subject matter rather than respond to interjections.

Mr ADRIAN PICCOLI: It is customary to respond to interjections. It seems to be the position of the Labor Party that unless people are paid at least \$50,000, they are being persecuted. People who are 16 years old, flipping burgers at McDonald's will not be paid \$50,000. I do not dispute some of the criticisms of McDonald's, but the company probably gives more opportunities to young people than any other business in Australia.

Mr Thomas George: It has taught them how to use tills.

Mr ADRIAN PICCOLI: That is right. Griffith McDonald's employs about 30 or 40 young people and gives them opportunities. Not many remain with McDonald's their entire lives, but it gives them the opportunity to experience the workforce and for that McDonald's should be congratulated, not condemned by some Labor person who is always tied up in union connections. Labor should sometimes support what business does. I turn now to the citrus industry. The honourable member for Murray-Darling referred to what is happening at Dareton with the State Government and the promotion by the Department of Primary Industries of the production of Valencia juicing oranges. He should ask the Hon. Tony Catanzariti in the upper House about the state of the Valencia industry in New South Wales as he is a citrus farmer.

The Government promotes the growing of Valencia juicing oranges in northern New South Wales, but it is misleading farmers about the viability of such a project. Farmers in the Murrumbidgee Irrigation Area [MIA] and in the Riverina are having difficulty getting rid of their produce. At the moment they are being offered \$30 a tonne for Valencia oranges in the MIA. The Government and the honourable member for Murray-Darling are promoting citrus growing in other parts of country New South Wales, which is misleading growers about the potential market for juicing oranges, because of the existing industry in the MIA and southern New South Wales which are already doing it tough in a depressed market. Berri and other processors are not offering

very high prices at \$30 a tonne or \$80 a tonne for citrus. The industry is already struggling, yet the Government is promoting the growing of these oranges in other parts of New South Wales. That is despicable.

I conclude by stating that McDonald's took the opportunity to debunk many of the statements made in this Chamber by the Minister for Regional Development and the segment on *Today Tonight* a couple of weeks ago. McDonald's operates successfully, with the support of Australians, but it should at every opportunity buy as much produce from Australia as possible. I declare an interest: my family grows onions and during December and January we supply onions to McDonald's. Yes, the company does buy Australian products.

Mr ACTING-SPEAKER (Mr Paul Lynch): Order! The Minister for Gaming and Racing will come to order.

Mr ADRIAN PICCOLI: I urge McDonald's to buy more Australian produce, and more from my family as well, and to buy more potatoes from our Tasmanian friends and to buy more Australian orange juice. It is terrible and despicable for the Minister to condemn this company by making misleading statements. He owes McDonald's an apology.

Mr JOHN PRICE (Maitland) [4.57 p.m.]: I express my concern about this matter of public importance. Orange juice concentrate in large containers is imported regularly into the port of Newcastle and distributed throughout the country. It is not just McDonald's; Woolworths and Coles receive their fair share. My concern is that the way it is packaged quite frequently indicates that it is supposed to be an Australian product when, clearly, it is not. The Federal laws governing the distribution of imported product in juice or liquid form need to be tightened because it is clearly unprofessional. If the wine industry exceeds 15 per cent of imported grape juice, whether from interstate or international sources, it has to be declared on the label. I see no reason why the proportions cannot be declared on the labels of Australian, or allegedly Australian, juice whether it is sold through the Berri company or sold direct under any brand name. We have a right to know what we are buying. We have our own producers. The Minister for Gaming and Racing is present in the Chamber to represent constituents in the orange growing business, as am I.

My electorate has the old Patterson orange, which is one of the few orange varieties in the country that can be grown from seed. The Patterson orange industry was destroyed not through the importation of orange juice but because we made advances. We came from barging the oranges to Sydney through to rail transport, and once rail transport was available products from other States were able to supersede the supply of Patterson oranges. As the honourable member for Murray-Darling said, more than 2,000 tonnes of oranges were available for export in former times. I am concerned that that is not the case today. Correspondence to which the honourable member referred indicates that in September 1999 Mildura orange juice was mixed with Brazilian orange juice. Now all they talk about is the use of Berri juice, which we know is almost completely constituted of imported juice. On the Newcastle port we can see the huge white containers in which that juice is imported.

I shall briefly parallel the decline of the citrus industry in the juice area to what has happened to manufacturing in Australia. Twenty years ago manufacturing in Australia accounted for something like 36 per cent of the gross national product; it is now approximately 11 per cent. Those are not my figures; they were quoted by the Federal Minister for Education, Science and Training, the Hon. Dr Nelson, at a function held here in Parliament House several months ago. Will we send our orchard industry down the same path? It is a significant contributor to the total agricultural industry of this country. What is happening to the orange industry follows what happened to the apple industry. Honourable members might recall that a few years ago the Federal Government paid Tasmanian apple growers to remove the trees.

Once again Australian apple growers are under threat by the importation of apples from New Zealand, with the risk of blight that comes with them. There is a fight going on within the orchard industry to ensure that protections are effected to stop the importation of New Zealand apples and the possibility of disease. We must insist that our manufacturers get a fair go. If people are to use these products and sell them commercially, The Nationals must get up on their hind legs and start saying that. That will not happen if it is left to Country Labor in New South Wales. We need National Party representatives nationwide not just making phone calls but knocking on the door in Canberra and belting the desk hard to ensure that companies realise that a chain is involved in the process, from the growers to the kids who put the juice in the cups and sell it in McDonald's. We need to ensure that Australian product is being sold. Is this a side effect of the American free trade agreement? Is this the first ripple coming through to convince our agricultural people and The Nationals belatedly that it is wrong? They have a major problem and we are involved in it. The Federal Government and its Coalition colleagues in New South Wales must start insisting that we get the best possible product on the table and that it is Australian grown.

Mr PETER BLACK (Murray-Darling) [5.02 p.m.], in reply: To be polite, I thank the honourable member for Murrumbidgee for his contribution. In particular, I acknowledge the important contribution of the honourable member for Maitland. I also recognise the honourable member for Lismore, gentleman George. I turn to the honourable member for Murrumbidgee. I dimly recall him being quoted in a newspaper article as saying, "I acknowledge that I am a bit of a dud." All that means is that he is a great judge of character! He is certainly not a great judge of oranges. Yet again he has demonstrated that he knows nought about the Australian orange juice industry, notwithstanding the family paddocks down in Griffith. It is an outrage that he spoke about oranges.

We are pulling out Valencia oranges; we are not putting them in. We are talking about new varieties of oranges. When the honourable member for Murrumbidgee talked about Valencias he was right off the track. He was in trouble; he was doing it very tough. He said that his farmers were doing it tough. He was doing it tough in his contribution as well. He was floundering for words. He demonstrated that he does not know much about the Orange industry, and the juicing industry in particular. He is a disgrace. On the other hand, the honourable member for Maitland made a great contribution. He drew the attention of honourable members not only to the growing side of the industry but also to the national interests of manufacturing.

The honourable member for Maitland talked about the horrible crates on Newcastle wharf that contain juice concentrate from Brazil. He also mentioned the American free trade agreement. This is the kernel of our problem in Australia. What will happen while The Nationals are running around the front paddocks of New South Wales, telling everybody how wonderful the competition from the American free trade agreement will be? Florida is the world capital in terms of citrus canker. Why on earth would we talk about importing more oranges, as we have done, from America? I repeat: Florida is the world capital of citrus canker. Members of The Nationals are having a bad time this week. I referred to John Cobbs' meaningless meandering in a speech he made in the Federal Parliament last Monday, but he has made many more such speeches. The Federal member for New England, Tony Windsor, who is a former great member of this House—he was the State member for Tamworth—said:

I accept the parliamentary secretary's—

he is talking about John "Glass Jaw" Cobb—

apology for his incapacity to answer my questions. By the sound of the member for Lowe and others, he has not answered their questions either. I ask that the appropriate minister, who should have greater grasp of these issues than the parliamentary secretary, be asked to present the answers to the questions—not the diatribe that we just had to put up with.

It is all there in the Commonwealth *Hansard*. This chap would have us believe that foreign orange juice is good for us. The Parliamentary Secretary to none other than John Anderson, the Federal Leader of the National Party, was talking up the works of Mark Vaile. Incidentally, he was a good roads Minister. I accept that. However, he is another member running around telling us about the American free trade agreement. The honourable member for Murrumbidgee sold out today. What a terrible thing! Guess what happened last Monday? An article in the *Riverina Herald* with the headline "Groups win funds" stated that the Victorian National Parks Association has received \$10,000 from the Federal Government. I know what they have been up to. They want to close down the red gum industry in western New South Wales. They want to stop harvesting red gum for use as railway sleepers in Victoria.

The Nationals give grants to organisations such as the Victorian National Parks Association, instead of getting on with the job of protecting our great and glorious orange industry. What did the honourable member for Murrumbidgee say? He said that orange growers are doing it tough. No, he did not—I correct myself. He said that they are doing it very tough. I wonder why. Is it because The Nationals have not woken up and ensured that the McDonald's cartons are labelled "product of Brazil"? That would be a wonderful thing. The Commonwealth Government can introduce legislation to deal with cartons.

Mr John Price: The onion growers are doing very well.

Mr PETER BLACK: The onion growers are doing very well. Does the honourable member for Murrumbidgee have bad breath as well? Goodness gracious me! Where is Duff Creek? Is it somewhere in Griffith? It might be a suburb of Griffith. I seem to remember the Duff Creek television advertisement. Once again the honourable member for Maitland has been absolutely inspirational; he has inspired me to comment further on the honourable member for Murrumbidgee. How dare the honourable member for Murrumbidgee say that Country Labor, and me in particular, are not doing the job and leading the way for citrus? We are doing it for Country Labor because The Nationals are totally incompetent.

Discussion concluded.

STATE REVENUE LEGISLATION AMENDMENT BILL**JAMES HARDIE FORMER SUBSIDIARIES (SPECIAL PROVISIONS) BILL**

Message received from the Legislative Council returning the bills without amendment.

STATUTE LAW (MISCELLANEOUS PROVISIONS) BILL

Message received from the Legislative Council returning the bill with amendments.

Consideration of amendments deferred.

Mr ACTING-SPEAKER (Mr Paul Lynch): Order! It being almost 5.15 p.m., the House will now note private members' statements.

PRIVATE MEMBERS' STATEMENTS

BOEING AUSTRALIA EMPLOYEE CONTRACTS

Mr JOHN BARTLETT (Port Stephens) [5.09 p.m.]: Today I speak about a David and Goliath conflict that has arisen in the Port Stephens electorate. Boeing Australia does the deep maintenance and upgrades on the FA-18 aircraft at RAAF base Williamtown. Over the past four years it has had working on these aircraft some 60 people on common law or individual contracts. Over the past three years or so workers have found that working under these individual, common law contracts has not been to their liking. Half of those people, who are presently stood down and on a picket line outside the gates of RAAF base Williamtown, have a military background. They were hardworking, conscientious people from the Army, Navy and Air Force. They are not from a strong union background but they know, after three or four years of common law or individual contracts that this is not the way they want to spend the rest of their lives. They have literally had enough.

These workers are not allowed by Boeing to have an enterprise bargaining agreement [EBA]. As they are under Federal legislation, they have no right to an EBA. Last Friday Boeing finally talked to the Australian Workers Union [AWU], which was representing these workers. At that time the workers had been stood down for 2½ weeks. For 3½ years they have been on individual contracts and they want to get off them. For three years they could not solve the problems caused by those contracts. For a start, these workers have to work 86 hours a fortnight before being paid overtime. They have performance-based contracts, yet they do not know what anyone else is paid who is doing the same job. A clause in the contract says they are not to speak to anyone else about their contract, but because they are performance-based contracts and are reviewed every year, there are now discrepancies in their pay. Workers from different trades are working alongside one another, and over the past three to four years the pay discrepancy has increased.

Boeing employs something like 150,000 workers worldwide in 60-odd countries. It has revenues of \$52 billion a year. How does a 20-year-old on an individual contract, or a worker who has been in that industry for, say, three years and who does not like the contract conditions, negotiate on a one-on-one basis with a company the size of Boeing? It is ridiculous. There is no opportunity at all. Basically, if you do not like it, you have a choice, and that is the only choice in the negotiations. So there are 40-odd workers outside the gates of RAAF base Williamtown who want an EBA. They want some control over their wages and conditions and not be cut out one by one. They want a transparent process, not a secretive process that is discriminatory against some workers, and they want certainty, not uncertainty. It seems to me there is nothing philosophically wrong with any of those statements, yet this is the system these people have been on for 3½ years and which the Howard Government will try to bring in some time after 1 July through its industrial relations reforms.

As I said, until last Friday Boeing had refused to negotiate with the AWU. Last week it had some conversations with the AWU. Boeing has EBAs in other States of Australia. It has EBAs through De Havilland in Sydney and EBAs at other sites such as Exmouth. It has EBAs with other sites in America. The picket line is on Medowie Road, a fairly busy road, and 50 per cent of vehicles passing by beep in support of these workers. The Labor branches in Port Stephens are adopting a family each to help during the strike. I was very proud of the Parliamentary Labor Party members yesterday when everyone donated \$100 towards the cause of these workers, who were absolutely delighted with the response from the members of the Parliamentary Labor Party.

Ms ALISON MEGARRITY (Menai—Parliamentary Secretary) [5.14 p.m.]: I thank the honourable member for detailing the situation of the Boeing workers. We should take every opportunity to put on the record the serious threats to workers entitlements proposed by the Howard Government's industrial relations "reforms". Many hard-won conditions are being threatened by what is on the table. These workers are standing up for their rights and we applaud them for that. Again I thank the honourable member for taking this opportunity to make sure their struggle is noted in this place.

WARRINGAH FREEWAY PEDESTRIAN CROSSING

Mrs JILLIAN SKINNER (North Shore) [5.15 p.m.]: Pedestrian access and ease of movement around the electorate of North Shore is an issue that always exercises my mind and causes a great deal of discussion and grief in the local area. Because of the busy nature of our roads, particularly the main roads, there are far too many pedestrian accidents, serious injuries and, unfortunately, fatalities. That is about to become a lot worse. I draw attention to what is happening in relation to the Warringah Expressway, which is a major barrier to pedestrian movement in the electorate of North Shore. One of the few pedestrian crossings over the expressway is at Military Road-Falcon Street. Hundreds of residents living on either side of the expressway walk across the footpath of Military Road-Falcon Street to access facilities on either side. For example, shops and major public transport stops are primarily on one side, schools are on both sides, and parks, the library and the much-used police citizens youth club [PCYC] is on the other. It is not unusual to see groups of schoolchildren, particularly younger school students, walking crocodile fashion across the footpath with their teachers to access the PCYC.

That is about to become much worse because of the construction of on-off ramps for the Lane Cove tunnel. Anyone who has exited Warringah Expressway at the Military Road exit will have seen the substantial work that is going on at the moment. As I understand it, the changes will mean that the north-south crossing and the bus stop outside the Caltex station have been moved west towards the expressway but the pedestrian crossing has moved east, more than 200 metres away, making the large residential community walk an extra 400 metres down Merlin Street South. This includes older people, people with prams, and so on. On the east-west crossing, the current continuous footpath on the north side, used by many schoolchildren as well as residents, will become three crossings. Although details are still skimpy, there is talk of a zebra crossing, a signalled crossing or a combination.

Concerns have been raised about groups of pedestrians, particularly young children, who cross to access the PCYC and other community, leisure and sporting facilities, being marooned between crossings on a tiny island. This will also be a problem for residents who take time to cross—those in wheelchairs, those using walking frames and young mums with prams and strollers. So the widening of the road will mean pedestrians now have to cross four lanes of speeding traffic instead of three. There is the possibility of lights across the entrance and exit ramps of a major freeway. This is extraordinary in a densely populated part of Sydney where there is heavy pedestrian access. Earlier this year my friend and colleague the honourable member for Willoughby and I met with Mr Bill Orme, a local resident who, along with others, has taken a particular interest in this and has been working as a member of the pedestrian access committee on North Sydney council to try to raise these issues.

I have had representation on that committee. I am concerned that the options are still being discussed as the work proceeds. The options include an underpass to be built under Falcon Street to allow safe crossing and an east-west pedestrian overpass from Wyagdon Street to St Leonards Park. There are other alternatives for overpasses towards the North Sydney end. The options need to be considered and a decision made now. I watch work proceed with a sinking feeling. When will others realise it will be impossible for pedestrians to cross the expressway?

OAK FLATS LIONS CLUB

Ms MARIANNE SALIBA (Illawarra) [5.20 p.m.]: Last Tuesday evening I had the privilege of attending the Oak Flats Lions Club 31st anniversary and changeover night. It was a terrific night of good fun and fellowship. I want to bring to the attention of the House some of the community work performed by the Oak Flats Lions Club. Over the past year Oak Flats Lions Club regularly conducted barbecues outside Hardware House, ran lucky envelopes, sold mints and installed smoke alarms. Following the introduction of the legislation making smoke alarms mandatory, I imagine the work of the club installing smoke alarms in older people's homes will increase. The Oak Flats Lions Club has made donations to the Samaritan Purse, provided free nappies to Luke Pawsy, sold Christmas cakes last Christmas and made cakes for cake stalls at Peterborough Special School and Flinders Public School.

The club was involved with the major Christmas raffle at Shellharbour Square, Warilla Grove and Dapto markets and has made donations to Lions Save Sight and Headway, an organisation that helps those with acquired brain injury. In January this year the club was involved in an Australia Day raffle and Brekky on the Lake and made further donations to Peterborough and Flinders schools. They have adopted a number of programs, which they continue to fund on a regular basis. The list goes on. I acknowledge the hard work of the Oak Flats Lions Club.

I acknowledge the outgoing President, Lion John O'Neil; the outgoing Vice-President, Lion Rob Holt; Lion Les Hills, both the outgoing secretary and the incoming secretary; the Treasurer, Lion Don MacPhail; the Lion Tamer, Lion Allan Cassilles; and the Public Officer, Lion Bede Cummins. These Lions work hard to ensure that Oak Flats Lions Club remains an ongoing concern. This year the club celebrated its 31-year anniversary. Some members have been with the club for most of that time. I was present when badges were being presented, and I understand the longest-serving member of the club had been a member for 28 years. I am pleased to acknowledge their ongoing commitment to the club. I congratulate Lion Rob Holt, who is taking over as President, and Lion Arthur Deane, who will be the Vice-President.

Lioness Joyce Morgan was the outgoing President of Oak Flats Lionesses; Lioness Robyn Clarkson the outgoing Secretary and Lioness Ivy Gorman the outgoing Treasurer. Lioness Billie Fanning is the newly endorsed President; Lioness Lynne Stamford the incoming Secretary and Lioness Ivy Gorman will take on the role of Treasurer again this year. These people give up a lot of their time to raise money for needy causes and ensure that Lions International is promoted in the local community. As a member of the Parliamentary Lions Club I also have a commitment to ensuring that Lions International is promoted throughout New South Wales and encouraging more people to become involved in the club. It is a great way to help the community, to meet new friends and to share fellowship. I congratulate those who have taken on the executive roles in both the Oaks Flat Lions Club and Oak Flats Lionesses this year. I wish them well and I hope they have as productive a year as they did last year. I look forward to attending their 40th anniversary.

CASTLECRAG

Ms GLADYS BEREJIKLIAN (Willoughby) [5.25 p.m.]: Today I wish to outline to the House recent activities and issues in the suburb of Castlecrag, which is situated in the electorate of Willoughby. Castlecrag owes much of its unique character and charm to the legacy of Walter Burley Griffin and his wife, Marion Mahony Griffin. The Griffins philosophy of building for nature in harmony with the environment has left a lasting impact on the Castlecrag community. The peninsula of Castlecrag was named after the first of the estates planned and developed by the Greater Sydney Development Association, of which Walter Burley Griffin was managing director. A number of the original Griffin houses survive to this day and are owned and occupied by long-time residents of Castlecrag.

In choosing the name "Castlecrag" for the first estate, Griffin was inspired by Edinburgh Rock, the name of the sandstone outcrop which is the highest point in the peninsula. Consequently, the main road leading into the Castlecrag peninsula bears the name Edinburgh Road. This mix of the historical, the unique bushland and Middle Harbour foreshores makes Castlecrag a unique place. The Castlecrag shops exude a strong village atmosphere, but the continuation of such a strong legacy in a modern setting does not just happen by accident. The Castlecrag community continues to work hard to maintain the unique flavour of the suburb whilst being continually vigilant about some much-needed improvements.

The community is represented most ably by the Castlecrag Progress Association. I had the opportunity recently to address a meeting of the association and receive feedback on some important local community issues. One of the issues raised at the meeting has also been raised with me on many occasions by concerned residents, that is, the need for a right-hand-turn arrow at the traffic lights from Edinburgh Road into Eastern Valley Way. I share the view of many of my constituents that the current arrangements are much too dangerous. I, for one, find the right-hand turn difficult to negotiate and often change my route when leaving Castlecrag as a result.

But for residents who live in Castlecrag and use that intersection a couple of times a day, the current arrangements are just not acceptable. I will, therefore, make representations to the Minister for Roads and ask him to direct the Roads and Traffic Authority to install a green arrow at the lights at that intersection. Residents of Castlecrag and others in nearby suburbs who visit Castlecrag regularly, such as myself, have signed a petition, which I will present to the House. This has been an issue for many years and I will do all I can to assist the community in implementing this important safety initiative.

Under the auspices of the Castlecrag Progress Association, a dynamic committee of local residents organised the annual Castlecrag Fair, which was held on Sunday 5 June. The fair was a resounding success. Families and residents of all ages were able to enjoy a wonderful variety of activities, such as walking tours of the suburb, rides, gourmet delights and information on the history and unique environment of Castlecrag. There were also many information booths about local community organisations and upcoming community events. One such organisation, which features prominently at all events pertaining to Castlecrag, is the Walter Burley Griffin Society. The society aims to foster an appreciation of the Griffins' work and ensure the preservation of their legacy. I am proud to be a member of the organisation.

Castlecrag also lays claim to what I believe is one of the best entertainment venues Sydney has to offer. The Haven amphitheatre is located within a natural bushland setting and provides a wonderful location for community events. It is a great meeting place and a great place to enjoy theatre, music and poetry. I hope to attend one of the jazz concerts to be held on 2, 3 and 4 September this year called "May The Music Be With You", which will feature top international and Australian artists. Since being elected to Parliament I have held a number of street stalls in Castlecrag to hear first-hand about the issues at the forefront of residents' minds. As I previously said, the right-hand-turn arrow at Edinburgh Road into Eastern Valley Way is by far the issue most often raised with me.

Local residents have also raised traffic, public transport, public education, vendor duty and land tax as issues of most concern to them. I wish to take this opportunity to thank the residents of Castlecrag who frankly and openly continue to raise important issues with me. I would particularly like to thank the many residents who work so hard within community organisations to represent the views of Castlecrag residents. Collectively, they ensure that the uniqueness of the suburb becomes a lasting legacy. I look forward to working closely with the Castlecrag community and am proud to have the privilege to represent them in State Parliament.

SUTHERLAND SHIRE COUNCIL PLANNING DECISIONS

Mr BARRY COLLIER (Miranda) [5.30 p.m.]: It is with great sadness that I have to report that democracy is dead in the Sutherland shire. It died on the floor of Sutherland Shire Council chambers shortly after 7.30 p.m. on Monday 16 May 2005. The final, mortal blow to shire democracy was delivered by the casting vote of the Mayor, Councillor Kevin Schreiber, aided and abetted by his Liberal councillors and Independent Marie Simone. No prayers were said at that meeting. The death of shire democracy was witnessed by the minority councillors, together with one lone ratepayer in the 120-seat public gallery. The death of democracy was not completely unexpected. The first telltale symptoms appeared with the surgical removal of accountability.

Soon after the present Liberal council was elected it removed all funding to its longstanding Resident Precinct Committees. Why? The council wanted to stifle community discussion and debate, silence dissent, and make itself less accountable to the little people. The second major blow to shire democracy was delivered by Liberal Councillor Kent Johns on 11 April 2005. Councillor Johns is the former Labor mayor of Rockdale who switched parties and came across the river to the shire in search of a seat in State Parliament. He is now the chair of the shire council's environment and health committee, which oversees development in the shire. That is an astonishing appointment, given Councillor Johns' record on development when he was mayor of Rockdale. Perhaps shire Mayor Schreiber has turned a blind eye to Johns' high-rise handiwork which is so abundant everywhere and so readily apparent to all in Rockdale.

But make no mistake about it, Johns is the doyen of development. When he was mayor of Rockdale he even appeared in his mayoral chains in an advertisement in the *St George and Sutherland Shire Leader* personally and wholeheartedly endorsing an eight-storey unit block, The Aston, in Bay Street, Rockdale. So what happened on 11 April? The Rockdale reject, Councillor Johns, with the support of his Liberal mates, effectively threw out a major planning document, "The People's LEP". "The People's LEP" project began in 2000 under the previous council and was aimed at controlling the previous Liberal council's rampant overdevelopment in the shire.

"The People's LEP" was a huge undertaking, involving more than \$1 million of ratepayers money, thousands of hours of council staff time and three years of extensive community consultation. It went on public exhibition twice. There were six issues and some legal matters that needed resolution before it would be accepted by the State Government, and "The People's LEP" was sent back to the shire council in 2004. On 11 April 2005, Councillor Johns moved 41 amendments to "The People's LEP". Why is that a blow to democracy? The council meeting began that 6:30 p.m. and Councillor Johns began his address at 7.05 p.m.

Shortly after he began speaking on the LEP, he pressed a key on his computer, sending an email to the Labor and Shirewatch councillors.

The email contained his 41 amendments to "The People's LEP." I am advised that was the first time the Labor councillors were given any notice of the amendments. The Labor and Shirewatch councillors requested a deferral and time to examine the 41 amendments, but this was denied. Shirewatch councillors walked out and, of course, the gag was applied and the amendments passed. This was democracy Liberal Party style in the shire. Why the 41 amendments? The Liberal cowboys on the Sutherland council are shooting from the hip, putting up planning amendments they know full well will be unacceptable to the State Government. Why? They want to create a series of showdowns with the State Government before the 2007 State election.

Councillors like Johns, Schreiber, Knowles and Simpson are not interested in good planning for the shire community; they are simply interested in furthering their own political ambitions to be Liberal members of Parliament for the electorates of Cronulla, Miranda, Menai and Heathcote. They do not want a collaborative bipartisan approach to "The People's LEP." The mortal blow was delivered at the council meeting on 16 May at a council budget meeting. Liberal Mayor Schreiber provided final budget papers to the non-Liberal councillors just minutes before the meeting about the \$170 million budget. Councillors had to leave the meeting for an hour to try to digest the mayor's 13-page overview and the 26 pages of the budget document. When they returned for discussion, debate was gagged, again on the casting vote of Mayor Schreiber. This is, after all, a document that goes to public exhibition.

After expressing his disgust at the proceedings, the lone spectator in the public gallery, Mr Ian Jeffrey of Loftus, was roundly abused by the Deputy Mayor, Liberal Councillor Steve Simpson. Simpson accused him of—wait for it—being biased! In his letter to the *St George and Sutherland Shire Leader* of 26 May Mr Jeffrey said, "I broached the subject with two very senior council representatives and it was explained to me this was democracy." He then asked, "Isn't there something fundamentally wrong here?" Yes, Mr Jeffrey, there is. Your Liberal councillors have effectively murdered democracy on the floor of the Sutherland Shire Council to further their own political ambitions. They should, each and every one of them, be extremely ashamed of themselves.

ANTHONY GEORGE REID PROPERTY TRANSFER

Mr BRAD HAZZARD (Wakehurst) [5.35 p.m.]: Paedophiles are low-life. Paedophiles who do not make any effort to compensate their victims or to show contrition are despicable low-life. Anthony George Reid damaged the lives of a number of young people, including family members, as a result of his paedophilia. Reid was convicted of various offences relating to paedophilia and was gaoled in 1998. Some time ago in this place I raised concerns about Anthony Reid transferring his property at 31 Collins Street, Narrabeen, to his brother for \$1 after he was charged and before he was jailed. His clear intent was to effectively secrete his assets, so the victims were abused yet again. They were effectively being shut off from the opportunity to obtain compensation. Victims like his family members and other young people suddenly found there were no assets in his name, which on the face of it was denying them the right to obtain compensation. In late 2000 the recipient of Anthony Reid's property completed a will. That person was his brother, Michael, who five days later died. Michael Reid's will contained the following clause:

The balance of my estate of whatsoever nature and kind to my Trustees for my brother, Anthony George Reid during his lifetime and I give to my Trustees power to sell, transfer or dispose of any of the assets at the direction of my said brother Anthony George Reid and I give to my said brother power to appoint beneficiaries under his Will who will become the beneficiaries under such trust.

In other words, the property Anthony Reid gave to his brother for \$1 has effectively come back to him any time he wants it. It is probably worth about \$1 million in today's money. It may well have accumulated income through rental for the last few years while Anthony Reid has been in gaol. After the issue was raised in the Parliament there was a parliamentary inquiry and the Premier undertook to rectify the situation if that was possible.

Recommendations from the inquiry addressed the ability of the State of New South Wales to recover monies paid to victims under the victims' compensation scheme. But nothing has helped the victims of Anthony Reid to get access to fair and just compensation beyond the small amount awarded to them under the statutory Victims Compensation Scheme. At least one victim has taken proceedings in the Supreme Court through Adamson Solicitors in Manly. I believe Luke Adamson is endeavouring to get the Supreme Court to agree to grant leave to bring proceedings for compensation out of time. I call on the Carr Government to review the time limits in place for sexual assault cases involving juveniles. There is plenty of evidence from Federal inquiries

and inquiries in other States indicating that young people who are sexually abused may take many years to admit what has happened, let alone to deal with it.

It is extremely unfortunate that those abused people are then effectively abused again by the legal system as they struggle to overcome the time limits on bringing proceedings for damages. In addition, I note that Mr Anthony Reid has confirmed his status as an outcast from society by now seeking parole despite showing not one ounce of contrition or decency. On 8 July this sexual deviant, this perverted predator, will seek to convince the Parole Board of New South Wales that he is a changed man. Everyone can change, and everyone who shows they have changed for the better should have the benefit of having the law consider their case. How can Anthony Reid argue he is a changed man when, years after his paedophile activities, he removed his assets from the reach of those he abused as children? Has he done anything to rectify this deception in the seven years he has been in gaol? No, he has not. His despicable evil has continued.

Reid's abused victims have struggled to get any fair dinkum compensation. The small amount allowed by the State through the Victims Compensation Scheme is what the taxpayers can afford. I have no argument with that. Mr Anthony Reid can afford a lot more and if he wants to be considered by the community as a person worthy of consideration for parole, he needs to give a lot more and do a lot more. My words for Mr Anthony Reid are: Show some responsibility, acknowledge your evil acts and the disaster that you imposed on your victims, some of whom were members of your own family. Turn your life around and offer some hope to your victims. Transfer the house and its assets into a fund for distribution amongst your victims. It is time for you to do the right thing. It is time for you not to hide behind the processes of the law, or behind any artificial devices created by you in concert with your legal adviser. I have no difficulty with the advice given by the legal adviser; he gave his client the advice that he should have given. However, the client should never have sought that advice and should not have abused his victims by hiding his assets.

BLUE GUM HILLS REGIONAL PARK

Mr JOHN MILLS (Wallsend) [5.40 p.m.]: Last month's budget, which was delivered by the Treasurer, contained a little gem for the electorate of Wallsend. I did not find out about it until the following week when I made some inquiries. In a summary of major National Parks and Wildlife Service projects for the Hunter region for the 2005-06 financial year appeared an entry for stage two of Blue Gum Hills Regional Park, with an allocation of \$120,000. This is the first year of the Government's two-year commitment to continue the development of recreational facilities at Blue Gum Hills Regional Park. Work in 2005-06 will focus on the construction of a children's play area, with a group picnic area, pavilions and extra car parking to be finalised in 2006-07.

I commend the Minister for the Environment for his decision to allocate the funding. Last December I had the honour of opening the stage one facilities at Blue Gum Hills Regional Park. The capital works for stage one were based on the Hunter Conservation Strategy. The budget also provided increased recurrent expenditure for the employment, not necessarily full time, of a field officer and a ranger at the National Parks and Wildlife Service in the region. I know from the experience of the former ranger, Tiffany Knott, who was involved with establishing the park over a couple of years, that her services were stretched to the limit. I thank Tiffany Knott for her hard work in getting the regional park established, and I welcome the new National Parks and Wildlife Service ranger, Kathleen Straw, whom I was pleased to meet a few weeks ago.

The 129-hectare Blue Gum Hills Regional Park is at Minmi. When I opened the stage one facilities last December I described the park as the Blackbutt of the west. Blackbutt Reserve is Newcastle City Council's 450-acre public reserve, which was established long ago and is a jewel for residents of the western suburbs of Newcastle and the Hunter region. The western Newcastle area is rapidly developing, so the provision of the regional park in these fast-growing suburbs is important for the future welfare of the community as it develops. In addition, of course, the park adds to the amenity of those developing suburbs and provides more open space in the Hunter. The land for the regional park was donated to the National Parks and Wildlife Service by Newcastle City Council and Coal and Allied. Coal and Allied was in the news last week because the company has just become the major sponsor of the Newcastle Knights rugby league team. However, the company has already done some good work in the community with its donation of land for Blue Gum Hills Regional Park.

On 21 March 1999 the then Minister for the Environment, the Hon. Pam Allan, announced the establishment of Blue Gum Hills Regional Park. At the end of that year the new Minister for the Environment, the Hon. Bob Debus, confirmed the establishment of the park and launched the project to build it. I pay special tribute to Newcastle City Council, the former lord mayor, Greg Heys, and the current Lord Mayor, John Tate,

and their councillors, for the contribution council has made to the development of this wonderful park. The stage one facilities that I opened include special eco-toilets that have solar-powered fans to keep them operating efficiently, tanks to collect water from the roof of the toilet system on site, barbecue facilities, and a grassed area for families to enjoy recreational activities. In the future, a wide variety of activities will be provided for. The Minister for Western Sydney would be very familiar with the regional parks in her part of Sydney. Blue Gum Hills Regional Park is the first regional park to be established in the Hunter region, and we look forward to dog walking, horse trails, and so on, in the park in the future.

I thank the residents of Minmi, the suburb adjacent to the regional park, for their contribution to the park in the planting of a number of trees. In particular I thank Joyce Pascoe, Jean Plant and Glenn Newton. I also thank Rob Gibbs, the National Parks and Wildlife Service Hunter Coast Area Manager, and Rob Quirk, the Hunter Region Manager of the National Parks and Wildlife Service, for their contributions to the successful development of the park.

Mr BRYCE GAUDRY (Newcastle—Parliamentary Secretary) [5.45 p.m.]: I compliment the honourable member for Wallsend on the opening of Blue Gum Hills Regional Park and his involvement, together with the local community, in advocating for the establishment of a regional park in the western Newcastle area. The park will provide a wonderful resource for the entire Hunter Valley, but particularly for the people of Wallsend, Minmi and surrounding areas. Over the next 10 or 15 years we will see the absolute jewel in that area, similar to what we have in Glenrock State Recreation Area and Blackbutt Reserve, which each comprise 500 hectares and provide a coastal and inland experience. Blue Gum Hills Regional Park will be a great community asset. I congratulate the honourable member for Wallsend, members representing electorates in the Hunter and the community groups in the region on their efforts in securing the establishment of a facility such as this in the western Newcastle area.

DEATH OF MR ROBERT BRUCE DUNCAN, A FORMER MEMBER OF THE LEGISLATIVE ASSEMBLY

Mr THOMAS GEORGE (Lismore) [5.46 p.m.]: On Saturday 7 May Lismore lost one of nature's true gentleman with the passing of former member for Lismore Mr Bruce Duncan. Mr Duncan died at Greenwich Private Hospital, aged 76, after a long battle with cancer. Bruce will always be remembered for his unstinting commitment to his community, demonstrated through his 23-year service as the member for Lismore. He was respected in every sphere, wherever he went. More to the point, people stood in awe of his oratory capabilities. A letter to the editor by Tony Madden summed up what Bruce was all about. Tony Madden wrote:

I found him to be a fearless and vigorous advocate for his constituents.

Such was his integrity that one could be completely open with Bruce about the underlying issues of his concern.

His approach was simply what are the real facts, what are the obstacles to a resolution, and what can you and I do to fix it, and pronto. Much of this dialogue occurred in face-to-face or phone contact and rarely through protracted exchanges of formal written representations. A troubled person rarely left Bruce Duncan's office without feeling that the burden had shifted and that they had a very healthy support line in place.

Robert Bruce Duncan's parliamentary career spanned from 1965 to 1988. He was first elected to this place on 1 May 1965 when he won the seat of Lismore by defeating the sitting member, Mr Keith Compton, the then Labor Minister for Lands. He was re-elected to the Forty-second Parliament on 24 February 1968; to the Forty-third Parliament, unopposed, on 22 January 1971; to the Forty-fourth Parliament on 17 November 1973; to the Forty-fifth Parliament, unopposed, on 1 May 1976; to the Forty-sixth Parliament on 7 October 1978; to the Forty-seventh Parliament on 19 September 1981; and to the Forty-eighth Parliament on 24 March 1984. He retired on 22 February 1988, upon the dissolution of the Forty-eighth Parliament. He was shadow Minister for the portfolios of Education, Public Works and Ports. He was a member of parliamentary committees inquiring into the building industry, prostitution and the New South Wales School Certificate. He was also a member of the Public Accounts Committee and held the position of Temporary Chairman of Committees and various other positions.

I pay tribute to Bruce for the work that he performed. He contributed to many organisations in the area, one of which was the Northern Region Surf Life Saving Australia Limited [SLSA] Helicopter Rescue Service. He was on the Community Co-ordination and Fundraising Committee of that service in August 1985; he was appointed to the board from 1986 to 1991; and he was appointed a director from 1998 to 2000. From March 1991 to 1996 he was director of SLSA Helicopters Pty Ltd; and in 1992 he was appointed Chairman of the Northern Region SLSA Helicopter Rescue Service Pty Ltd until his retirement as Chairman in the year 2000. I had the honour of being one of the directors with him. In his inaugural speech Bruce said:

I am conscious of the responsibilities that lie before me and at the same time I am deeply conscious of the great light of example which has been set for me to follow by the former representatives of Lismore.

That is exactly the position that I was placed in because he certainly set an example and left big shoes for me to fill. He was a great inspiration to me and to many people in Lismore in his ability to offer support for everyone. His advice was greatly appreciated. I place on record the sympathy and prayers of the House and send our best wishes to Marlene, his lovely wife, and to Peter and Jobyna, Ian and Frances, and his grandchildren Tim and Sam. The funeral service held here in Sydney was attended by many former members and received the recognition that Bruce Duncan, former member for Lismore, rightly deserved. Vale Bruce Duncan.

STAR STRUCK 2005

Mr BRYCE GAUDRY (Newcastle—Parliamentary Secretary) [5.51 p.m.]: Last Friday, representing the Minister for Education and Training, together with my colleague the honourable member for Wallsend, I attended Star Struck 2005 "On the Move", the thirteenth annual Star Struck presentation at Newcastle Entertainment Centre, in which students from infants, primary and secondary schools across the Hunter and Central Coast area took part. About 623 boys and girls were in the combined choir, and well over 4,000 students performed for more than three days in front of an audience of more than 18,000 people. It was an absolutely spectacular performance of song, dance, drama, combined choir and combined floor movements in a wonderful demonstration of the talents of students from our public school system. I commend the dedication of the teachers, the wonderful sponsorship of business and the community across the Hunter Valley and, in particular, the support of parents in developing the talents of these young people.

I particularly acknowledge John Deacon, one of the foundation directors, who has been with Star Struck for every one of its performances over 13 years; Madeleine Atkins, who is very involved in the management of Star Struck; and Greg Paterson, the Star Struck Show Band leader and musical director. I also acknowledge, of course, the 300 teachers involved, the 3,800 students and an ancillary staff of more than 500, including the student executive, cleaners, maintenance people, technical people, marketing people and the corporate and publicity departments who worked for the whole year in order to put on this absolutely spectacular show.

It would be hard to try to name the performers on the evening and not leave anyone out. With so many students involved this year the finale had to be broken into segments. "Moving On" brought all the senior onto the floor, and "Reach" brought out the primary and infants schoolchildren for the spectacular finish to the show. I was particularly impressed by some of the performances, including the street rhythms, a drumming display put on by a group of boys and one young girl; all sorts of percussion instruments; a volatile and vibrant performance by a boys dance group, which really brought down the house; and the 623-voice choir singing *Bridge over Troubled Waters*. The honourable member for Manly and I—and perhaps most others in this place—were part of the Simon and Garfunkel era. The performance of the choir was reminiscent of the many Welsh choirs and eisteddfods in the Hunter. It was wonderful to hear the massed voices of people singing together, the tremendous discipline and quality of human voices brought together in that beautiful song.

I was impressed by not only the talents of the individual performers but by the beauty of the dances. Among those who were involved with the dance team were Rachel Stark, the assistant producer, and Julie Deacon; Rachel Stark and JoAnne Thorn, the directors of the dance team; and Michelle Gosper, the drama team co-ordinator. I do not have the time to mention the 300 staff and the infants, primary and secondary schools right across the Hunter and Central Coast region. It was a delight for people to see wheelchair-bound children from the Hunter Orthopaedic School involved on the floor in the production. It was an absolutely outstanding performance. Congratulations once again to John Deacon, Madeleine Atkins, Greg Paterson and all those involved in Star Struck 2005.

SH6 MID WESTERN HIGHWAY RECLASSIFICATION

Mr IAN ARMSTRONG (Lachlan) [5.56 p.m.]: I notified the Government Whip earlier in the day that I wanted to speak on a matter of public importance, and I was going to speak on an entirely different subject. However, I have just received an email from the Weddin Shire Council, which is located in Grenfell in the central west of New South Wales, concerning the reclassification of SH6 Mid Western Highway between Cowra and Marsden. The email states:

... the Road Classification Review Panel proposes to reclassify the subject section from a State Highway to a Regional Road.

The email states further:

However, the RTA and the panel have refused to provide a copy of the RTA's submission which has presumably originated from the Western Division office at Parkes. You would be aware that the Western Regional Manager ... is also a member of the panel, a situation which raises interesting probity questions.

The Weddin Shire Council has quite rightly framed a series of questions as to how and why this proposition has been put forward. The council states:

Weddin Council will be objecting to the proposal on the following grounds:

- reduced funding as a Regional Road,
- deterioration in road standard as a result of reduced maintenance,
- continued use as a heavy vehicle route for goods and services, particularly between the Griffith-Leeton area and Cowra/Blayney/Bathurst ...

And obviously into Sydney. I make the point that Bathurst has the biggest cannery and vegetable processing plant in inland New South Wales, and during the extensive season in the Murrumbidgee Irrigation Area [MIA] there is almost a convoy of trucks bringing up corn and root vegetables such as carrots and beetroot from the MIA down to Bathurst to supply that cannery. There is also a cannery in Cowra, and it is supplied with tomatoes from Victoria, which come up the same road. In addition, the road is the main link from the bottom of the Blue Mountains to connect with the Newell Highway for people travelling south. Anybody who is leaving Sydney tonight to drive down to Narrandera will go out through Bathurst and Cowra, down the subject road and connect with the Newell Highway, just north of West Wyalong.

The road is in quite good condition and has had a fair bit of money spent on it in recent years. It has increasing volumes of heavy traffic and needs continual maintenance. The road is also occasionally used as an alternative route to the Newell Highway between Forbes and Marsden at times of flood or emergency. Members who are familiar with that area would know that between Marsden and Forbes there is a long, low, flat area of about 30 kilometres that goes down past Goobothery Creek. When the creek floods the road can be out of commission for up to two weeks. I must say I hope it floods again very shortly.

The road is also used as a tourist access route to the Weddin Mountains and Conimbla National Park, with increasing visitations following its upgrade by the National Parks and Wildlife Service. The Government has made much about access to national parks yet it is about to remove one of the major accesses to a national park with significant history and make it effectively a local road. It is a tourist access route from South Australia to the Blue Mountains for caravans and motor homes, and we all know what a growing and burgeoning industry that is. It is also a tourist access route to the central New South Wales tourism area, to and from the Newell Highway on the return route via Dubbo. In other words, horseshoe tours are undertaken through Dubbo and West Wyalong.

Support will be sought from Central NSW Tourism, and I will seek a meeting with the Minister as soon as possible because the situation is just ridiculous. If it is an exercise in financial saving it is penny-pinching at the very worst and it will come back to bite the Government because the road will deteriorate. This is a major arterial road that offers access to the west and to the south. It services the Riverina and the Central West, and is a major route for school buses servicing the west as well as bringing children into the Cowra-Grenfell region and into Young. Last year 133,000 people visited Young's major tourist business, JD's Jam Factory. Many of those visitors came from Dubbo, through Forbes, across to Grenfell, down to Young and down the Hume Highway. The road is an arterial route of significant importance and must be maintained at least at the current level, if not improved because of its geographical location and its importance to the region.

PRD NATIONWIDE, DEE WHY, AND MS ELIZABETH AND MS LEE HALL

Mr DAVID BARR (Manly) [6.01 p.m.]: I speak on an unpleasant affair involving two sisters who have been defrauded of money held in a trust account for them by a real estate agent. Elizabeth Hall and her sister, Lee Hall, signed an exclusive management agency agreement with PRD Nationwide, Dee Why, on 21 December 2004, for the sale of their unit at 8/1 Boronia Street, Dee Why. The real estate salesman was Mr Frank Caterina. PDR Nationwide held in trust the deposit paid for the purchase of the property until the sale was completed. On Wednesday 13 April Mr Frank Caterina informed Elizabeth Hall that the sale of the property had been finalised. He asked whether she could drop off the keys and said he would have the cheques sent to her and her sister by mail by the end of the week. She requested that they be sent by registered mail.

Elizabeth Hall told me that she went to the Dee Why office at 4.30 p.m. on Wednesday 13 April and handed in the keys. Mr Caterina assured her that the cheques would be sent that week by registered mail. On Monday 18 April Elizabeth telephoned Frank Caterina to ask what was happening, as she had not received the cheques. She and her sister were to each get a cheque in the sum of \$15,241. In her letter she stated:

I was assuming that he would have sent the cheques on the Thursday or Friday (14th or 15th). He told me that he had sent the cheques in the normal mail and asked if my sister had received hers. I told him that my sister was away from Sydney and that I would ask her. I asked him why he had not sent the cheques Registered mail as requested and he replied that he always sent the cheques through the normal mail because they were bank cheques ... The two cheques were posted to two different addresses.

Lee lives at Cremorne and Elizabeth lives at Balgowlah. On Tuesday 19 April Lee confirmed that she had not received the cheque and Elizabeth phoned Frank Caterina to tell him this. He said he would look into it. On Wednesday 20 April he phoned to tell Elizabeth that the cheques had been deposited into a bank account at St George Bank at Riverwood. Elizabeth asked how this was possible. He said he did not know and that they must have been stolen in the mail. She asked what identification had been used and again he said he did not know. The two sisters have since learned from the police that a few days after the cheques were sent two girls opened accounts with the St George Bank at Riverwood with 100 points of identification.

The matter was reported to the police at Dee Why on 20 April, but the police said it was a civil matter, not a police matter. I disagree with that and will pursue the matter. Elizabeth phoned Frank Caterina on Thursday 21 April and he told her he was going to his solicitors. On Friday 22 April Frank Caterina and John Caputo, the principal of PRD Nationwide at Dee Why, came to Elizabeth's house at 6.30 p.m. and presented her with documents from their solicitors. That is highly unusual, to say the least. They said they had done all that they could do. They said Elizabeth should take up the matter with the bank and that they were not responsible.

On 25 April Elizabeth rang the Office of Fair Trading and was told it was the responsibility of the real estate agent. She spoke again to both Frank Caterina and John Caputo. Their line, basically, was that they had fulfilled their responsibility. The sisters telephoned Mr Daniel Francis, the investigator at St George Bank, who also said it was a matter for the real estate agent, not the bank. On 27 April Elizabeth sent all documents to the specialist support unit at the Office of Fair Trading. She told me that both she and her sister have yet to receive any written acknowledgment or letters from the Office of Fair Trading, although they have spoken to them several times and have been told that the office has the documents on file. I will follow this matter up with the Minister for Fair Trading. The sisters have sent letters also to the Banking Ombudsman, who said that little could be done—if St George Bank has not been negligent, the bank is in the clear. However, I submit that the matter should be between the bank and the real estate agent and that the sisters should receive their money. Indeed, Elizabeth stated:

It is disturbing that our money has been stolen and we do not seem to have any rights even as victims of crime and that there are not any Government departments that can assist us.

Elizabeth was told by the police that the letter with the cheque was actually posted on 13 April, the very day she went to the office and spoke to Mr Caterina and gave him the keys, at which time he told her that the cheques would be sent by registered mail. There are two issues involved here. The first is how were two young women able to go to the same branch of St George Bank with 100 points of identification in such a short time. Some time between 13 April and 20 April they were able to get those documents, open accounts and withdraw funds. The second issue relates to the sending of cheques from trust accounts and the law that governs such practices. I believe this matter has both civil and police ramifications. I will pursue this matter actively on behalf of the sisters because they have suffered an outrageous injustice.

TRIBUTE TO MR JOE AND MRS PEARL TRINDALL

Mr PETER DRAPER (Tamworth) [6.06 p.m.]: I highlight the contribution to Aboriginal communities in north-west New South Wales of Kamilaroi elders Joe and Pearl Trindall. Known as Uncle Joe and Auntie Pearl, the Trindall's efforts to advance Aboriginal affairs were articulated to me by their daughter, Amy Creighton, but the people of my electorate are familiar with their story, given the couple's active profile. Known and respected by Aboriginal and non-Aboriginal people, the Trindalls are ambassadors for their people at every level. The couple has led an active public life as they are frequently called upon to speak at functions on behalf of their community. Mixing with politicians and government officials at all levels and advocating their culture has enabled the Trindalls to achieve much for indigenous Australians, especially the disadvantaged.

I visited the Tamworth Correctional Centre last year with the New South Wales Minister for Justice and the Trindalls were in the visiting room offering support and cultural guidance, regardless of family ties, to

Aboriginal inmates. They are also often found playing a similar role at the Tamworth courthouse. Joe and Pearl are highly respected elders of the Kamilaroi people. In August Joe will be 80 and Pearl will be 78. They will celebrate their sixtieth wedding anniversary in July next year. The couple has lived through government policies and practices that have shaped Australia. They do not need to read the history books on racism and discrimination because they have lived it. Their life together began almost 60 years ago in Narrabri's Church of England church. After the wedding they left on a horse and sulky and set up home on a farm where Joe was employed.

Eventually they took to the road, droving stock and spending many years travelling the country before settling permanently in Narrabri in about 1965, where their struggle for equality and Aboriginal rights became a way of life. In 1975 the couple moved to Attunga near Tamworth, where they again established themselves as pro-active community members. Both Joe and Pearl are, by nature, strong personalities—they are not afraid to voice their opinion. In their early years they were active in the Aboriginal progressive movement. They have been instrumental in establishing numerous Aboriginal services in Tamworth, being long-time members of health advisory committees, aged care and rehabilitation committees, the Aboriginal Medical Service, the Tamworth Reconciliation Group, founding members of the Kamilaroi Aboriginal Corporation and the Tamworth Aboriginal Education Consultative Group. Both of them are justices of the peace. Their involvement and membership of other committees are too numerous to mention, except to say that if there is a meeting relating to Aboriginal issues they will be there.

At an international level, Joe recently travelled to Albuquerque to highlight Aboriginal issues. Back home they still organise football knockouts, family days and country music talent quests. Despite their advancing years, they are often seen working behind the scenes with a tea towel or broom in their hands. In the early 1980s government policy saw Tamworth become a resettlement town for Aboriginal people across the north-west. The Trindalls saw a need for a community-based Aboriginal organisation to provide support and advocacy for such families, and they established the Kamilaroi Aboriginal Corporation. Joe and Pearl were often seen driving people to appointments, supporting grieving families and providing a much-needed cup of tea and chat. The time and effort required to establish a service and acquire funding in those times required enormous commitment.

Joe and Pearl may have had limited formal education but this is outweighed by extensive cultural knowledge and a commonsense approach. They believe strongly in the education of Aboriginal children and worked tirelessly for many years to establish the Birreelee Child Care Service in Tamworth in 1980. I attended the flag raising ceremony at Peel High School, which the Trindalls also attended. The young children from Birreelee sang numerous songs in front of the appreciative audience. Initially, the Trindalls covered expenses, they picked up children and operated out of private homes. They were given the use of church facilities for a few years while they worked to secure funding. The current building was opened in 1988, and has seen countless numbers of Aboriginal children pass through its doors. Pearl was the centre's co-ordinator for many years before unofficially retiring.

Joe was instrumental in establishing the Kamilaroi Aboriginal Legal Service in Tamworth, for which he received an acknowledgement at the inaugural New South Wales Justice awards at Parliament House. Their most recent achievement was to secure funding and establish an Aboriginal medical centre in Tamworth. Joe and Pearl had seven children and they are the elders of a very large extended family. They have spent a lifetime fighting for Aboriginal rights and for acceptance and understanding of Aboriginal culture. I have commended the Trindalls to the Minister for Aboriginal Affairs as worthy of official recognition. I note the presence of the Minister for Juvenile Justice, who has a clear understanding of the mentoring role that people who are as highly respected as the Trindalls can play in keeping young Aboriginal people on the straight and narrow. I hope that she will join me in highly recommending the Trindalls for recognition by the Government.

Private members' statements noted.

SPECIAL ADJOURNMENT

Motion by Mr Carl Scully agreed to:

That the House at its rising this day do adjourn until Thursday 23 June 2005 at 10.00 a.m.

BUSINESS OF THE HOUSE

Routine of Business: Suspension of Standing and Sessional Orders

Mr CARL SCULLY (Smithfield—Minister for Police) [6.12 p.m.]: I move:

That standing and sessional orders be suspended to permit:

- (1) from 7.30 p.m., after the Order of the Day for the take-note debate on the budget estimates being called on, no divisions or quorums being called for the remainder of this sitting;
- (2) at 10.30 p.m. the take-note debate to be interrupted and set down as an order of the day for tomorrow; and
- (3) upon the interruption, adjournment or completion of the take-note debate, the automatic adjournment of the House without motion being moved.

It is intended that the House will resume at 7.30 p.m. It is envisaged that there will be no quorums and divisions, that honourable members make their contributions to the budget debate, and that the House adjourn at 10.30 p.m. or at an earlier time if there are no more contributions. The House may adjourn at 9.00 p.m. or 9.30 p.m. The House will deal with private members' business tomorrow. Honourable members who wish to contribute to the budget debate may do so but it is not intended that the House will sit late tonight.

Motion agreed to.

LEGAL PROFESSION AMENDMENT BILL

Message received from the legislative Council returning the bill without amendment.

TRANSPORT LEGISLATION AMENDMENT (WATERFALL RAIL INQUIRY RECOMMENDATIONS) BILL

Message received from the Legislative Council returning the bill with amendments.

Consideration of amendments deferred.

[Madam Acting-Speaker (Ms Marie Andrews) left the chair at 6.15 p.m. The House resumed at 7.30 p.m.]

LOCAL GOVERNMENT AND VALUATION OF LAND AMENDMENT (WATER RIGHTS) BILL

Message received from the Legislative Council returning the bill without amendment.

BUDGET ESTIMATES AND RELATED PAPERS

Financial Year 2005-06

Debate resumed from an earlier hour.

Mr JEFF HUNTER (Lake Macquarie) [7.30 p.m.]: It gives me great pleasure to speak in support of the Carr Labor Government's eleventh budget, which was handed down in May by the new Treasurer, Dr Andrew Refshauge. Of course, it was his first budget—and quite a good budget it was. An important feature of the budget for the Lake Macquarie electorate was the allocation of some \$14 million to continue the duplication of the Five Islands Road, which is Main Road 217. The Five Islands section of the road runs between the Booragul and the Speers Point roundabouts. This project is estimated to cost \$41 million. Construction work got under way on the project earlier this year. It initially involved clearing the site, installing safety fences and site screening, and relocating the cycleway to the road shoulder. Anyone who drives through this section will see that environmental measures have been put in place, such as siltation and sedimentation control. The widening of the road embankment started in February.

In line with commitments made during the project's environmental impact statement process, creation of a new wetland habitat is also under way. In March this year workers began driving timber and concrete piles through the soft soils on the island to enable an additional two traffic lanes to be constructed. In early April piling for the two new bridges also commenced. It is good to see \$14 million allocated for the coming financial

year to continue this construction work. It is a complicated and complex piece of road construction. As mentioned earlier, it is going through an environmentally sensitive wetland habitat, with new wetlands to be created to compensate for any lost.

About two weeks ago I inspected the road and was very pleased with its progress but I point out to the residents of Lake Macquarie, the motorists using the road, that for safety of motorists and construction workers there is a 60-kilometre speed limit in place in the area. At times a 40-kilometre per hour speed limit may be put in place outside of peak hours. This is to ensure the safety of construction workers. I call on all people using the road to take extreme caution when travelling through this section. With these changes, delays will occur but I am sure everyone realises that once this \$41 million road upgrade is completed it will improve safety for all road users, including cyclists and pedestrians who will have a brand-new cycleway and an underpass under the new bridges. It is a very good project and I thank the Treasurer for allocating \$14 million to continue it.

Also allocated in the budget was some \$3.5 million to maintain and improve the electricity network in the Lake Macquarie electorate. This includes \$2 million to design and start construction on a new electricity substation at Argenton, which will supply around 30,000 customers in more than 20 suburbs around the northern areas of Lake Macquarie and the western part of Newcastle. I believe that substation is estimated to cost around \$45 million. Also, \$1.5 million has been allocated to start work on a new electricity substation at Morisset in the southern part of the Lake Macquarie electorate, and this will supply about 5,000 customers in the south Lake Macquarie area.

The Lake Macquarie State Emergency Service will also benefit from the budget, with funds allocated towards the cost of a new emergency response vehicle. I thank the Minister for Emergency Services, the Hon. Tony Kelly, for this allocation. I point out to the House that over the past few years millions of dollars have been spent building new fire stations in the Lake Macquarie electorate. A few years ago at Toronto a new \$1.2 million fire station was built, with the appointment of permanent firefighters, the first for the western side of the city of Lake Macquarie. Also, during the past 12 months over \$1 million was spent building a new fire station at Wangi. I was pleased to join the Minister in early April to officially open that new facility. At the end of April we had the official opening of the Teralba fire station, costing just over \$1 million. I was very pleased to represent the Minister on that occasion. A lot of money has been spent over the past few years upgrading fire brigade stations in the electorate.

Some \$1.5 million was allocated in a previous budget to build a new fire station at West Wallsend. Work is under way preparing the development application to go before council very soon. We expect to see construction starting before the end of the year, and hopefully early next year that new \$1.5 million fire station will be open. Certainly in the past few years emergency services in the Lake Macquarie electorate have benefited very much from the millions of dollars that have been poured into the area by the State Government.

Also in this year's budget some \$853,000 was allocated for the acquisition of a group home to provide supported accommodation for people with a disability in the Lake Macquarie electorate. I appreciate that but I point out to the Government that more funding is needed in this area. Right across the State, but particularly in Lake Macquarie and on the western side of the lake, there is a need for short-term respite care for people with a disability. While I acknowledge this \$853,000 for a group home—permanent accommodation—we need funding for respite care. I call on the Government to look closely at that.

Other highlights of the budget include in excess of \$28 million going into rail and transport. The sum of \$516,300 has been allocated for community transport in the Lake Macquarie electorate. In excess of \$27 million is going to main railway line maintenance. Many kilometres of the main Newcastle to Sydney rail line run through the Lake Macquarie electorate and many millions of dollars are going in there for maintenance. A lot of work has been happening in the Lake Macquarie electorate. A lot of phone calls have been made to my office expressing concern about buses temporarily replacing trains, but I point out to commuters in the Lake Macquarie electorate that it is important that we spend this money on maintaining the tracks.

In my electorate old wooden sleepers are being replaced with concrete sleepers. It is all about maintaining the safety and reliability of the rail network. I appreciate the many millions of dollars that are being spent in the Lake Macquarie electorate over the coming 12 months. In the Roads budget \$21.79 million has been allocated to the area. I previously mentioned the \$14 million allocation for the Five Islands Road upgrade. There is also funding for infrastructure maintenance of \$5.4 million and road safety works in excess of \$350,000 which will occur in the electorate over the next 12 months. The Department of Housing has allocated in excess of \$1.6 million for work in the Lake Macquarie electorate. I am pleased to see in the budget papers that

\$720,000 of that money has been allocated towards the acquisition of eight new Department of Housing homes in the Lake Macquarie electorate. Hunter Water is spending close to \$9 million in the Lake Macquarie electorate over the next 12 months. Under new works there is funding for planning for the upgrades of the Barnsley waste water pumping station, the Dora Creek waste water system and the Edgeworth to Cardiff waste water system.

Under works in progress additional money of approximately \$1.2 million to \$1.3 million has been allocated to Dora Creek waste water treatment works to continue other upgrade work, \$240,000 to Toronto No. 1 rising main rehabilitation works, and \$5.5 million for the Warners Bay to Valentine waste water system amplification. They are all very important and much-needed works that will be undertaken in and around Lake Macquarie, which is an environmentally sensitive part of the Lower Hunter region. I congratulate the Government and pay tribute to Hunter Water for its good work in investing in infrastructure in the Lake Macquarie electorate.

In the area of Health, Lake Macquarie residents who access either the Hunter New England Area Health Service or Central Coast health services will benefit from this year's \$10.9 billion New South Wales Health budget. Funds have been allocated for 50 additional permanent beds at John Hunter Hospital, Royal Newcastle Hospital, Belmont Hospital, Mater Hospital and Wyong Hospital as part of the Government's \$227 million hospital bed plan. That is on top of 48 extra beds and critical care resources that were announced for the Hunter region on 1 May. I note that funding in the budget papers for new and ongoing capital works includes \$7.2 million for the ongoing upgrade of Belmont Hospital, \$37.6 million for the construction of a new bone joint and ambulatory care centre and intensive-care infrastructure at John Hunter Hospital, \$13.5 million for the redevelopment of the Mater Hospital, \$15.3 million for the ongoing Wyong Hospital redevelopment, \$1.5 million to commence construction of a new 20-bed non-acute mental health unit and \$2 million to start construction of a second access to John Hunter hospital.

The Lake Macquarie electorate is located at the southernmost point of the Hunter region. People who live in the southern part of the electorate access services at Wyong and Gosford hospitals on the Central Coast and people from the western and northern areas of my electorate access Hunter Area Health Service facilities. We are very much appreciative of the money that is being put into the health system not only in the Hunter but also on the Central Coast. Overall, millions of dollars have been allocated to be spent over the next 12 months on important infrastructure projects for Lake Macquarie. Our area has won an important share of the State's infrastructure planning. This year over \$1 billion will be spent across the State on infrastructure. Many of the projects I outlined in the Lake Macquarie electorate will create jobs and help sustain jobs. They are vital investments in the future for the people of our local area.

In the budget papers the Government indicated it will fund infrastructure projects worth a record \$34.7 billion over the next four years from 2005-06. That is an increase of \$8.1 billion, or more than 30 per cent on the \$26.7 billion spent in the previous four years. The Government is investing today and building for tomorrow and I congratulate the Treasurer on that initiative. Not long after handing down the budget the Treasurer visited the Hunter region to address members of the business community. He said that over the next four years the State Government will spend \$1 million an hour building infrastructure across the State in the areas of schools, hospitals, roads, transport, electricity and water. I know that the people of Lake Macquarie are most appreciative of the many millions of dollars that are coming into our local electorate. I have highlighted in the budget those areas where money will flow into Lake Macquarie. It may be of interest to the House if I refer to what the Treasurer said in his Budget Speech about the financial position of the State. At page 21 of the Budget Speech he said:

Mr Speaker,

The Budget result for 2005-06 will be an operating surplus of \$303 million.

It will be the eleventh Budget operating surplus for the Carr Government.

The operating result over the next four years is expected to contribute more than \$2 billion to the State's net worth.

In 1995, the State's net worth amounted to \$70 billion.

It now stands at \$125 billion—the highest of any government in Australia, Commonwealth or State.

As a result of a budgeted catch deficit in 2005-06, underlying general government net debt will rise moderately by around \$490 million during the coming year, but should decline after 2007.

That debt—which stood at 7.4 per cent of Gross State Product in 1995—now stands at 1.1 per cent.

The net financial liabilities of the general government sector—which stood at a massive 20.1 percent of GSP under the Liberals—have now been reduced to 8.3 percent and should further reduced to around 7.6 percent by 2009 as we provide for superannuation payouts.

This means, Mr Speaker, that New South Wales has one of the strongest balance sheets and overall financial positions of any government in Australia—State or Federal—with the notable exception of Queensland.

And Queensland has a better balance sheet only because of the massive subsidies it has received over many decades from New South Wales.

The Treasurer pointed out earlier in his speech that New South Wales has contributed by way of GST some \$13 billion since its inception and has received only \$10 billion back. We are missing out on \$3 billion, which could be spent on vital infrastructure works in the State. It was with interest that I also read the budget summary paper that was distributed to members following the Treasurer's delivery of the budget. At page 6 under the heading "Tax" it stated:

The 2005-06 Budget reinstates a land tax free threshold of \$330,000. This decision is in response to public concerns about the abolition of the threshold and the impact this has had on small landowners. Reintroduction of the threshold will free around 350,000 landowners from land tax, and reduce the tax for around another 50,000. The threshold will be indexed annually.

The 2005-06 Budget also contains measures to raise additional revenue for government services:

- from 1 September 2005, the general insurance stamp duty rate on certain insurance policies will be increased from 5 percent to 9 percent;

While some people will not like an increase in stamp duty, the majority of people in my electorate who raised concerns with me about the abolition of the land tax free threshold will be pleased to see its reintroduction in this year's budget. I thank those people who made contact with my office. I indicated from day one that I was opposed to the changes introduced last year. I am pleased to say that the Government listened to the concerns expressed by members of the community and by members of Parliament and has reversed that decision and reintroduced a threshold for land tax. It was a good decision and proves that the Government is prepared to listen to the community and make the appropriate adjustment to policy. Overall, the State budget for the Lake Macquarie electorate has been very positive. I appreciate the allocation of funding for road improvements and for improvements in electricity and water infrastructure.

In the limited time left I want to refer to some projects that did not receive funding in the last budget. The first was the lack of funding for a new railway station for Glendale. I raised this issue with the Minister for Transport and he has indicated to me that the Government is committed to building a new railway station, and that the region's public transport plan that is currently being developed will include outstanding transport projects such as the Glendale railway station. Once the Minister has that plan finalised, he will be in a position to consider funding a package of transport improvements. That means that Hunter issues can be pitched for funding with the priority they deserve as a package and not be forced to compete against statewide transport priorities. Another area that did not feature in the budget was additional funding to continue the clean-up of Lake Macquarie. [*Extension of time agreed to.*]

The allocation of funding for the clean-up of Lake Macquarie is an issue that I and the other local members of Parliament have been quite vocal about. Around \$18 million has been spent over the past six years on a restoration and rehabilitation project for Lake Macquarie. The State Government has allocated in excess of \$10 million towards that project and there is still a few months funding to enable that project to continue, but I take this opportunity to call on the Government to give a commitment to continue that project for a further three years. There are very important works that need to be undertaken and another three years' funding would allow for completion of those vital environmental improvement works and ensure the future health of Lake Macquarie. Overall, however, it is a good budget for the Lake Macquarie electorate and I thank the Treasurer for the allocation of funds.

Mr STEVEN PRINGLE (Hawkesbury) [7.52 p.m.]: For many years we have lived in a State that is fraught with serious problems with infrastructure, schools, hospitals and, of course, the management of crime. The Carr Government is great on rhetoric but lousy on doing anything to fix the problems that are staring us all in the face. After 11 budgets the Carr Government has again missed the opportunity to put real fixes in place in this State. The Carr Government's budget for 2005-06 is a budget of missed opportunities. It has missed the opportunity to provide heating and airconditioning in trains from Richmond to the City so that my constituents can travel to work in trains that are heated in winter and airconditioned in summer.

The budget has missed the opportunity to provide money to connect the sewer to Agnes Banks, Freeman's Reach, Glossodia, Galston, Glenorie, and Wilberforce so that my constituents do not have to pay high

costs for sullage removal and, perhaps even more important, so that we can make a real difference to improving the water quality of the Hawkesbury-Nepean river system. The budget has missed the opportunity to address the water crisis so that farmers and fishermen, and the 51,000 people from the Hawkesbury local government area who drink treated water from the Hawkesbury River, can be assured of a water supply that is clean and reliable. It has missed the opportunity to let the people of New South Wales know when they will be able to have their knee replacement operations lengthy delays so that they will be able to walk again without the serious restrictions they presently face. The budget has missed the opportunity to let pregnant women know which hospital will accept them if their baby should decide to come early and, if the truth be known, the budget has missed the opportunity to let the people of New South Wales just get on with their lives.

Let us look at some of the achievements of this Government. Last year only 71.6 per cent of trains ran on time. On the Richmond line, unfortunately, the figure is much worse than that. In fact only 40 per cent of trains run on time, based on the times recorded by the dozens of local travellers on this particular line of who keep logs for the information of my office. Last November the Premier said: "I think the rail service is bloody atrocious." Yes, the language is unparliamentary but it is absolutely correct. And what has he done? At the time of every budget the Carr Government flaunts what it claims it will do. It produces plan after plan—whether it be water plan 2025 or public transport plan 2010—re-announcement after re-announcement and continues to stun the voters with its total inability to achieve any positive results. This budget has missed the opportunity to fix the railways. It is pointless to announce funding to buy new trains if the trains we already have cannot run on time and when the construction of the new vehicles will take so long. Replacing the Minister, changing timetables and all the other excuses that come with this particular area of government are just cover-ups.

From 1995 to 2004 the cost of living rose by 27.4 per cent while rail and bus fares have risen by over 50 per cent, with some weekly train tickets rising by 140 per cent. Commuters are now paying for the failure of the Carr Government to manage the railways. Under Labor the patronage of CountryLink services—and a number of my constituents formerly used CountryLink—has dropped by 21 per cent to under 2 million passenger journeys per annum. That is an absolute disgrace for the once-mighty New South Wales railways. The fact is that 500,000 passengers have become so disillusioned with CountryLink that they no longer use the service.

While I fully support the north-west rail line and have been calling for its construction, it is no use talking about constructing a rail line from Rouse Hill in the north-west to the south-west if commuters who use the system are losing faith. They have also lost faith in the most recent plans, under which planning for this line will start in 2008, construction will commence in 2011, the line will be completed to the Rouse Hill area by 2017 and to Richmond by 2020. No-one believes that timetable; no-one believes it will take place. This budget has lost the opportunity to address many of the fundamental problems besetting the rail network.

In 1995, 44,707 people were on public hospital waiting lists. In December last year there were 64,801 on those very same waiting lists, an increase of 45 per cent. At the same time the number of hospital beds fell from 24,149 to 19,370, a drop of 20 per cent. You do not have to be Einstein to see the link between these numbers. The Government's response to the problem was to provide funding for 800 more hospital beds. One might say that is a good thing, but the State Government has trumped up this announcement as the creation of new hospital beds when in reality it is only replacing 16 per cent of beds it has taken from the hospitals since it came to office in 1995. That is a reminder of yet another broken promise that the Premier and his health spokesman at the time made to the people of New South Wales. That was a promise to resign if the waiting lists in hospitals were not halved within 12 months of the Government being elected to office.

A decade has passed and not only has the Premier failed to deliver on his promise and to keep his word about resigning, which he failed to do, but the other half of the equation, the then health spokesman—none other than Dr Refshauge, the honourable member for Marrickville—has after a decade of failure been promoted to Treasurer. As Treasurer he continues to ruin this State. Let us have a look at the statistics that clearly show the failure of the Carr-Refshauge Government's approach to the management of New South Wales. The people of New South Wales are voting with their wallets. Since 1994-05 admissions to public hospitals have increased by a paltry 7 per cent, while admissions to private hospitals have increased by a massive 50 per cent. The Government who promised no new taxes has introduced five new taxes and increased other taxes some 20 times.

This budget maintains the hated vendor duty, a tax that even the honourable member of Blacktown has strongly condemned; he condemned it yet again today in this debate. At the same time the Carr Government has received a windfall from GST receipts as well as a healthy flow of revenue from stamp duty on property sales.

Despite that, the GST revenue shows that the New South Wales economy is the slowest-growing economy in mainland Australia. This is a direct consequence of increasing taxes and the Government's overall poor economic management.

During the Government's occupation of the Treasury benches the cost of payroll tax for an average business of 20 people has increased from \$11,314 to a massive \$29,158, or an increase of more than 100 per cent, outstripping inflation by more than 400 per cent. It is no wonder so many businesses are fleeing New South Wales and heading north of the border. The flood of revenue to the State's coffers provided the circumstances and opportunity for the Government to enact real tax reform. But what has the Carr-Refshauge team done? It has spent, spent, and spent some more. And when the coffers are empty, the Premier and the Treasurer blame the Federal Government for not giving them more money to waste.

Over the past decade the Carr Government has overspent its budgets by \$8.5 billion. Again the Carr Government has squandered the ideal opportunity to reform the State's finances and tax system. Time does not permit me to list all the lost opportunities of the Government. It is clear from even a casual review of the Carr Government's fiscal record that it is not interested in reform, rebuilding the State's infrastructure, maintaining the standards of our hospitals or providing the best education for our children. Indeed, the Government is to be condemned for its failure to adequately maintain our schools and for the \$115 million maintenance backlog.

The Carr Government lacks prudent fiscal management and is bereft of any initiative. This budget typifies the Government's decadence and can only be described as a budget of lost opportunities. Recently at a local shopping centre one of my constituents made a comment to me that epitomises what many people are thinking: We are giving more and more of our hard-earned money to the Carr Government but there is nothing to show for it. As I said, the budget is a budget of lost opportunities. It does not adequately provide for the people of New South Wales, and, unfortunately, it will cause New South Wales to lose its pre-eminent position as a premier State.

Mr JOHN MILLS (Wallsend) [8.02 p.m.]: The first State budget delivered by the Treasurer, Dr Andrew Refshauge, late in May has been well received both in the Hunter region and around the State. New South Wales Labor is securing the future of our health services, education, roads, public transport, ports, power and water. An important political decision was made to remove land tax from investment properties and holiday homes with a land value of less than \$330,000 as from 1 January 2006. A year ago widespread community concern had resulted from the former Treasurer's extension of land tax to all investment properties. For reasons of fairness, the Government has responded to those concerns by restoring the threshold below which value properties do not attract land tax. About 350,000 people will no longer be required to pay land tax next year. The decision shows that Labor listens to the people of New South Wales.

More good news announced in the budget, in a general sense, is that after 10 years of using State Government budget surpluses to retire debt, the levels of State Government debt and State liabilities are now at historic lows, maintaining our triple-A credit rating. Now the Government will increase government sector debt by \$1 billion, to assist funding our huge public infrastructure investment of \$34.7 billion over the next four years, a significant increase on the \$26.6 billion spent over the past four years. The rate of spending is nearly double what it was in real terms in the mid-1990s. Indeed, the Carr Government will spend \$1 million on public infrastructure every hour for the next four years.

The Government will continue to help first home buyers with the most generous stamp duty concessions of any government in Australia. Over the past 14 months we have helped more than 41,000 first home buyers into the market. Vendor duty will remain in place to help fund the first home buyers plan. Of all the difficulties faced in framing this budget, the worst is the shabby funding deal New South Wales received from the Commonwealth. New South Wales has become the target of an unprecedented campaign of discrimination by the Howard Government. We contribute \$13 billion to total GST revenues and receive only \$10 billion back. New South Wales taxpayers and families have been short-changed by \$3 billion. To make matters worse, the Howard Government has unilaterally terminated the existing national competition policy payments to the States, with New South Wales set to lose \$270 million per year from next year.

The Treasurer advised that \$967 million will be spent on infrastructure in the Hunter region, which is more than 10 per cent of the \$8.7 billion allocated for total State infrastructure spending in the next financial year. I have already referred to public infrastructure investment of \$34.7 billion over the next four years, which is in stark contrast to Victoria's \$10 billion public infrastructure investment over the same period. Obviously we are spending well for the future. People ask me where the money from the budget surpluses has gone. The

Coalition continues to pose that rhetorical question. When the Carr Labor Government came to office in 1995 the debt was 7.5 per cent of gross State product. In 2005 the debt is down to 1.4 per cent of gross State product. That is where the money has gone. In 1995 unfunded State liabilities were 20 per cent of gross State product, and in 2005 they are down to 8 per cent of gross State product. No wonder New South Wales retains its triple-A rating.

I received a letter from Ken Morrison, the Executive Director of the Property Council of Australia, providing a copy of a report examining New South Wales taxpayer attitudes towards the use of public debt to fund public infrastructure. Mr Morrison advised that the Property Council is a vocal advocate of increased investment in public infrastructure and that it is keen to see governments across Australia invest more to recapitalise our cities and urban regions. Mr Morrison also advised that research by the Allen Consulting Group identified public debt as the most economically efficient way to fund public infrastructure. The research revealed that using debt to fund \$5 billion of public infrastructure would not jeopardise New South Wales's triple-A credit rating. The research found that an overwhelming majority of people, or 70 per cent, believe that the State's infrastructure is in bad shape. It also found that 72 per cent of respondents support the use of public debt to fund improvements to schools, water, hospitals, roads, trains, power and sewerage. Close to 80 per cent of respondents support the use of debt in preference to other funding options. On 25 May the *Newcastle Herald* published an article under the headline "Borrower Bob". Beside a cartoon of Dr Refshauge and the Premier, the article read:

Bob the borrower. That could be Premier Bob Carr's new nickname after his Government's decision to borrow \$3.5 billion to boost spending on the state's infrastructure.

Earlier I referred to the shabby deal we get from the Federal Government regarding Commonwealth taxes being returned to New South Wales using an archaic formula. On Wednesday 8 June the *Daily Telegraph* published an article under the headline "Our money dished out to Queensland". It read:

NSW taxpayers have contributed almost \$600 million of their own money to a record \$2.7 billion budget surplus—for Queensland.

And by 2007, this figure will grow to an amount that will see every NSW taxpayer handing over \$100 to Queensland.

This has allowed Queensland motorists to enjoy an extra \$30 million fuel subsidy this year and guaranteed cheaper petrol for the next five years.

It will also see Queenslanders have their tax bills ... cut by \$5 billion over the next seven years ...

Queensland Treasurer Terry Mackenroth himself admitted that his "unbelievable result" was due to larger than expected GST payments.

"It is a triple treat for taxpayers," he said.

Congratulations to them! I believe most people in New South Wales, and certainly business in New South Wales, agree that we need to do something about it. Earlier this year there was a dispute between New South Wales and the Commonwealth over the national agreement signed before the introduction of the GST in 2000. In that agreement the taxes that were going to be abolished by the States in return for the GST revenue were spelt out: bed tax, financial institutions duty, stamp duty on shares and debits tax. The States also agreed to review a range of transaction taxes levied on businesses. The total value of those taxes in the coming year for New South Wales is \$1.4 billion. The Treasurer said:

NSW is happy to review these taxes—but we simply can't afford to abolish them.

The Treasurer also said:

If NSW received our fair share of the GST revenue we could abolish land tax and vendor duty and still have more to invest in health, education and infrastructure ...

When Peter Costello agrees to give New South Wales its fair share of GST, then we can start talking about abolishing business taxes.

I want to quote briefly from the Federal budget papers for 2004-05, which were prepared by Peter Costello, Treasurer of the Commonwealth. At page 11 of budget paper No. 3 the Federal Government gave clear directions to New South Wales on what we ought to be doing about arranging our finances. I quote from Peter Costello's paper:

New South Wales and Victoria receive less than equal per capita shares under the horizontal fiscal equalisation arrangements because the Grants Commission assessed their fiscal capacities to be relatively strong. For example, the GC assessed that New South Wales has a relatively stronger capacity to raise revenue from land tax and stamp duty on property transfers and payroll tax.

What did the New South Wales Government do in the mini-budget last year? It increased taxes and raised more revenue, just as the Commonwealth had directed, from land tax and stamp duty on property transfers. Peter Costello went on to say:

The remaining States receive more than an equal per capita share of funding because the Grants Commission assessed their revenue capacities to be lower and their cost of service delivery to be higher.

The *Sydney Morning Herald* of 12 March told us that New South Wales gets 86.8¢ per dollar back from GST, Victoria gets 87.5¢, Queensland gets \$1.04 and the Northern Territory gets \$4.26. Put another way, in terms of GST dollars per person in 2004-05 Queensland gets 28 per cent more per capita than New South Wales, Western Australia gets 24 per cent more per capita than New South Wales, South Australia gets 46 per cent more per capita than New South Wales, and Tasmania gets 103 per cent more per capita than New South Wales. We badly need a fair deal. The vendor tax has been an issue since the budget. The Opposition in this Parliament has made a big issue of the tax. I noticed a report by Alex Mitchell in the *Sun Herald* of 29 May which said:

Vendor tax joy for nursing home elderly

Elderly people in nursing homes will be exempted from the hated vendor tax if they sell their former residences. NSW Treasurer Andrew Refshauge decided to grant the concession less than a week after his first budget.

That will backdate the amendment to 1 June 2004. I have serious concerns—

Mr Thomas George: So do I.

Mr JOHN MILLS: If the honourable member for Lismore has serious concerns he should pick up the telephone. He knows that technique works. I am concerned about Federal blackmail regarding a number of issues where the Commonwealth and the States share funding. The latest examples of blackmail relate to attempts by the Commonwealth to impose its flagged, but as yet formally unannounced, industrial relations changes. The Federal Government wants to replace all collective bargaining in industrial relations with individual Australian workplace agreements [AWAs]. The element of blackmail is that the Federal Government is trying to link funding for education, roads and so on to these AWAs that it wants to introduce. Unfortunately, the Federal Government has all the clout in our Federation, the States do not.

There is a big challenge for the States. We have a centralist Federal Government controlled by John Howard. It is not funding all of various projects, for example, road projects. Mr Deputy Speaker would know that although the extension of the F3 from Blackhill to Branxton in his area is a national highway and is supposed to be funded wholly by the Commonwealth Government, according to the Federal Minister for Transport and Regional Services only between two-thirds and three-quarters of it will be funded by the Federal Government. Although the interim national highway, the Weakleys Drive interchange with Maitland Road at Beresfield is the Federal Government's responsibility, the Federal Government is talking now about only funding between two-thirds and three-quarters of that project.

In addition, the Federal Government allowed the Liberal member for Paterson to give a commitment to fund half of the upgrade to the Knights Stadium in Newcastle, but the Federal Government is not honouring that commitment. The State stepped up with \$32 million and the eastern stand is now in use. The Federal Government was going to fund the other half but it does not want to know about it anymore. The Federal takeover in industrial relations is a big threat. Universities are being threatened with a reduction in funding. Earlier this year it was stated that if the States did not change the University Act to remove State members of Parliament from university councils, universities would suffer funding cuts.

Another issue where there is emerging difficulty, which is partly related to Federal industrial relations, is in relation to skills. There has been a lot of community, media and political discussion about that this year. It is said that the country is short of skilled workers. The Liberal Party announced that its solution was to import 20,000 more skilled workers from overseas. I believe that is a very shortsighted solution. It avoids tackling the core problem, which is largely related to a lack of security of employment. We train or import a cohort of skilled people, but every three, five or seven years either the firm goes broke or the work runs out, often because some bright spark discovers that we can import the product more cheaply—perhaps only 5 per cent cheaper—from China or the United States of America. So a few years later when we need to manufacture a product here in

Australia, we call the skilled workers back from whatever jobs they have found in the meantime and train some more. A few years after that those workers get laid off again. How often can we put skilled people on that sort of cycle before they get sick and tired of the treatment?

Take the example of the manufacture of railway carriages and rolling stock in regional New South Wales. Up and down go the employment cycles, skilled workers go into and out of employment, the companies and employers make profits and then they make losses. Highly skilled workers end up settling for more secure jobs in hospitality, serving beer and making pizzas, in sport, keeping greens on golf courses or driving trucks in transport. Then the cry goes out, "We can't find skilled workers", so we take a few years to train more or we quickly import a few overseas skilled workers, and a whole new generation of people enters the debilitating cycle.

Our capitalist system serves us badly as a nation. We toss away our skilled resource of people for a short-term 5 per cent or 10 per cent financial advantage to one bottom-line only. In my view the answer to our skills problems is simple: we need to be loyal to our skilled teams of workers and companies. That loyalty needs to come from both government and private enterprise and it needs to underpin our strategic economic activity. That loyalty says we need to have a serious regard for quality of product. The cheapest tender can turn out to be the most expensive if the product turns out to be a dud. I have a sticker on my car that came from the Australian Manufacturing Workers Union, which says, "Make it here or jobs disappear."

We would not have a skills crisis if we were loyal to our skilled workers already in the work force. The Carr Government is taking steps in this budget to tackle skills shortages. There is funding for new measures to tackle the crisis with more than \$84 million for upgrading and expanding TAFE colleges to provide more training places in the coming year. The money will help provide an additional 1,400 places this financial year, mostly in areas of skills shortage. The money will go towards new facilities in locations across Sydney and regional New South Wales, including in my part of the State: Port Macquarie, Newcastle, Maitland and Tamworth. The Minister for Education and Training has said:

The best way to address the skills shortage is to train more people in areas of need.

We are doing just that. We are training more plumbers, more hairdressers and more mechanics. I referred earlier to the Commonwealth industrial relations blackmail. We now hear about TAFE colleges being required to offer AWAs as a condition of that part of funding that comes from the Federal Government. It seems that for roads, education—anywhere where there is shared responsibility for funding between the State and the Commonwealth—this assertive Commonwealth Government is now trying to impose its industrial relations ideas into areas where it will only end up creating disputes by replacing enterprise agreements with AWAs. The Liberal Party's industrial agenda with respect to the AWA is linked to funding for those areas, and TAFE receives joint funding.

I place on the record some information from the Australian Productivity Commission entitled "Report on Government Services 2005". People in the public education system often ask me what money is spent by the States and the Commonwealth relatively on government and non-government schools. Table 3A.9 of the report indicates that the total New South Wales Government's average recurrent expenditure per student in the 2002-03 financial year was \$10,139 for government schools and \$5,055 for non-government schools, and that the national average recurrent expenditure per student was \$9,605 for government schools and \$4,980 for non-government schools. New South Wales is above the average in both government and non-government schools.

Recurrent expenditure in New South Wales government schools of \$10,139 comprises \$823 per student from the Australian Government and \$9,316 per student from the New South Wales Government. Non-government schools in New South Wales receive \$3,497 per student from the Australian Government and \$1,558 from the New South Wales Government. People who are interested in the relativities can calculate the percentages from the information I have just placed on the record. I congratulate the Carr Labor Government and the Minister for Education and Training on the important programs announced in the budget that honour Labor's commitment at the last election campaign, which includes the \$583 million class size reduction program. Every government school in every electorate is now starting to reap the benefits from that initiative.

An allocation of \$476 million will be made over the next four years to employ an additional 1,500 teachers for New South Wales schools. An amount of \$107 million over four years will be spent on building new classrooms. A further \$538 million over four years will be committed to literacy and numeracy programs. The 2005-06 budget also includes an additional \$53 million over four years to improve education for Aboriginal students. This funding includes individualised learning plans, teacher incentive packages, curriculum revision and extended student assessment and testing.

I make this final point because the Newcastle *Herald* did not mention this allocation in its articles on the budget. I am pleased to inform my constituents that the Health budget contains \$2 million to commence construction on a second access to John Hunter Hospital, which will considerably relieve congestion in the Wallsend electorate. In conclusion, I congratulate the Carr Government on this excellent budget. It is no wonder the people in my region vote Labor when they get such a good deal from the budget.

Ms GLADYS BEREJIKLIAN (Willoughby) [8.22 p.m.]: This budget demonstrates that the Carr Government's economic record has been based on spin and has resulted in lost opportunity. As a result, services in New South Wales are diminishing, infrastructure is crumbling, and the average taxpayer is bearing the brunt of the Government's economic waste and mismanagement. To top it all off, the Treasurer does not know the difference between gross State product [GSP] and goods and services tax [GST]. When the Labor Party came to office in 1995 it stated that there would be no new taxes and no tax increases. Since that time Labor has introduced the insurance protection tax, the owner-occupier land tax, the parking space levy, a fishing tax, additional taxes through amendments to the Duties Act—which were only passed yesterday—and, of course, the dreaded vendor duty.

Land tax on investment properties, registration on motor vehicles and payroll tax have all increased, and the parking levy has been extended. The land tax threshold has been withdrawn and then reinstated. The Government has created an economic mess in New South Wales. After a period of economic growth created by the Federal Government, New South Wales should be in a much better budget position than is currently the case. Residents throughout New South Wales, including those in the Willoughby electorate, have every right to ask where all the money has gone. The Government has received revenues in excess of \$7 billion over and above what it had anticipated and yet the debt position of New South Wales is of great concern. The Government is racking up a debt of \$10 billion over five years while at the same time stripping more dividends from energy and water utilities. This year it is projected that the Government will receive \$1.9 billion—an additional windfall of \$147 million over last year's forecast.

I take this opportunity to speak, in particular, about the Government's neglect in the very important area of mental health. Despite the mental health crisis in New South Wales the Carr Labor Government did not even spend the money allocated in the last budget. The Government announced last year a mental health package of \$241 million over four years and estimated that it would spend \$48.5 million of that funding this financial year. However, the forecast is that now only \$23.9 million will be spent. The Government has been dishonest; it makes grand announcements but fails to deliver. It is mere lip-service; it will not even spend last year's allocation.

The Government's announcement in this budget of an additional \$300 million over four years is, therefore, blown out of the water. If the Labor Government's track record on spending in mental health is anything to go by, this \$300 million will never be spent. Budget Paper No. 3, Volume 1, page 8-8, forecasts that of the \$300 million announced, only \$22 million will be spent next financial year. This is only 7.3 per cent of the figure announced, or a shortfall of more than \$48 million in the first year alone, if we average the amount over four years.

It is estimated that patients seeking mental health services constitute approximately 14 per cent of patients within the New South Wales Health system, yet mental health this year will only receive 7.7 per cent of the total Health budget. Community organisations that provide critical mental health services will be hit hard by this year's budget. Last year community organisations received only 2.4 per cent of the total mental health budget. This year the figure has dropped to 1.9 per cent, meaning that New South Wales provides the worst level of assistance to community organisations in the country.

According to figures from the National Mental Health Report 2004, over the past decade New South Wales has received by far the lowest per capita growth in funding for mental health of all the States and Territories, at just 23 per cent. In the three months that I have had the honour and privilege to serve as the shadow Minister for Mental Health, I have been shocked at the state of services in New South Wales and equally appalled at the Government's complacency with respect to this crisis. Literally hundreds of thousands of people throughout the State suffer on a daily basis because the Government will not give mental health the priority it deserves.

I have been overwhelmed with cases presented by families of patients and hospital staff concerned at the lack of voluntary and scheduled beds for the mentally ill. In New South Wales it is commonplace for mental health patients to be prematurely released following presentation to emergency wards because of lack of beds.

This can be verified by the recently released Auditor-General's report, which found that up to 9 per cent of mental health patients who present to emergency departments leave prior to seeing a doctor. If we then consider the percentage of patients who see a doctor but, because of shortages, are unable to receive adequate treatment or admission, the figure would be much higher.

Only recently a mother told me about the tragic circumstances surrounding her son, who suffers from schizophrenia. Following his release from an emergency ward 10 minutes after he was examined, his condition deteriorated and he now awaits trial for assault. Regrettably in New South Wales we have a cycle of despair with mental health in that access to hospital beds for treatment of mental illness seems to be available for only the most severe cases. Due to demands for beds, it is not unusual for patients to be released prematurely. Following release, unless these patients have access to 24-hour supervision and assistance through family and other carers, they are at high risk of ending up in prison or on the streets.

Community-based services are diminishing and caseworkers already have very heavy workloads. Regrettably, the condition of these patients deteriorates; they may become severely ill, require hospitalisation and the cycle starts again. The problem of declining resources and greater caseloads is compounded by the fact that New South Wales has only 81 full-time equivalent direct care staff employed in specialised mental health services per 100,000 people. That is the worst ratio of all the mainland States. The State Government is not getting either end of the equation right. According to 2005 Productivity Commission figures, New South Wales has 14.3 mental health beds in public hospitals per 100,000 people. That is the worst ratio of any Australian State or Territory bar one.

In country New South Wales it is commonplace for police and hospital staff to transport mental health patients hundreds of kilometres because of a lack of scheduled beds. It is also disturbing that there are insufficient beds for adolescents and children, who are often inappropriately placed in the same wards as adults. Recently, the head of the New South Wales Department of Health admitted to more than 540 reported cases last year of children with mental illness being placed in the same wards as mentally ill adults. That is why the New South Wales Opposition has already made a commitment to provide 60 additional adolescent beds when in government.

Shortly after my appointment as shadow Minister for mental health I was contacted by a nurse at Coffs Harbour hospital who explained the stress the nurses were under because on consecutive nights they had to lock up a 16-year-old adolescent female with five volatile adult males as there were no alternative arrangements available. The nurse commented that in their view the adolescent's treatment was hampered by what she witnessed as a teenager while being in that scheduled ward. The reality is that every day mentally ill patients who present to hospital wards or seek access to community-based facilities, whether in the city or in the country, struggle to obtain these services.

Not only must families and carers cope with the trauma of mental illness and the associated stigma; they must fight their way through the bureaucratic red tape to access the services they desperately need. It is unfortunate that the Minister for Health clearly does not believe in the provision of community-based mental health care. It is of great concern that the State Government is in the process of ripping out many community-based mental health facilities. That action is contrary to the advice of leading clinicians and to the cries of help from families and carers. In the past 12 months the State Government has closed the Glebe Community Mental Health Centre and the Chatswood Community Mental Health Centre, and Bridgeway House in Parramatta and the Cremorne Community Mental Health Centre remain on the chopping block.

For example, when the doors of the Chatswood Community Mental Health Centre in my electorate were slammed shut in November last year I witnessed first-hand the devastating impact the closure had, and continues to have, on sufferers, their families and the dedicated staff. It is not acceptable that the State Government is turning its back on what is regarded as best practice care and reverting to outdated models. It is taking our mental health system in New South Wales back to the dark ages, rather than providing an environment conducive to compassionate treatment and care. Recently I had an opportunity to speak to two mothers who have children with a mental illness and who utilised the services at Chatswood. They both explained that the community-based facility enabled their children to seek treatment and assistance in non-intimidating surroundings without the stress of having to attend a hospital site.

On many occasions I have tried to ascertain what the State Government's rationale is in relation to the closure of these community-based facilities. What is of enormous concern is that following the closure of Chatswood and the threat to Cremorne, I asked the Minister's office to indicate what it regards as best practice

community-based care in New South Wales so that I could observe these facilities. Those nominated facilities actually provide fewer services than the Cremorne clinic. It is a sad indictment on the State Government, but unfortunately a reality, that at this point in time it is putting financial gain ahead of patient care. I say "at this point in time" because we hope that the Minister will reverse the decision to close Chatswood and the threat to close Cremorne. For instance, it is a publicly known fact that the site of the Chatswood mental health clinic is worth in the vicinity of \$12 million and the Cremorne site is worth in the vicinity of \$3 million.

The State Government has remained silent regarding the recommendations outlined in the Sentinel Events Review Committee report looking at suicide and homicide by mental health patients recently discharged from inpatient units. This is notwithstanding the committee's finding that "a substantial number of deaths was preventable". Conclusions that can be drawn from this report are that patients are being released from hospital prematurely, there is insufficient support in the community for services or, as many believe, a tragic combination of both. The committee also concluded that data provided some evidence of a link between reduced access to inpatient care and higher rates of post-discharge suicide death; people dying of suicide within one month of discharge had a shorter length of stay on average; analysis of systemic issues was more difficult because of the committee's lack of access to incident reports, the poor quality of reports and the exclusion of a clear account of events and timeline; and the number of deaths recorded may be underestimated.

Other concerning findings included: clinicians report that emergency access to mental health beds is a constant challenge; difficulty in access includes increases in transfers of people to units distant from their communities where a bed may be available; increased numbers of people waiting for longer periods in emergency departments or receiving their entire inpatient care in an emergency department; and some patients not being admitted, or being discharged prematurely or without comprehensive follow-up, due to pressures on access to available inpatient beds. The proportion of the homeless in New South Wales who suffer a mental illness is truly alarming. A 1998 study, "Down and out in Sydney: Prevalence of mental disorders, disability and health service use among homeless people in Inner Sydney", found that 75 per cent of homeless people have at least one mental disorder.

With a severe lack of community-based mental health facilities in New South Wales, many with a mental illness fall into the vicious cycle of hospitalisation, homelessness and prison. I have met with many charitable and other non-government organisations that work with the homeless, and I have listened to their concerns about the increasing rate of the mentally ill seeking their assistance. I have been advised that clinicians, desperately seeking accommodation for some of their patients, are increasingly turning to homeless shelters. Those running the shelters have advised me that their volunteers are simply not equipped to deal with the volume and severity of mental health cases coming through their doors. The SAAP National Data Collection Agency annual report for 2002-03 showed that 24.7 per cent of requests for specialist psychological services and 24.4 per cent of requests for specialist psychiatric services from homeless people in New South Wales were neither provided nor referred.

The story within New South Wales prisons is similarly staggering. According to a 2003 study, more than 78 per cent of men and 90 per cent of women entering prison have had some form of psychiatric disorder in the 12 months prior to incarceration. Of these, 42 per cent of men and 62 per cent of women had a mental disorder. In addition to these alarming statistics, many parents have approached me to share their stories about their children in solitary confinement or in a forensic hospital awaiting trial who are first and foremost mentally ill. It is their strong view that their children would not be in prison had they had access to adequate mental health services and that they are not receiving adequate treatment while in prison.

The non-government sector in New South Wales does an outstanding job in providing essential community-based mental health facilities, but the State Government does not give them enough support. As I said, last year community organisations received only 2.4 per cent of the total New South Wales mental health budget. This year the figure has dropped to a staggering 1.9 per cent, giving New South Wales the worst level of assistance in the country. In real terms, this is a cut of \$500,000 on last year's figure. For many organisations, even a small increment in funding would increase their capacity to assist more people with a mental illness in the community.

By way of example, Lifeline, which is a non-government organisation that offers a counselling service 24 hours a day, seven days a week at 16 centres across New South Wales, continues to take more than 180,000 calls per year. The State Government refuses to match the New South Wales Opposition's guarantee of \$1.5 million in annual recurrent funding for the Lifeline counselling service. The greatest irony is that Lifeline and other non-government organisations are often referral points for government agencies, which refer thousands of patients to these organisations every year.

The New South Wales Association of Relatives and Friends of the Mentally Ill, which promotes mental health and wellbeing, does an exceptional job in providing support for carers of people with a mental illness. I was shocked to learn that many of the association's offices throughout New South Wales, and the office in the Illawarra in particular, are having their staffing and funding slashed. Again, this is a devastating blow to many carers who rely on these community organisations for support.

I turn now to the portfolio area of cancer and medical research. The "Cancer Incidence and Mortality Report 2003" was released recently. The report indicates that the overall incidence of cancer has continued to rise by 8 per cent for women, and that between 1994 and 2003 the incidence of breast cancer rates rose by 7 per cent. This alarming trend demonstrates that it is not acceptable that tens of thousands of women across New South Wales are being turned away from the BreastScreen program because the State Government is putting economics before women's health. All the evidence points to women who are outside the target age group finding it increasingly difficult to access free scans for breast cancer.

The BreastScreen program was established for all women aged between 40 and 79. The program is now only targeting the so-called target group of women aged between 50 and 69. Restricting access belies the fact that women in their forties account for 80 per cent of all breast cancer cases, while women aged over 70 make up 27 per cent of all breast cancer cases. This year's budget shows that the participation rate for women in the target age group has fallen for the second consecutive year. The participation rate in the BreastScreen program for women aged 50 to 69 was 49 per cent in 2004-05, compared with 53 per cent two years ago. Such a dramatic drop in participation in this important public health program is of grave concern and shows that a greater focus on and priority to the scheme is needed. I now highlight some issues relevant to the electorate of Willoughby. [*Extension of time agreed to.*]

I was very disappointed to learn that stage two funding for Chatswood High School had not been granted, and that stage one funding has blown out and the project faces a delay in completion. Chatswood High School is the only co-educational comprehensive public high school in the electorate. It is a great shame that this Government, which purports to support public education, does not recognise the enormous contribution Chatswood High School makes to the community. I will continue to work closely with the Chatswood High School community in anticipation that in the near future the Government will come to its senses and provide stage two funding for the high school and ensure that stage one is completed in an acceptable time. Similarly, Chatswood primary school has, for a couple of years, made very reasonable and necessary requests for updated facilities, including new classrooms and updated amenities such as a toilet block for the students.

As I have mentioned in this House on a number of occasions, Chatswood is a bustling central business district [CBD]. The railway upgrade is in midstream. The community is looking forward to having an upgraded railway station that provides access for the disabled and the elderly, who currently cannot access the station without great difficulty. However, the price the community is being asked to pay for it is 500 extra residential units in Chatswood, constituting three towers, one of which will exceed 40 storeys in height. With 500 extra units, more families will be moving into the electorate and there will be more pressure for space in local public schools.

In view of the Government's decision on medium- and high-density housing in the middle of the Chatswood CBD, I would have thought it logical that associated infrastructure issues such as public education and the need for upgrades at both Chatswood primary school and Chatswood High School would be top of the list for the Government. However, to date that has not occurred. I reiterate that I will work closely with the school communities to ensure that this much-needed funding is provided to support the additional population that will in due course be moving into the Chatswood CBD.

Earlier this evening I mentioned the impact of the Government's vendor duty on the residents of New South Wales. We all know the impact it has had on the property market and on mum and dad investors, who rely on their ability to dispose of their investment property when they need to. They should not have to stress about having to pay vendor duty and they should not have to worry about anything being imposed on them retrospectively. I was pleased to learn of the comments made by the honourable member for Blacktown in this place earlier today. I am sure his views and sentiments are echoed by many on his side of politics, but many do not have the courage to talk about what a huge impost the vendor duty is on the community. I am talking not only about the economic impost but also about the social impact. The Liberal-Nationals Coalition has stated that it will abolish the vendor duty when it wins government.

I take this opportunity to thank members of the Real Estate Institute of Australia, who are active in my electorate, and approached me about this issue. I thank the Chatswood Chamber of Commerce and its members

for coming to me on this issue. I thank also the many residents who have written to me expressing their concerns. This issue has had a widespread impact on the community and I am proud to say that the Liberal-Nationals Coalition will abolish this tax when in government.

The Willoughby electorate is a wonderful place to live. It is a unique community, but public transport and traffic remain huge issues. Not a week goes by when I do not have streams of constituents write to me or ring me to tell me what an appalling experience they have had on the rail network. Both Artarmon and Chatswood railway stations are in the Willoughby electorate. I often receive emails and letters from constituents who talk about trains passing through platforms, trains being cancelled without information, trains arriving late, and trains arriving filled to capacity. In an era in which we are cognisant of the impact on the environment of extra cars and when we should be encouraging people to catch public transport, it is a sad indictment that this Government cannot manage the rail network.

We learned only today in this House that the Government will not take the necessary decisions to maximise the use of staff in the rail network in addition to spending money allocated to fixing the system. The huge issues my constituents have with the rail system were appropriately highlighted by the *North Shore Times* today and in the past few weeks. The *North Shore Times* established a public transport hotline, which public residents could ring to express their concerns. I have had an opportunity to look at some of those comments, and they confirm what we all know: that the rail system is in an absolute mess. It will be only when the Liberal-Nationals Coalition wins government and fixes it that we will see improved services.

This year's budget is extremely disappointing. It reeks of waste and mismanagement. It is a budget of lost and missed opportunity. New South Wales had the potential to be in a much stronger position, and the legacy this Government has left the residents of New South Wales is more tax, less service and a greater debt burden. It is simply unacceptable. In particular, in relation to mental health, I cannot stress enough the trauma that patients, their families and carers, and mental health workers experience on a daily basis because this Government does not give mental health the priority it deserves. This Government treats mental health in this State as a second and third order priority. The lack of funding and the inability of the government to spend what it says it will spend is a sad indictment and demonstrates that the Government lacks compassion and puts economic priorities ahead of patient care. It is deplorable.

I thank my parliamentary leader the honourable member for Pittwater, for identifying the critical situation of mental health patients and families in this State by appointing a separate shadow Minister to look after mental health. I only wish the State Government would give mental health as important a priority. I look forward to working with the many organisations I have had the honour of contacting in the past three months to develop policies that will make real and compassionate change. I also look forward to the Minister for Science and Medical Research, and Minister Assisting the Minister for Health (Cancer) clarifying, in the near future, the important roles of and the delineation of responsibility between the Cancer Council and the Cancer Institute.

The Cancer Council does an outstanding job raising awareness and providing information and important research grants to pursue cancer management and prevention in this State. Similarly, the Cancer Institute has a role, but this needs to be clarified. The Minister responsible for cancer research has taken far too long in clarifying these positions. It is not acceptable that many women—17 per cent of women over the age of 60 and 18 per cent of women under the age of 40—who acquire breast cancer are not in the target group for breast screening. I reiterate to my constituents that I will continue to pursue vigorously the concerns they have raised with me. I hope that this Government will change its tune, but I fear it will not. It will take a Liberal-Nationals Coalition government to fix the enormous and embarrassing economic situation in New South Wales.

Mr JOHN PRICE (Maitland) [8.49 p.m.]: I want to speak briefly on a number of aspects of the budget that relate to the electorate of Maitland. I congratulate the Treasurer on the delivery of his first budget—a significant budget in many ways. One of the most delightful initiatives, from my point of view, is the rearrangement of land tax. The new threshold will make a significant difference to the many people in my electorate who have been putting their pennies away to benefit their retirement and improve their superannuation prospects. Raising the threshold of land tax to \$330,000 and implementing an indexation system that will increase the threshold on an annual basis is a move in the right direction and one that is appreciated by a vast number of people in my electorate and, I am sure, throughout the Hunter Valley. It is one thing to introduce a tax; it is another to realise it is not suitable and ought to be revised. It shows the strength of the Government that it can recognise the problems and move quickly to correct them.

Further funding has been provided for the proposed third Hunter River crossing in Maitland. This significant project will allow a great deal of land on the northern and western sides of the Hunter River to be

opened up for residential development. The provincial city of Maitland is largely residential and rural. There are vast tracts of land that are of poor quality for agriculture but admirably suitable for residential development, providing there is suitable access and associated infrastructure. It is important to recognise the value of such projects. The proposed site near the old Pitnacree bridge on the eastern side of the city of Maitland is the best possible site, although it will involve a redirection and review of the entire traffic movement through the eastern suburbs of East Maitland. The new crossing will take pressure off the Belmore bridge and the historic Morpeth bridge and will make a tremendous difference to those people travelling across the city who do not want to venture near the central business district of Maitland.

I acknowledge the Government's progress on the public-private partnership for the construction of Ashtonfield public school. It is a great advance. I am assured the project will start next year and the school will be ready for occupation the first term of 2007. The new rail cars that have been promised are almost ready. We are expecting the first twin-car set to be on the rail next month. That will be an event for the Hunter and for Maitland in particular. The rail cars will service the area from Newcastle through to Maitland, Dungog and Singleton and beyond, if necessary. This set will be the first of seven two-car sets, and I understand there is an option for another two. This new rail, which will greatly enhance the transport network on the Lower Hunter, is in line with the review of Lower Hunter transport that is currently under way under the guidance of the Minister for Transport.

I am pleased to note that the New South Wales Rural Fire Service [RFS] in my electorate has been granted additional funds. It was my pleasure two weekends ago to hand over two new CAT 7 units to the RFS in the Dungog shire. That action is an example of the Government's continuing commitment to the Rural Fire Service and, indeed, all the service auxiliary groups within my electorate. It is important to acknowledge the Government's move forward in terms of infrastructure. The Government has allocated a tremendous amount of money to fund its infrastructure commitments in this State. Those who read the speech the Premier gave at the annual conference of the Australian Labor Party over the Queen's birthday weekend would have got a glimpse of what New South Wales is in store for under this fine Labor Government over the next several years. I congratulate the Government on its progress in the budget and I look forward to future Labor budgets in New South Wales.

Debate adjourned on motion by Mr Kerry Hickey.

The House adjourned at 8.55 p.m. until Thursday 23 June 2005 at 10.00 a.m.
