

LEGISLATIVE ASSEMBLY

Wednesday 8 March 2006

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

Mr Speaker offered the Prayer.

Mr SPEAKER: I acknowledge the Gadigal clan of the Eora nation and their elders and thank them for their custodianship of this land.

CONSTITUTION AMENDMENT (PLEDGE OF LOYALTY) BILL

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

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 "The New Schools Privately Financed Project", dated March 2006.

Ordered to be printed.

SELECT COMMITTEE ON TOBACCO SMOKING

Establishment

Consideration of the Legislative Council's message of 28 February 2006.

Motion by Mr Graham West agreed to:

That this House agrees with the Legislative Council's resolution relating to the appointment of a Joint Select Committee on Tobacco Smoking in New South Wales and fixes Thursday 9 March 2006 at 1.00 p.m. in room 1108 as the time and place for the first meeting.

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

PROTECTION OF THE ENVIRONMENT OPERATIONS AMENDMENT (WASTE REDUCTION) BILL

Bill introduced and read a first time.

Second Reading

Mr GRAHAM WEST (Campbelltown—Parliamentary Secretary) [10.05 a.m.], on behalf of Mr Bob Debus: I move:

That this bill be now read a second time.

The New South Wales City and Country Environment Restoration Program was announced by the Premier in November 2005. In line with that announcement, this bill will enable regulations to be made to assist local councils to deliver good environmental management outcomes and high quality waste services in New South Wales. The City and Country Environment Restoration Program is a \$439 million investment by the New South Wales Government to fix the environmental legacies of the past. It builds on this Government's many outstanding environmental achievements. The program will also help New South Wales achieve the targets in the New South Wales Waste Strategy, and deliver a healthier environment and more sustainable New South Wales.

The bill has two main elements. First, it sends a strong economic signal to encourage waste avoidance and resource recovery, reuse and recycling. Second, it provides a major funding boost to environmental restoration over the next five years to tackle our most significant environmental challenges. The New South Wales Waste Strategy was launched in 2003. At the time it was a first in Australia. It provides tough but achievable targets for what we can achieve and action plans for how to get there. The strategy relies on partnerships with industry, with local councils and with those who champion the environment. But we are still facing considerable challenges.

Despite a growing understanding about the impacts our lifestyle has on the environment, there is still an unfortunate trend towards increased consumption of disposable goods, that is, products meant to be used only once. This is not just an Australian problem. It is one faced by all advanced economies. Around the globe, the rate at which we are consuming and degrading environmental resources is unsustainable. A major component of the City and Country Environment Restoration Program is the strengthening of the waste levy—an economic instrument that has existed since the 1970s and is designed to encourage reuse and recycling. Put simply, it provides a strong incentive to manage waste in a more environmentally sustainable manner and to look for alternatives to landfill.

The new waste and environment levy will be collected by local councils and industry. It will create even stronger incentives to develop new sustainable waste technologies. The program includes increases in the Waste and Environment Levy of \$6 annually, plus consumer price index, to apply in the five-year period from 1 July 2006. It is important to note that the impact on households of this increase will be modest. For instance, in the first year, the average household will pay only an extra 4¢ a week, rising to less than 20¢ a week by the year 2011—and every cent of this will be spent on programs to better protect our environment. This modest increase in the levy will allow us to plough an extra \$439 million directly into effective conservation and other environmental programs, including the Environmental Trust. It represents the single largest funding boost for the environment in the State's history.

The economic message sent by the new waste and environment levy will be supplemented by a strong regulatory effort to ensure that good operators in the waste industry will not be undercut by illegal operators. The program therefore includes an \$18 million commitment over five years for a waste compliance and enforcement program by the Department of Environment and Conservation. A number of incentive programs have also been developed as an integral part of new environmental funding commitments. Over the next five years, this program will: help restore and protect our natural heritage through a \$105 million investment in New South Wales RiverBank, a program to buy environmental water to restore our stressed inland rivers and wetlands; \$30 million to establish new marine parks and buy back fishing licences on the Manning Shelf and Bateman Shelf; and \$13 million to establish a High Conservation Value Area Fund to purchase Crown leases in areas of high conservation value.

The program will help create a sustainable future for country New South Wales through a \$37 million Native Vegetation Assistance Package to provide grants for sustainable farming, farmer exit assistance and the creation of native vegetation offset pools. It will help revitalise our urban environments through \$80 million for urban sustainability programs, including stormwater harvesting for recycling, waste reduction and increased recycling, and \$76 million for Environmental Trust grants, including support for local government waste reduction initiatives, plus payments to local councils for achieving waste reduction goals.

The bill amends the Protection of the Environment Operations Act 1997. It will enable the establishment of a local council waste reduction scheme for recycling, resource recovery and other reduction of waste, including payments to local councils for achieving waste reduction goals set by the Department of Environment and Conservation [DEC]. The bill provides a simple mechanism to enable regulations to be made that will deliver a scheme for recycling, resource recovery and other reduction of waste by local councils, and payments to local councils that meet the standards of the scheme. The Department of Environment and Conservation is working closely with the Local Government and Shires Associations to develop a memorandum of understanding that will underpin the standards for the new scheme and deliver equitable payment arrangements for those councils, in the levy paying area, that meet the standards. I commend the bill to the House.

Debate adjourned on motion by Mr Daryl Maguire.

LAW ENFORCEMENT (CONTROLLED OPERATIONS) AMENDMENT BILL**Bill introduced and read a first time.****Second Reading**

Mr TONY STEWART (Bankstown—Parliamentary Secretary) [10.12 a.m.], on behalf of Mr Carl Scully: I move:

That this bill be now read a second time.

I am pleased to introduce the Law Enforcement (Controlled Operations) Amendment Bill. Parliament intended the Law Enforcement (Controlled Operations) Act 1997 to provide undercover officers with protection against criminal prosecution for offences committed in the course of a controlled operation, to put in place tight accountability mechanisms for the approval and oversight of controlled operations, to remove any doubt as to the legal status of evidence obtained in the course of a controlled operation and to enable police, and like bodies, to fight against crime and corruption.

Undercover operations are an important investigative tool enabling law enforcement agencies to gain evidence to assist in the prosecution of crimes including organised crime. The Act provides for the authorisation, conduct and monitoring of operations involving what might otherwise be unlawful activities. For example, in a drug operation an undercover operative posing as a buyer cannot actually take possession of the drugs without technically committing an offence. The Act legitimises the actions of undercover officers and other participants and permits evidence obtained during the course of authorised controlled operations to be classified as legal and prima facie admissible.

The Act governs controlled operations carried out in New South Wales by the Independent Commission Against Corruption, NSW Police, the New South Wales Crime Commission, the Police Integrity Commission and Commonwealth law enforcement agencies. A statutory review of the Act has been conducted. The review report recommended several significant changes to the Act including the expansion of the number of NSW Police senior officers able to authorise controlled operations, the expansion of the circumstances in which a retrospective authorisation may be granted and the introduction of cross-border provisions in relation to operations that cross over from New South Wales into other jurisdictions.

Currently, the Commissioner of Police can delegate his authorising function to five officers at or above the rank of superintendent. The bill expands the number of senior officers able to authorise controlled operations to include all officers at or above the rank of assistant commissioner plus two officers at or above the rank of superintendent. The latter two officers must be specifically nominated by the commissioner. Essentially, the changes mean that the number of NSW Police senior officers able to authorise controlled operations within New South Wales is expanded from six to twenty. The expansion of the number of NSW Police senior officers able to authorise controlled operations will improve the current system by making the authorisation process faster. The bill will thus enhance the ability of police, particularly in regional commands, to combat crime.

Section 14 of the Act has been amended to allow retrospective authority for unlawful activity not addressed in the original controlled operations authority. The principal law enforcement officer, the person in charge of a controlled operation, may, within 24 hours of unauthorised conduct being engaged in, apply for retrospective approval for that conduct. Section 14(5) outlines the strict conditions under which a retrospective authority may be granted. For example, the authorising officer must be satisfied that the participant had not foreseen, and could not reasonably be expected to have foreseen, that the circumstances would arise, and that had it been possible to foresee that those circumstances would arise authority for the relevant conduct would have been sought. A retrospective authority is not intended to replace the normal application and approval process and it is expected that retrospective authorisations will be infrequently applied for. However, the new provisions will help to ensure that evidence of criminal activity is not later rendered inadmissible at court.

The provisions relating to cross-border operations are aimed at achieving a national investigative framework. A national Leaders Summit on Terrorism and Multi-Jurisdictional Crime agreed to implement model laws for all jurisdictions and provide mutual recognition for a national set of model powers for cross-border controlled operations. The cross-border provisions seek to facilitate mutual recognition of activities that have been approved in accordance with corresponding legislation in other jurisdictions. In effect, an authorisation issued under the corresponding law of another jurisdiction will have effect in New South Wales as if it had been issued under the law of New South Wales. Conversely, an authorisation issued in New South Wales will have effect in another jurisdiction as if it had been issued under the law of that other jurisdiction.

In New South Wales the cross-border provisions will only apply to cross-border operations, that is, those that are conducted in New South Wales and at least one other jurisdiction. There are some significant differences between the cross-border and intrastate provisions. One difference is that the duration of a cross-border authority is three months for a general authority and seven days for an urgent authority. In relation to an intrastate operation, that is, an operation within the geographical boundaries of New South Wales, a general authority is valid for six months and an urgent authority for 72 hours.

Another difference between the proposed cross-border and intrastate regimes relates to indemnities. For example, for intrastate operations, civil liability is excluded for any claim, action or demand where the conduct was in good faith and for the purpose of executing the Act. For cross-border operations the State will indemnify the participant in an authorised operation against any civil liability if certain requirements are met. Additionally, retrospective authorities will not be applicable in relation to cross-border operations. They will apply only to intrastate operations. It is envisaged that cross-border operations will comprise a small percentage of the total number of controlled operations undertaken by New South Wales agencies.

Any differences between cross-border and intrastate operations as a result of the implementation of the model laws should have little impact on day-to-day policing operations. Every aspect of a controlled operation is subject to strict controls and monitoring. All applications, whether for intrastate or cross-border operations, must contain sufficient detail to allow the authorising officer to make an informed decision about whether or not to authorise a particular controlled operation, and the written authority in each case sets clear parameters for the conduct of each controlled operation including any necessary conditions.

The Ombudsman will continue to have the same monitoring role for new approvals in line with the provisions of Part 4 of the Act. This will ensure that such operations are properly oversighted. The Ombudsman must be notified within 21 days of the granting of an intrastate or cross-border authority or variation of authority and within seven days of the granting of a retrospective authority. Additionally, authorising officers must notify the Ombudsman of the receipt of reports on completed operations. The Ombudsman is required to audit and inspect the records of each law enforcement agency at least once every 12 months. In conclusion, controlled operations are directed at obtaining evidence of crimes and corrupt conduct not readily acquired by traditional investigative methods. The amendments will enable police and other law enforcement officers to be more operationally responsive, improving the efficiency and efficacy of undercover operations. I commend the bill to the House.

Debate adjourned on motion by Mr Daryl Maguire.

ENVIRONMENTAL PLANNING AND ASSESSMENT AMENDMENT BILL

Second Reading

Debate resumed from 28 February 2006.

Mr CHRIS HARTCHER (Gosford) [10.21 a.m.]: At the outset I thank the Minister for his courtesy in making a staff briefing available to me and the Hon. Patricia Forsythe. I also thank him for the consultation and his availability to discuss matters concerning this legislation. Unfortunately, however, the various interest groups involved with this legislation advise me they have not had the same level of consultation. I have been told that only yesterday at the briefing for crossbench members of the Legislative Council the Minister's staff were asked what interest groups had been consulted about the bill and the advisers were somewhat uncomfortable. When they were pressed about who had been consulted they finally admitted that they had talked to no-one. This legislation, which is extremely significant in relation to local government development applications, section 94 contributions, contribution levies and development control plans has, at least on the advice given to us, not been discussed with relevant bodies.

Since the legislation was introduced, the Coalition has consulted the Property Council of Australia, the Housing Industry Association, the Urban Development Institute of Australia, the Urban Task Force, the Local Government and Shires Association, individual councillors from various councils, and the New South Wales Council of Social Service. All of these have made submissions in relation to the legislation. Some of them support it strongly, some are strongly opposed and almost all of them are seeking some amendments, which could possibly have been avoided if there had been wider and earlier consultation with the relevant bodies. The Urban Development Institute of Australia [UDIA] has advised as follows:

The urban development sector of New South Wales, as represented by UDIA, wholeheartedly supports these changes and expresses its wish that the Coalition support them in both Houses.

The UDIA is overwhelmingly comfortable with the proposals advanced by the Minister and the Government. It does, however, have some further concerns and I will advise the House of these as they have come to light only recently. The UDIA says:

UDIA NSW has reviewed the EP&A Amendment Bill 2006 and while UDIA NSW remains supportive of the legislation it has some initial comments to offer:

- (1) UDIA NSW acknowledges the rationale for the absence of appeal rights for Special Infrastructure Contributions subject to the levy being exhibited prior to adoption with all items identified and costed.
- (2) The Special Infrastructure Contributions Plan (SICP) should be subject to regular indexation by a recognised Index (like S94 Plans). It should also be reviewed regularly, perhaps initially every year, then every two or three years, so that it can be adjusted for take up rates, and changes to the Infrastructure list.
- (3) Special Infrastructure Contributions should be subject to a regular audit by an independent body, to comment on the level, standard and timeliness of delivery.
- (4) The application of the SIC should be limited to the growth centres where a Growth Centres Commission or Development Corporation has been established to collect and expend the contributions. UDIA NSW is conscious that the temptation exists to establish new revenue sources for government in areas that lack insufficient planning and infrastructure coordination ...

I interpose to say that I had the opportunity to discuss this aspect with the Minister and he has given me advice about certain developments where it would be inappropriate to use the growth centres commission process for these special infrastructure contributions. The UDIA goes on to say:

- (5) The SIC can be applied to administration costs. The amount allocated to administration should be limited to a maximum fixed percentage, so that the maximum amount of dollars are converted into infrastructure, not salaries and consultant fees.
- (6) Improved recognition should be given to delivery of services by developers using planning agreements. If a s93F Planning Agreement provides adequate contributions by a developer in relation to its development, the Planning Agreement should be able to exclude the application of s94EE. Effectively, s93F(3)(d) should be amended as part of this Bill.

In practice where a Planning Agreement requires a developer (or consortia) to undertake certain works that are included in the SICP, then the dollar contribution payable for the development is reduced by the plan amount, not the actual cost. This passes the construction risk to the developer, but allows for any cost savings to be recognised by the developer. The infrastructure is delivered as agreed, and the non-PA infrastructure can be funded out of the residual contribution.

- (7) UDIA NSW respect that nexus is implied in the Bill. However, UDIA NSW requires greater reassurance that contributions collected within the Growth Centres are expended as a priority within those areas. Accordingly, there is a need to establish boundaries on this provision in s94EL, otherwise contributions may be exacted, from developers in Growth Centres and disbursed outside the area (potentially elsewhere in the State) with the result that the Growth Centre homebuyers paying the levy will realise a diminished tangible return on their contribution.

It is important to note that an organisation that is strongly supportive of the legislation has raised a concern about the structure and operation of the special infrastructure contributions. The other organisations that have been consulted have raised a variety of concerns. The Local Government Association rightly points out that local government is the planning and development system that, alongside the State Government, operates planning in New South Wales. The association states it is:

... extremely disappointed that the Government has failed to facilitate meaningful public participation in the overhaul of the system by consulting Local Government, or the community it represents, concerning the *Environmental Planning and Assessment Amendment Bill 2006*. The Bill was introduced on 28 February 2006 and represents the next critical stage of the Government's overhaul of the planning system.

The association expresses its concern that it has not been consulted and that, compared to other States, the scrutiny has been quite inadequate. It says:

In contrast, the *South Australian Sustainable Development Bill 2004*, on which many of the provisions of the current Bill are based, has been subject to extensive consultation over a period of three years. It is understood that many of the more contentious South Australian provisions have been deferred to enable detailed community consultation.

The Local Government and Shires Associations are concerned by the lack of definition of performance indicators, particularly those to be used by the Minister when the Minister is appointing a planning administrator or a panel. As we have indicated, the Coalition supports in principle the implementation of a planning administrator and a panel in cases involving corruption, when recommended by the Independent Commission

Against Corruption or when councils wish for it. But it becomes difficult when the Minister deems the council's progress to be unsatisfactory. Proposed section 118 (1) (b) allows the Minister to appoint an administrator or panel if the Minister is of the opinion that the council's performance has been satisfactory "because of the manner in which the council has dealt with those matters, the time taken or in any other respect". The Coalition has concerns, which are argued strongly by the Local Government and Shires Associations, which stated, when commenting on that section:

This is a very broad and subjective test which enables the Minister to remove council's planning powers without providing any reasons for so doing. The Minister's second reading speech indicates that the exercise of the power would be subject to the principles of administrative law. However, these grounds for appeal are limited to, for example, whether the power was exercised in a "manifestly unreasonable way". This is a notoriously difficult and expensive ground to challenge such a decision.

LGSA believes that whilst to a large extent the public must rely on the good faith and integrity of public office holders including the Minister, it is important that the public trust is enhanced through transparent and robust accountability measures necessary to safeguard good government and public administration.

The association then said:

LGSA believes that any panels in the NSW planning system should have an advisory role only and not the power to determine DAs. We do not support the introduction of panels with decision-making powers as the approval of DAs.

The association says further that it considers the legislation should be amended to make explicit the criteria used by the Minister; require the Minister to obtain the concurrence of the Minister for Local Government before a decision is made; require a formal process of forewarning and enter into negotiations with the council; require consultation with local government with regard to the membership, appointment and operation of panels; and require the State Government to pay the remuneration costs and expenses of the planning administrator or panel. The association has concerns about the local infrastructure contributions and the special infrastructure contributions, which have been set out in the association's manifesto. I do not intend to go through them, other than to say that the association clearly has an interest in this matter, as it has an interest in development control plans. It is asking for certain amendments, and it is appropriate that the House be aware of them, because if they are not moved in the Legislative Assembly I have no doubt that they will be moved in the Legislative Council.

The association seeks to amend proposed section 94EE and related proposed sections dealing with special infrastructure contributions and local infrastructure contributions to ensure that the Minister, when directing a council to approve, amend or repeal a contributions plan, be required to give reasons for his decision; there be a formal process of forewarning and negotiating with the council concerned in an endeavour to address issues concerning council's performance in the area; there be consultation with local government in the determination of the level and nature of development contributions in the special contributions areas; local government have a right of appeal to the court in respect of the Minister's decision as it relates to both local infrastructure and special infrastructure contributions; the Minister must be required to provide reasons for his decision to take into account areas outside a special contribution area, and any payment should be subjected to detailed scrutiny such as performance audits by the Auditor-General and oversight by relevant parliamentary committees. I am not sure that the Minister would embrace the proposals with a great deal of enthusiasm.

The association is concerned about development control plans [DCP], and I will refer briefly to the three amendments they will seek. The association said that the bill should be amended to make explicit the criteria to be used by the Minister when directing a council to make, amend or revoke a DCP and give reasons for his or her decision in the interests of accountability and transparency; require a formal process of forewarning and/or negotiation with the council concerned in an endeavour to address issues concerning a council's performance in this area; and require the Minister to comply with requirements in the Environment Planning and Assessment Act and regulations when making a DCP or directing a council to make, amend or revoke a DCP. It is obvious that local government's amendments would emasculate the effect of the Act. The Coalition is concerned, as is the Minister and the Government, that an efficient system of development consents operates across New South Wales, together with an efficient system of assessing and determining the major contributions. This is not dependent on council-to-council assessment, but ideally everyone in the State will know what the issues are and how they will be addressed.

It has been pointed out that 45,000 housing developments were approved in 2004, but in 2005 only 34,000 were approved. Clearly, the amount of available housing stock in New South Wales is dropping primarily because of high costs and charges imposed on the development industry and passed on to home buyers. Ultimately the only person who pays is the home buyer. In Sydney especially home buyers are being squeezed out of the market. We all saw the figures released recently by the *Daily Telegraph* detailing the six most expensive cities in the world, five of which were in the United States of America: the sixth was in Sydney.

If anything is going to be done to make Sydney more affordable for young home buyers, for the hundreds of thousands of young people whose ambition in life is to buy their own home, then it is important that both sides of the House determine what can be done to ensure housing affordability.

On our side of the House—and I give credit to the Minister on the other side of the House—we are determined to see what can be done to ensure that although housing prices will be high, which is an inevitable fact of the modern economy, they are made as manageable and affordable as possible to young home buyers in New South Wales. Housing affordability is the underlying criteria on which this type of legislation should be approached. It is not significant to argue who gets what; it is the outcome that is important. If the outcome is going to be a more effective system of opening up land, a more effective system of infilling of available sites in metropolitan area, then everyone would support the assessment of costs and charges and making them more affordable. That is the principle on which the Coalition approaches the legislation. The Housing Industry Association [HIA] has strong objections to the legislation, which they have made very plain. HIA states:

HIA is committed to housing affordability and is deeply concerned about the special infrastructure contributions elements of the new planning Bill. These contributions are a tax on housing. They are:

- Inequitable;
- Inflationary and
- Largely set by the Minister without any independent oversight

No equivalent charge exists elsewhere in Australia.

NSW already has the dubious honour of being the least affordable state, with Sydney in the top 10 of the least affordable cities worldwide.

Over the last 10 years prices have skyrocketed from \$107K for a typical family block to over \$460,000.

These hikes have been fuelled by constrained land supplies and a massive surge in the number and amount of hidden taxes and charges. Double dipping, excessive fees and charges and taxes on taxes are delivering an over \$150K windfall to government for every block of land sold to NSW families. This new special infrastructure contribution will add a further \$50,000 to this figure.

It is immoral to ask new home buyers to pay for infrastructure that is enjoyed by the community at large. The people at Manly are not asked to pay for their new ferry—this is a community service provided for and paid for by the community at large through the state government.

Govt must get back to their job and borrow for the necessary infrastructure, allowing for these facilities or services to be paid for over an extended period, not upfront as is proposed by Minister Sartor's bill. No one can borrow as cheaply as govt and Independent research shows government borrowing is the most efficient and equitable means of financing long lived public infrastructure.

The proposed "rules" governing the Minister's **state infrastructure levy** are inadequate, as are the lack of appeal rights.

While there are clearly elements of the Sartor bill that are welcome to the industry, these come at too high a price. **The Bill should be amended to delete any reference to state infrastructure contributions or rejected outright.**

The HIA has taken a very strong stand on the legislation. It has prepared a fairly comprehensive analysis of housing affordability in New South Wales, including Sydney house prices and median house prices by capital city. As it is not within my capacity to table documents in the House—and I know what your ruling would be, Mr Speaker, if I sought leave to do so—I shall quote briefly from the analysis. The HIA briefly states:

Housing Affordability in New South Wales—Some Facts

Owning a family home has always been the centrepiece of Australia's enviable quality of life.

Sydney's affordability problem is directly related to the inflated cost of land.

The level of taxes and charges that apply add significantly to housing costs. These charges now total around 35% of average house purchase costs—or \$150,000. Together they add an extra \$1,028 per month to minimum monthly instalment and a \$220,000 in interest paid over the life of a 30 year loan.

It is extraordinary that the tens of thousands of young people battling to get a home are paying \$1,028 in government taxes and charges. The HIA analysis further states:

Despite improving marginally over the past two quarters, Sydney housing affordability is at a level equivalent to that of the late 1980's when official interest rates were 17%. Sydney housing is currently 47 per cent less affordable than in 1984.

Home buyers purchasing a median priced Sydney home need to devote 37 per cent of their disposable income to meeting minimum monthly payments.

This is the highest proportion of all Australian Capital cities.

In the December quarter, the median price of a home in Sydney was \$518,000. This is \$170,000 more than in Melbourne, and \$186,000 more than Brisbane.

The Property Council of Australia is supportive of the bill and has made clear its support after being briefed by the Minister for Planning. It states:

The Property Council supports most of the proposed reform measures but proposes two simple amendments to improve the Bill.

Planning Administrators and Planning Assessment Panels

The Property Council strongly supports the introduction of legislation that enables the appointment of Planning Assessment Panels to act as the consent authority in local government areas where illegality, corruption or poor performance has occurred. The Property Council supports elected representatives retaining the policy making functions within councils.

This is a far superior governance model to that which currently exists in local government and we believe this should be extended to apply as a mandatory requirement across the state as per the legislation now before the South Australian Parliament. However, what is proposed in this Bill is an excellent first step.

The use of independent panels provides an excellent opportunity to improve the operation, efficiency and image of local government.

The Property Council continues:

Panels enable clear consistent decisions to be made, thus delivering more positive outcomes for local communities. They also encourage investment as certainty in the process is achieved ...

Panels could be appointed in the following circumstances:

- to deal with a particular category of development;
- to deal with development within a specific location;
- on request of the local government authority; or
- in other circumstances.

The Property Council looks forward to reviewing regulations to accompany the Bill that clarify the circumstances in which independent panels may be appointed.

Although the Property Council supports planning administrators and planning assessment panels, it expects that there will be some indication as to what the criteria will be and the circumstances in which independent panels and administrators are to be appointed. In respect to special infrastructure contributions the Property Council states:

The Bill proposes introducing broad new powers to levy new development to pay for state and regional infrastructure ...

We are very concerned about the totally open ended nature of the proposed levy. While we accept there will be need to be some sort of development levy to underpin the north west and south west centres to ensure an adequate supply for Sydney (although these are far too high and we are keenly awaiting the outcomes of the Growth Centres Commission's review of these levies), we cannot support an approach which would allow the introduction of new levies by ministerial gazette anywhere in the state. Indeed, Property Council research has shown that development levies are the least efficient of all infrastructure funding options open to the Government.

We therefore propose that the Bill be amended to limit the application of special infrastructure levies only to those areas where a development corporation exists that has been established under the *Growth Centres (Development Corporations) Act 1974*.

This is a similar position to that taken by the Urban Development Institute of Australia I read out earlier. It continues:

This would allow the Growth Centres Commission to get on with its work.

In relation to development contributions plans the Property Council states:

The Property Council supports the ability for the Minister for Planning to review and amend councils' development contributions plans to ensure nexus is met, contributions are reasonable and costs are apportioned appropriately.

However, we do not support the removal of the option for contributions plans to be questioned in legal proceedings within three months of the date on which the plan came into effect. All contribution plans, regardless if they are made by a local or state authority, should be subject to appeal and the scrutiny of the Court within a limited period of time following their commencement. If a Ministerial-made contributions plans does not satisfy the test of reasonableness, nexus and apportionment under the EP&A Act, then it should not be allowed to stand.

The Property Council seeks, in effect, three amendments: first, in relation to the criteria for the appointment of panels of administrators; second, in relation to special infrastructure levies and for them to be applicable only in areas proclaimed under the Growth Centres (Development Corporations) Act; and, third, that development contributions plans should be subject to appeal and scrutiny in the court. The Council of Social Services of New

South Wales [NCOSS] has been consulted also. NCOSS similarly supports parts of the bill and commends the Minister for those sections. However, it strongly opposes other parts of the bill.

Schedule 1 to the bill proposes changes to the system of developer contributions for local infrastructure under section 94 of the Environment Planning and Assessment Act. Essentially the amendments give the Minister power to direct a council to approve, amend or repeal the contributions plan. If the council fails to follow the direction, the Minister may make, amend or repeat the relevant contribution plan. In doing so the Minister is not subject to the relevant regulations and there is no appeal against the Minister's decision. NCOSS states:

NCOSS strongly opposes this change. We note that there has been no empirical analysis conducted by the Department that would justify this sort of heavy handed intervention. We have offered to participate in a process to see if any council has a contributions plan that appears unreasonable but this offer has been rejected.

We note that the operation of section 94 has been reviewed many times since 1979. It was most recently reviewed by a State Government task force chaired by Gabrielle Kibble which only reported in February 2004. The report of that task force... did not advocate the approach taken in... this Bill. It noted that more often than not there were short falls in amount of contributions collected, compared to the eventual cost of local infrastructure.

We also note with concern the Minister's rhetoric about providing the development industry with security and certainty. We would stress that the community also needs security and certainty about the facilities and services it can expect in new estate or redevelopment areas. At the very least they should be consulted about any substantive change to contribution plans that affect them.

NCOSS believes that the provisions of proposed new clause 94EAA, as set out in Schedule 1 item 14, should be deleted from the Bill.

That is the position of NCOSS. While it is not something that we would expect the State Government to deal with in the Legislative Assembly, it is a matter that certainly will be raised in the Legislative Council. Only this morning the Urban Development Institute of Australia [UDIA] also issued a media release reaffirming its support for the principles and the thrust of the legislation. I will outline where the Coalition is coming from. The Coalition will support the second reading of this bill. The Coalition will not seek to move any amendments in the Legislative Assembly. However the Coalition will have ongoing consultation relative to the debate in the Legislative Council, and that is clearly appropriate. After all, it is only in the Legislative Council that amendments can be carried against the wishes of the Government.

The Coalition believes that panels and administrators are appropriate. As I said earlier, the Coalition believes they are appropriate in cases of corruption when councils want them and in principle we support the idea that, when a council is demonstrating poor performance, clearly there needs to be some intervention process. The argument is whether we support the use of the term "unsatisfactory." Obviously that is something the Coalition will have to further consider. We are not saying yes, but nor at this stage can we say no. The levies are the subject of further negotiations. The Housing Industry Association's position is very clear. I have stated that on the record. The UDIA's position and the position of the Property Council of Australia show that all interested parties are seeking some form of amendment. At the end of the day, with a lot of legislation it is not possible simply to—

Mr Frank Sartor: Cherry pick?

Mr CHRIS HARTCHER: As the Minister says, it is not possible to cherry pick because once the amendment process is commenced, often piecemeal amendments pose a threat to the whole thrust and purpose of the legislation. We have to take that matter into account. I accept that the housing industry of this State needs to be encouraged and supported.

Mr Frank Sartor: We agree with that.

Mr CHRIS HARTCHER: I acknowledge the Minister's confirmation that he agrees with that. I have had complaints about one particular council, which I will not name, that takes over 12 months to deal with swimming pool applications. I find that quite untenable. The Minister has given examples of other councils that take months and months to deal with simple planning consents. It is clear that, for whatever reason, some councils are dragging the chain. It should take 12 months for a council to deal with a swimming pool application.

A council may either reject or agree to it within a much shorter time frame than 12 months. I am not saying a council has to agree, but it should be able to give a decision. People are entitled to go to councils and

say, "Look, this is my proposal. Can you assess it? Can you give me advice on whether you are going to accept it or not, or whether you will require it to be amended within a reasonable time frame?" The worst situation is when applications are simply allowed to drag on forever, as has happened in my council area of Gosford where the Minister intervened. Development control plans for the Gosford city CBD dragged on forever and nothing was achieved. The town looks exactly as it did in 1950. This bill needs to be examined and scrutinised fairly. I assure the Government that we are trying to scrutinise it fairly. We do not have the same opportunities as the Government because we do not have public service assistance. We have to rely upon talking to people.

Mr Frank Sartor: You have had all the briefings you want.

Mr CHRIS HARTCHER: I appreciate that and I appreciate, as I said earlier before the Minister entered the Chamber, the briefings that the Minister has made available to us and also the advice that the Minister personally has given. That is all appreciated, but we will discuss the matters further as far as Legislative Council amendments are concerned.

Mr BARRY COLLIER (Miranda) [10.50 a.m.]: The Environmental Planning and Assessment Amendment Bill is the next logical step in the State Government's program of planning reforms. These reforms are aimed at transforming the New South Wales planning system from a process-driven approach to an outcomes-focused approach. The bill allows the Minister for Planning to address concerns relating to the delays and costs of assessing development applications, to help to co-ordinate local and State planning controls and to ensure a timely and efficient supply on infrastructure and amenities to new land release areas and other sites identified for strategic growth.

This Government is committed to cutting council red tape. The bill addresses concerns raised by the community about the way councils like Sutherland deal with planning matters. The State Government simply cannot stand by patiently while councils failed repeatedly to make timely, consistent and reasonable planning decisions. Every ratepayer has the right to expect and demand that their elected councillors act in the best interests of the community, making good consistent planning decisions with good sustainable environmental outcomes. The last thing they want is a bunch of party hacks continually squabbling among themselves. They do not want a bunch of councillors making lousy planning decisions, creating unnecessary controversy, calling black white, opposing every New South Wales Government decision, raising spurious issues and wasting ratepayers money just to get their names on the ballot paper at the next State election. But that is what we have in the Liberal majority on the Sutherland council. Ratepayers want accountability, and that is what they do not have in the Liberal majority on Sutherland council headed by mayor Kevin Schreiber.

This bill is about accountability. That is why last Monday night Councillor Schreiber issued a mayoral minute opposing the bill. Big Kev does not want accountability. He does not want the Minister to be able to appoint a planning administrator in cases where a council fails to comply with provisions of the Act, or fails to meet performance obligations. Concrete Kev does not want planning administrators appointed when a council's performance in planning development is unsatisfactory. And he certainly does not want the Minister to be able to direct a council or to act in its place to make, amend or revoke a development plan.

According to Big Kev, giving the State these powers is "cutting local democracy"—he says so, in his mayoral minute. He even calls on the shire's State members of Parliament to oppose the Minister's bill. As far as I am concerned, the mayor and his Liberal cronies on Sutherland council can take a running jump. This is legislation that the shire community needs. Concrete Kev claims the Minister will make the local environmental plan [LEP]. After millions of dollars of ratepayers' money, years of continued squabbling and a multiplicity of amendments rammed through without community consultation by the Rockdale reject councillor Kent Johns, who really could blame the Minister?

But let us examine some of the mayor's reasons in his minute. First, he says that the State-approved LEP will impose higher densities in the shire. This is the same mayor who only last Wednesday night opened a large block of flats on the Kingsway in Miranda. Next he is worried that the Department of Housing might build townhouses in all residential areas of the shire. I do not know how much money he thinks the Department of Housing really has, but certainly in true Liberal fashion he cast a slur on all public housing tenants. He wants to restrict housing opportunities for low income earners throughout the shire. He and his Liberal mates even have a policy of banning villas in all residential areas at a time when our ageing population is simply crying out for more of that type of housing.

In his mayoral minute the mayor also complains about development over railway stations. Well, the news, Big Kev, is this: We are building a new railway station at Kirrawee as part of the \$174 million Cronulla

rail duplication project. The new station, with its lift that will assist seniors, will be below the road—and that means building over the station. I am sorry, Kev, but the seniors and disabled people need a lift, and their needs come before the absurd demands by a council that severely would restrict the development of transport infrastructure throughout the shire. Given the millions of dollars spent on the new LEP and the years of uncertainty under the present Liberal council, the sooner the Minister makes the shire LEP the better.

What about the planning processes themselves? The Act allows planning administrators to be appointed to perform a council's planning and development functions. Councils such as Sutherland already have an advisory independent hearing and assessment panel [IHAP]. This bill extends that function to a consent role, saving time and money and giving the Minister more flexibility to target unsatisfactory council performance. While members of Sutherland council's IHAP committee have been both conscientious and scrupulous in their determinations and decisions, the same cannot be said about the Sutherland Liberal councillors. Council's report PLN042-06 of 28 November 2005 reviewed the operation of its IHAP committee over a two-year period. The report is telling.

Council has changed the independent panel's recommendations on development applications on 54 occasions. Nine of those 54 changes were made under a Labor shire council between May 2003 and March 2004. But a whopping 45 of the 54 recommendations were changed during the six months between April 2005 and September 2005, under a Liberal-controlled council. In short, that means that the current Liberals are five times more likely not to follow the independent umpire's recommendation than the previous Labor Shire Watch council. But as good and committed as the IHAP members are, their processes are being used and undermined to circumvent the delegated authority of council's staff to refuse non-complying applications. The main culprit is Councillor Kent Johns, who is currently touting himself as the next Liberal candidate for Cronulla.

When Councillor Johns is not writing anonymous complaints to the general manager about Shire Watch Councillor Lorraine Kelly or trying to bully her in one way or another, he is keeping an eye on development applications of interest to him. As soon as he gets wind of the fact that our hardworking council staff intend to refuse a development application [DA] under the delegated authority, Councillor Johns immediately refers the matter to IHAP. This often means a round of hearings with applicants getting another bite at the cherry. It means not only delays, as the DA goes from IHAP to the planning committee, also headed by Councillor Johns, and then to the full council, but also unnecessary cost to the ratepayers who pay for those IHAP hearings. Importantly, it also effectively undermines the credibility and professionalism of the hardworking staff of Sutherland council.

Application ACC009-06 for additions and alterations to a child care centre is a case in point. This application was refused by council staff and letters were sitting in the council out tray waiting to be mailed out. When Johns got wind of this he immediately referred the application to IHAP. He told council staff that he did so because there was "a high level of public interest in the application". As it turns out, there were nine objections, and Johns later admitted to a planning committee that he had called it up "for the applicant". IHAP refused and the council refused, the staff recommendation was eventually followed, and ratepayers' money was wasted. Of course, it took many more weeks for the application to be rejected finally, all because Councillor Johns wanted to grandstand.

I trust that the Minister will use the present legislation to take a close look at this particular practice. Grandstanding, infighting and bashing the State Government are the constant ever-present themes among the Liberals on Sutherland council. The Liberal council is not about good planning and good management. Every decision these Liberal councillors make, every State Government initiative they attack, every issue they create is done for one purpose and one purpose only: to win back the seats of Menai and Miranda, and to take over the seat of Cronulla from our old friend Malcolm Kerr. For example, Councillor Melanie Gibbons, who is the deputy mayor sits on the fence when the overwhelming majority of residents in her ward want the Woronora Fire Trail preserved for emergency use only. She has some unspecified "conflict of interest", simply because she did not have the courage to take a stand one way or the other.

Rather than give the residents certainty, Councillor Gibbons wanted the issue to bubble along until the next State election, during which time she will strut the stage as the Liberal candidate for Menai. She and her Liberal cohort Councillor David Redmond did nothing to fix the problem, and it was left to my colleagues the hardworking Labor members representing the seats of Menai and Heathcote. What about the Kirrawee brick pit? Councillor Johns was happy to put a line through 20 months of community consultation and through \$500,000 of State, council and Sydney Water money and toss out a successful, unique local partnership just to make a name for himself. The Kirrawee project was put out twice on public exhibition as part of the people's LEP.

It was completed before Johns, the former Labor mayor of Rockdale, made his Lazarus-like reincarnation as a Liberal and headed south across the Georges River in search of a seat in State Parliament. Johns sought to delete the Kirrawee master plan from the people's LEP on 11 April 2005, when he rammed 45 amendments to the LEP through council without notice to Labor or Independent councillors. The planning Minister had no choice but to remove the Kirrawee master plan from the irresponsible clutches of Councillor Johns and his mates on council. I commend the Minister for doing so. By the way, it is no secret that Councillor Johns is out there undermining our colleague the honourable member for Cronulla. Johns is a mate of slippery Sam Witheridge, the Liberal destined for the upper House, who convenes meetings with his co-conspirators at Kevin Schreiber's home. That is if the emails the Liberals leave lying around council chambers are to be believed!

And what about Councillor Kelly Knowles, the Liberal who is eyeing off the seat of Miranda? One would have to wonder why the Liberals appointed her as chair of the council's desalination committee and gave her \$100,000 of ratepayers' money to waste when Kurnell is not even in her ward but in the mayor's ward. The cynical might think that she wanted to get a profile before the upcoming State election. But when it comes to planning issues Councillor Knowles takes the cake. Councillor Knowles got her Liberal mates to vote for a two-storey height limit on buildings in her ward, which is C ward—no other ward in the shire, not A ward, B ward, D ward or E ward, just C ward, which just happens to take in much of the State electorate of Miranda.

As one letter in the *St George and Sutherland Shire Leader* of 27 October 2005 asked, "Why C ward and nowhere else? Does this spell a return to the bad old days of open slather development by the previous Liberal council in A, B, D and E wards?" The writer went on to suggest that Councillor Knowles should focus her energies on our shire rather than getting her name on the ballot paper at the 2007 State election. The postscript to all this is that when Councillor Knowles put up this ridiculous divisive notion at a full council meeting, one of her Liberal mates nudged her and pointed out that her move would, to quote the Leader's John Mulcair, "significantly lop the council approved Cronulla Sharks redevelopment... and affect buildings in industrial areas". Clearly we have a councillor who does not know her ward, who wants to discriminate, who puts her ward first to strut the stage as the Liberal candidate for Miranda at the next State election.

Clearly we have a bunch of Liberal councillors running the shire who put planning and our community a very long third behind their political party and their personal ambitions. Good planning and sound consistent decision making are suffering. The shire community is suffering and it is time this mob of recalcitrants was brought to book. On 6 December 2005 in the *St George and Sutherland Shire Leader* the Minister correctly described Sutherland council as "a basket case". For the reasons I have outlined, given the intent of the bill and its provisions, and in the interests of sound planning in my community, I fully support this bill. I commend the bill to the House.

Mrs DAWN FARDELL (Dubbo) [11.08 a.m.]: On behalf of the ratepayers and developers in the electorate of Dubbo I support the Environmental Planning and Assessment Amendment Bill. I agree in principle to the content of the bill, which is much needed. During my time in local government, from 1999 until September last year when I stood down, I experienced many occasions when development applications were approved by Dubbo City Council without any problems. Council staff cannot decline a development application; only council can do that. On some occasions I saw certain councillors vote in a block on an application either because a staff member had not let them do something the week before or they did not like the developer whose application was before them. A few applications went through against the recommendations of the staff in regard to floodplains. On occasion I went against the recommendations of the staff because I did not think the report was good for the community.

A planning assessment panel should be able to take control. I have no problem with that. I understand that the panel will comprise people who have an understanding of the community. There will not be only one panel for New South Wales, as if one policy fits all. It is a great way to go. However, I would not like to see control taken away from councils when a delay is caused because of a skills shortage of officers on the council. Areas such as Dubbo and Parkes have problems employing planners. At the moment Dubbo City Council is down about seven planners. The current staff are working their butts off and doing the best they can. However, the shortage can delay applications getting through council and the staff are under constant pressure. I would like to think that such issues would be taken into account if a developer complained about a delay in a matter coming before council. There are many reasons for this skills shortage. A lot of consultants in private practice do good work. A lot of residential and industrial development is occurring in my electorate. Despite the drought, people still have confidence in the area. As a result, private consultants are suffering a shortage of skilled staff. So they, like anyone who is after good staff, poach from local government. That is the main reason Dubbo City Council is down—

Mr Frank Sartor: And pays them more money.

Mrs DAWN FARDELL: And pays them more money. You cannot blame them. They live in the community and their children go to school. The opportunity is there and they are happy to accept it, as they should. That is a good reason as to why there are shortages. If there is a problem and the delay is the result of a skills shortage on the council, I would like to think that the Minister would take that into consideration before an opinion is given. Some applications are delayed by councils because of the personal opinions of councillors. They may take it personally against a staff member or a developer. In Dubbo we call them CAVE people—councillors against virtually everything. If it is not their idea, they will not accept it. They come from a political affiliation, but I will not embarrass Opposition members. The staff members might get their back up and say to people, "We are not going to let you do a spot zoning," or "That is not going to happen. We have to do an LEP and peer review it. That will come to council and you will be consulted in 12 months, and perhaps three years down the track that new LEP will be adopted."

We would welcome an announcement from the Minister reducing the amount of planning. It is not right for a staff member to say to people who want to divide their 14-hectare blocks into two seven-hectare blocks—keep one to themselves and sell the other for their retirement—that they can have only a minimum of eight hectares and cannot develop the other six-hectare area because it does not meet council planning. The people will know who I am speaking about when they read this. Twenty-odd people want to do that. They live on a 14-hectare block they bought more than 20 years ago. They want to keep half for themselves and sell off the other half. They are all my age or older—if that is possible—and they want that nest egg. That subdivision was on the eastern outskirts of Dubbo before the one-acre mansions developed to the west of them and before the extension in the east went through. They are caught in a time warp.

Special consideration should be given to this issue. People are speaking with council about it. Why should they be penalised because of a zoning decision made many years ago that is not appropriate now? Someone said it raises salinity issues, but that is nonsense. There is no reason why that spot zoning cannot go through council. As there are 20-odd people affected, council staff and I advised them that it might be a good idea for them to hire a private consultant to speed up the process. Council does not have enough planners to expedite these things. A consultant would cost about \$30,000 or \$40,000 to review this and make a submission to council. If 23 of them put in about \$2,000 each, it could speed up the process. At the moment, that proposal is bogged down as well. Perhaps a panel could speed up developments such as this. It should not take people this long to gain approval for their wishes.

Recently I spoke to a person employed by the Department of Infrastructure Planning and Natural Resources [DIPNR]. He agreed that the panel is a good step forward. It may not be the ideal model, but it is a step in the right direction. The panel is still needed to consider spot zonings, which can take up a lot of DIPNR resources. All aspects of planning need to be considered by the panel. The briefing notes say that the planning administrator cannot be appointed if council fails to comply with obligations under the association or if its performance in planning development matters is unsatisfactory. That is not necessary in any councils in my electorate. They are all wonderfully run and I cannot speak more highly of the general managers and mayors in those areas. The ICAC refers to corrupt conduct by any of the councillors. That needs to be considered, but perhaps that is another story for another day.

The planning assessment panel should not be swayed by the individual over the general wishes of the community. The community is generally the council. When dealing with planning issues the needs of rural areas are different to the needs of urban areas. I am pleased to hear that a panel will be set up in the area in which the complaint is made. One decision should not cover all. A panel may deal with a couple of issues and have a pile of assessments before it. I would like to think that the panel would look at every case individually and not fall into line with a decision given in the previous application. I support the bill.

Mr STEVEN CHAYTOR (Macquarie Fields) [11.17 a.m.]: I support the Environmental Planning and Assessment Amendment Bill. This is a bill whose time has come. I congratulate the Government and the Minister for Planning on introducing it for consideration by Parliament. This bill should be considered in conjunction with the recently announced economic and financial statement made by the Premier on 23 February. That statement gave a clear indication that the Government rightly would streamline the New South Wales planning system to underpin the competitiveness of the New South Wales economy. This streamlining involves transforming the planning system from a process-driven approach to an outcomes-focused service.

Good planning and environmental outcomes do not require excessive processes or excessive delays. It is important to iron out those delays within the system, because the value of work commenced during the

construction period of 2004 and 2005 amounted to more than \$9.2 billion, a significant investment in our economy and very important for economic and job growth in our State. It is also important to consider this bill against the interim report, the findings and options by the local government inquiry, "Are Councils Sustainable?" This report, produced a few days ago and dated March 2006, says interesting things about the role of local government in the planning approval process. The report says:

Many councillors are not familiar with environmental planning controls or with their role in the applications of such controls. Public opinion wants to minimise councils' political involvement in the processing of DAs. The public wants councils to give less priority to town planning and DAs and more to basic infrastructure and services, a view shared by many in the State Government.

The report goes on to quote a ministerial task force. It concurs that the development approval process was characterised by a focus on process rather than outcome, inconsistent policies, varying procedures, and timelessness as well as a pervading sense of frustration and conflict. The process generally was not regarded as strategic, did not appear to focus on the quality of development as an outcome and did not encourage development in New South Wales. In many ways that is the current system. It is the reason we must overturn the system or make it far more workable. The bill will achieve that. The report was commissioned by the local councils. The commissioner was Percy Allan.

The report says some interesting things about public opinion. Planning very much is a people process. Of the 912 people who participated in the survey only 8.9 per cent were happy with elected councillors determining development applications. More than 22 per cent wanted the council professional staff to determine development applications. More than 35 per cent wanted an independent panel and more than 25 per cent suggested that councillors should consider development applications after having advice from a panel. These very important findings clearly indicate that the community requires more workable and flexible measures that remove delays and excessive processes from the development application system. The bill will achieve these goals.

The New South Wales Government determines about 400 major development applications annually while local government assesses 125,000 applications annually. In view of the bulk of applications being considered by local government there should be a drive for efficiency at the local government level. To address government and community concerns about the processes and local council delays, the bill will give the Government the ability to increase its focus on local government performance in planning and development matters. The bill empowers the Minister for Planning to move easily and effectively in overseeing the performance of local councils. Importantly, the bill includes more stringent performance reporting by local councils. In many ways the bill lifts the bar, lifts the standard by which development application processes are considered in this State.

The bill increases the flexibility of the Minister for Planning to intervene in cases of unsatisfactory performance by local councils. While existing legislation provides the Minister with the power to appoint a planning administrator where councils do not comply with the provisions of the Environmental Planning and Assessment Act, this bill goes one step further by allowing the Minister to appoint planning assessment panels to exercise any of the planning functions of a council found wanting. I emphasise that last point. The mechanism is very flexible. For instance, if a council delays development applications excessively—more than 60 days—the Minister is able to appoint a panel including representatives with local knowledge to improve efficiency and remove delays in the process. Similarly, particular types of development such as medium density or high density may be looked at specifically by planning assessment panels.

Planning in my electorate—this would apply to all members of Parliament—is a very important function to get right to improve the quality of life for the residents I represent and for whom I am responsible. My electorate in many ways experiences the detrimental effects of bad planning over a 30-year period, particularly the concentration of public housing tenants side by side in particular suburbs. Improved planning processes are evident in my electorate in areas such as Edmondson Park, where we have learned from our mistakes and have an award-winning new development that has the potential for 8,000 residences containing about 30,000 people. This undoubtedly will improve housing affordability and choice, and business growth in the area. It should be acknowledged that in particular parts of my electorate bad planning has resulted in the need for improvement, which will only come through good planning outcomes. There is no doubt that bills such as this will ensure that good planning outcomes become a reality.

In the Premier's recent financial and economic statement he stated that the Minister for Planning will establish a task force of planners and urban designers to work with local councils to prepare city centre plans for each of the five cities identified within the metropolitan strategy. I welcome the fact that Liverpool is one of

those cities. I look forward to the city centre plans improving employment and infrastructure within the Liverpool area. The Government is very much committed to employment growth and investment in infrastructure. A task force to identify and appropriately zone employment lands throughout the State, particularly in the Sydney Basin, is also a step in the right direction.

I have had the honour and opportunity to be a councillor of Campbelltown City Council since 1999. Similarly that council has undertaken employment land studies, which undoubtedly have helped planning for job growth in the area. The employment growth in areas such as the Ingleburn and Minto industrial area is a result of good planning outcomes that identify and appropriately zone employment lands. I look forward to similar things happening in the employment zone at the intersection of the M7 and M4, which will assist all of Western Sydney.

Sydney functions in a competitive global economy and our planning system must ensure that Sydney succeeds and stands out in this international market. I emphasise that the mechanisms in the bill apply and will be implemented by the Minister only when a local council has excessive processes and delays. That is, the powers afforded to the Minister are quite flexible but they are flexible to the extent of fixing the problem. Importantly this will lift the standard of local government approval processes throughout the State. It would be acknowledged by this House that the vast majority of New South Wales councils perform very well in their approval process but there is a need to lift the standard and to reform processes to remove excessive delays.

I turn now to section 94 contributions and new growth centres. The bill will strengthen the Government's ability to deliver infrastructure, amenities and services in new land release areas and other areas where there will be co-ordinated growth and development. The changes deliver on the New South Wales Government's commitment to fund important regional infrastructure in the new south-west growth centre. It will ensure that roads, public transport and other important amenities are available when new communities are built. This has important benefits for existing and future residents in the Macquarie Fields, Liverpool and Camden electorates. Special infrastructure contributions will be collected in areas deemed as "special contributions areas", which will initially consist of land in any growth centre declared under the Growth Centres (Development Corporations) Act 1974.

The Minister for Planning will set the level of these contributions, which will reflect the cost of providing infrastructure, services and amenities in the area. As with section 94 contributions, developers will be able to provide the levy as a monetary contribution, as works in kind or by dedicating land. The bill provides that special infrastructure contributions may be spent on the provision of infrastructure outside a special contributions area, but only if the infrastructure and amenities provided arise as a result of development within the special area. This means that important regional facilities such as Liverpool Hospital may benefit directly from contributions raised in the south-west growth centre.

These changes build on the Minister's existing powers that already enable the Minister to fund regional infrastructure through environmental planning instruments, but add improved flexibility and certainty to the process. They also give more transparency and will enable the Government to achieve its dual goal of providing necessary infrastructure to growing areas and maintaining housing affordability. Special infrastructure contributions will be in addition to contributions levied by councils but will be collected only where it is reasonable to impose an additional levy because of the area's infrastructure requirements. For example, special infrastructure contributions will be collected for the major infrastructure and services needed in the south-west growth centre. In this area immediate and significant infrastructure expenditure will be required to benefit the existing and new communities.

This is about planning for growth in a more effective way, especially in areas where public services and amenities are needed before residents and businesses start moving in. This is a real issue in the area I represent, particularly around Prestons and the new release regions in the Liverpool local government area. We should always ensure that public services and amenities are in place before new residences and businesses are established. Importantly, the bill also prevents any double-dipping for the same infrastructure and services. It ensures that the combined total of local and State contributions in these special areas is fair, balanced and reasonable. As I said, that should be done in a way that provides the necessary infrastructure and with an emphasis on the importance of housing affordability. I commend the bill to the House.

Mr ANTHONY ROBERTS (Lane Cove) [11.31 a.m.]: Let's get this straight: The bill has been introduced with zero consultation. Industry and interest groups have lined up to have a whack at the bill. They are knocking down doors to get to the Opposition because the Government will not listen. Some have called for

it to be scrapped, others have called for minor amendments. The Coalition reserves the right to review this bill and to move amendments to it in the upper House. My colleagues and I have had trouble finding anyone who supports the bill in its entirety, apart from members of the New South Wales Division of the Australian Labor Party. Everyone, including my colleagues on the other side of the House, is aware that, unlike the Government, the New South Wales Coalition has a wonderful history of, and reputation for, consulting community and interest groups. This legislation is a sign of how little has changed since Bob Carr disappeared. Nothing has changed. It is a different jockey but the same tired old horse.

The Government claims to be a new Government. Some faces on the front bench are new, but they are still members of the old Government. In fact, some other wonderful new faces should be on the front bench. They would do a much better job than many of their colleagues who are already there. There has been zero consultation about the bill; members opposite are riding roughshod over local government. The arrogance with which this legislation has been introduced without consultation is astounding. There has been talk about lack of performance in local government and failure to meet key indicators. If the Government were a local government body, its litany of failures would have ensured that it was sacked years ago. An administrator would have been appointed because its failures are so many and so widespread.

I pay tribute to local councils. It is always easy for the Government with its cost shifting, continual bagging of local government and focus diversion to redirect its troubles to the good people who serve their local communities on councils and the good, hardworking local council staff. At times they work hard under difficult conditions. There are some recalcitrant councils, but the majority of councils and councillors do a fantastic job and they should be commended. I bring to the attention of the House some statistics compiled by the honourable member for Myall Lakes, who was a fantastic shadow Minister for Local Government. He points out that of the 93 members of the Legislative Assembly, 40, or 43 per cent, came from local government. Of the Australian Labor Party members in this place, 28, or 30 per cent, came from local government. Those members have turned their backs on the people who trained them and gave them the opportunity—

Mr Alan Ashton: Where did you come from?

Mr ANTHONY ROBERTS: I came from local government, but unlike honourable members opposite I am not bagging local government. Of the 40 members who came from local government, 70 per cent are Australian Labor Party [ALP] members, 20 per cent are Liberal-Nationals and 12.5 per cent are Independents. Of the 55 Labor members in the Legislative Assembly, 28, or 50.91 per cent, came from local government. Of the 19 Liberal members, 4, or 21 per cent, came from local government. Of the 12 Nationals, 4, or 33.3 per cent came from local government. Of the 31 Coalition members, 8, or 25.8 per cent came from local government, and of the 7 Independent members, 5, or 71.4 per cent came from local government. In the Legislative Council, of the 8 members who came from local government, 62.5 per cent are ALP members, 13.5 per cent are Liberal-Nationals members and 25 per cent are Independents. It is easy to bully and attack local government. That is why I remind the House that we cannot forget where we have come from or the wonderful work local government does. The Local Government Association has made a number of submissions in respect of scrutiny of the bill and the insufficient consultation about it. The association has stated:

Given its importance to the overhaul of the planning system Local Government is strongly of the view that there has been insufficient consultation or scrutiny concerning the Bill. In contrast, the *South Australian Sustainable Development Bill 2004*, on which many of the provisions of the current Bill are based, has been subject to extensive consultation over a period of three years. It is understood that many of the more contentious South Australian provisions have been deferred to enable further detailed community consultation.

In respect of performance indicators, the association stated:

The Associations question the accuracy and integrity of the data which the Government has used to justify the Bill. Independent research commissioned by LGSA in 2003 established that DA processing times were reasonable, and that where delays occur, these are often the result of factors within the control of the State government and development industry.

It is true that the delays at some councils are unacceptable. The association continued:

In fact, out of more than 3500 DAs analysed, only 4% of applications went before councillors for a decision at a council meeting. In his media release dated 28 February 2006 the Minister stated that "he will work with the Local Government and Shires Associations to establish a new system for reporting on councils' planning performance."

They will look forward to that. More consultation should be undertaken. The association further stated:

While the Associations welcome the Minister's announcement and look forward undertaking further work in this area, at the same time we believe the Minister is placing too much emphasis on the timeframes at which applicants can seek determination by the Court (40 days or 60 days for integrated development) - this is not a timeframe in which a complex application can be realistically assessed.

The Government should also acknowledge that delays in processing DAs are often out of council control such as applicants submitting non-complying and/or incomplete applications; the critical shortage of planning staff and the difficulties councils face in recruiting qualified and experienced planners ...

Anyone involved in local government knows that is a major issue that must be addressed. The association goes on to point out a major concern:

The current legislation enables the appointment of administrators under limited circumstances including corruption.

The Bill enables the Minister to appoint a planning administrator or panel under much broader grounds...

This is a very broad and subjective test which enables the Minister to remove a council's planning powers without providing any reasons for doing so. The Minister's second reading speech indicates that the exercise of the power would be subject to principles of administrative law. However, these grounds of appeal are limited to, for example, whether the power was exercised in a "manifestly unreasonable" way.

That is a very difficult and expensive ground on which to challenge a decision. The association does a wonderful job. It goes on to say that the legislation should be amended to:

- Make explicit the criteria to be used by the Minister in determining whether a planning administrator or panel (or both) is to be appointed;
- Require the Minister to obtain the concurrence of the Minister for Local Government before a decision is made (as is currently the case) and give reasons for his or her decision;
- Require a formal process of forewarning and/or negotiation with the council concerned in an endeavour to address issues concerning a councils' performance before a planning administrator or panel is appointed;
- Consult with Local Government with regard to the membership, appointment and operation of panels; and
- Require the State Government to pay the remuneration and costs and expenses of the planning administrator or panel, with the proviso that where a council has agreed to the appointment or there has been serious corrupt conduct, costs are negotiated between the Minister and council.

I will now address some concerns—

Mr Frank Sartor: Why should the State pay for the non-performance of a council?

Mr ANTHONY ROBERTS: That is a good question. That is because councils and the people of New South Wales are paying for the non-performance of the State Government. The Government cannot have it both ways. We are currently paying for the failures of the State Government with continual cost shifting. If it is good enough for them it is good enough for the Government. I should have dealt with that a little earlier, but I thank the Minister for raising it. I now move to the concerns of the HIA.

Mr Frank Sartor: Andrew, you promised me 10 minutes.

Mr ANTHONY ROBERTS: There have been so many interruptions and assistance from the Government benches that I am more than happy to provide more information. I appreciate the support of Government members. The HIA is committed to housing affordability and is deeply concerned about the special infrastructure contribution elements of the new planning bill. Those contributions are a new tax on housing. They are inequitable, inflationary and largely set by the Minister without any independent oversight. No equivalent charge exists elsewhere in Australia. New South Wales already has the dubious honour of being the least affordable State, with Sydney in the top 10 of the least affordable cities worldwide.

Over the past 10 years land prices have skyrocketed from \$107,000 for a typical family block to more than \$460,000. These hikes have been fuelled by constrained land supplies and a massive surge in the number and amount of hidden taxes and charges, for which the Government is well known. Double-dipping, excessive fees and charges and taxes on taxes are delivering a windfall of more than \$150,000 to the Government, with its black hole, for every block of land sold to New South Wales families. Thanks to the New South Wales Government an extra \$150,000 is added to the price of a house making first homes less affordable for young men and women, young families, young partners and young individuals. That situation needs to be addressed.

The HIA says it is immoral to ask new homebuyers to pay for infrastructure that is enjoyed by the community at large. For example—and I notice the honourable member for Manly is in the Chamber—the people of Manly were not asked to pay for their new ferry. Ferries are a service provided for the community at large and are paid for by the State Government—and rightly so. The HIA says that the Government must get back to doing its job and borrow for necessary infrastructure, allowing for those facilities or services to be paid for over an extended period, not upfront as proposed in the bill. I do not think anyone could disagree with the claim that no-one can borrow as cheaply as government. The HIA states that independent research shows government borrowing is the most efficient and technical means of financing long-lived public infrastructure.

The HIA goes on to say that the proposed rules governing the Minister's State infrastructure levy are inadequate, as is the lack of appeal rights. It also says—and the Coalition agrees—that while there are clearly elements of this bill that are welcome to the industry and interest groups, many of them come at too high a price. The HIA says the bill should be amended to delete any reference to State infrastructure contributions or be rejected outright. This is about consultation, and I have consulted with the association. Owning a family home has always been the centrepiece of the quality of life for Australians. Sydney's affordability problem is directly related to the inflated cost of land. The level of taxes and charges adds significantly to housing costs. These charges now total around 25 per cent of average house purchase costs, or \$150,000. They add an extra \$1,028 per month to minimum monthly payments and \$220,000 in interest paid over the life of a 30-year loan. As legislators we should address that matter.

Ms TANYA GADIEL (Parramatta) [11.43 a.m.]: I strongly support the bill, which amends the Environmental Planning and Assessment Act. The amendments will achieve important planning objectives, including reducing delays and costs in the assessment of development applications, helping to co-ordinate local and State planning controls and ensuring the timely and efficient supply of infrastructure and services to support growth and development in land release areas and other important sites. These changes build on the significant planning reforms that were undertaken in 2005 in relation to projects of State significance.

The bill is part of the Government's ongoing work to ensure that there is greater certainty and efficiency in all levels of the planning system. The changes to planning law in 2005 ensure the efficient and robust assessment of planning matters that are dealt with by the State. But local councils in New South Wales deal with the vast majority of development applications [DAs] lodged every year, that is, approximately 125,000 per year. The way in which councils deal with their planning and development matters are critical to the housing, employment and investment available to the State of New South Wales. I am particularly interested in the provisions of the bill relating to planning assessment and panels.

The new laws expand on currently available powers and allow more flexibility to target problem areas. The Minister assures me that the powers will only be used as a last resort when a council fails to deal with planning matters efficiently and/or appropriately. Some councils, such as Parramatta City Council, already use independent planning and assessment panels to advise on development applications. The bill provides new powers to the Minister to appoint planning assessment panels to determine development applications. The changes will help the Government respond to community concerns about council performance in planning and development, such as delays or excessive legal costs.

Excessive planning and development legal expenses are incurred by some councils. Such costs take ratepayer funds away from a council's other priorities. The changes proposed in the bill make it easier to address such situations through the appointment of a planning and assessment panel to perform the council's functions in relation to local planning and development matters. Panels may be appointed in a range of other circumstances, such as a council failing to comply with legal obligations, if the Independent Commission Against Corruption recommends the appointment of a panel or the council agrees to the appointment. Panels will improve the efficiency and effectiveness of local decision making and are likely to result in reductions in councils' legal costs.

I know councils are capable of improving their performance in dealing with local planning matters. I base this knowledge on the improvements that I have seen at Parramatta council where I am told that the average DA processing times have fallen from 159 to 87 days. I understand also that during the 2004-05 financial year, the council achieved a 30 per cent reduction on the previous year's planning costs. Some of the changes made by Parramatta to improve the way development applications are handled include establishing two design review panels to provide independent design advice on residential flat buildings, preliminary assessment of all development applications within the first seven days of the application being lodged, allocating more staff to assess domestic applications—less complex applications—where there is a greater expectation of faster approval times and improving the pre-lodgement process to ensure consistency in advice given to potential applicants.

The introduction of those initiatives is an acknowledgement by council that its previous performance was unacceptable to families seeking a determination on minor applications to improve their homes, and unacceptable to businesses seeking to invest in Parramatta and provide employment opportunities to the people in the Parramatta electorate. That acknowledgement by Parramatta council and the decisive action taken to address those issues should be applauded. Unfortunately, not all councils across the State are as progressive and as willing to accept responsibility as Parramatta council.

The actions taken by Parramatta council are consistent with the types of options provided to the Minister in the bill, options to ensure that all councils are minimising delays and costs in the assessment of development applications. The Minister advises me that such powers will be used in a limited manner and that the majority of councils across the State are dealing with their planning matters in an appropriate and responsible way. The Minister also advises me that provision has been made to ensure that panels and administrators have sufficient resources and powers with the council to be effective.

The Government is a strong defender of the role of local government in this State, but the State cannot ignore repeated calls by some that a small minority of councils fail to make timely and reasonable planning decisions. The bill comprises a range of practical and reasonable measures designed to improve efficiency and promote consistency in planning and development across the State. Delays have been increasing in some areas and that is causing frustration to residents wanting answers on simple home renovations and investors who want to create more jobs and prosperity for New South Wales. I commend the bill to the House.

Mr DAVID BARR (Manly) [11.50 a.m.]: There are some components of this legislation, relating to the appointment of panels and planning administrators, to which I am opposed. In his second reading speech the Minister referred to councils going beyond the 40-day statutory requirement relating to deemed non-consent, when matters can be referred to the Land and Environment Court. One size does not fit all in councils. My electorate takes in the Manly local government area and a large part of ward B of Warringah Council. There are specific issues relating to topography, privacy, views and so on. It is impossible for councils to comply with the 40-day limit.

There needs to be recognition that people putting in applications for fairly modest extensions may push the envelope, and the process of negotiation and compromise that takes place extends the time taken for the development application [DA] process and the time in which consent is given. Often the applicants will complain about how long the process has taken, but sometimes the fault lies with them. There is also the issue of local residents wanting the amenity of their area protected and to have input into the sorts of developments and the scale of development that takes place. That is all part of the local democratic process and part of democracy as such.

It seems to me the State Government treats the councils in much the same way as the Federal Government treats the States, that is, there is a move to centralise more and more powers in their own hands. It also seems starkly evident to me that under this legislation there is an increasing encroachment by Department of Planning on the Department of Local Government and the area for which the Minister for Local Government is responsible. I have long been concerned about the performance of councils and councillors, and how that can be dealt with. I do not believe this legislation resolves that. The issue is how to get better performance in-house in councils rather than imposing external controls. I have long argued that an internal Ombudsman is needed, perhaps for one council but certainly for groups of councils.

Merely looking at a timeline is totally inadequate. It may well be that some councils have a fast consent timeline but that may not necessarily reflect that they are doing a good job. Rather, it could be they have a "Let her rip" mentality and through it goes. Two or three months ago I had a meeting with the Minister for Local Government and put to him that his department needed to give more support to instituting internal Ombudsmen in councils. His response was to foreshadow this legislation and point out that the Minister would be able to appoint administrators or panels as a solution. I do not think that is the solution. We need to be looking at, first, whether a person can examine complaints and council processes at a local level and at arm's length from councils. That would mean that people would have a local remedy but it would also be a means of keeping councils on their toes without the Minister having to get involved.

A number of local councils have been sacked or have had their propriety and performance questioned. Over the years the Department of Local Government, the Independent Commission Against Corruption and the Pecuniary Interest and Disciplinary Tribunal have been fairly ineffective in coming to terms with all sorts of goings-on at councils. The way around that is to have a local Ombudsman who can examine complaints against councillors and the behaviour of council staff officers in the way they are processing DAs or anything else.

Development applications are the most critical matter for many people and it is obviously the area where there can be mischief, corruption or wrongdoing. It is much better if there is a mechanism or structure in place to deal with those problems at source, rather than waiting to see the results of an inquiry and the Minister for Local Government or the Minister for Planning stepping in. We need to fix the problem at source. In the years I have been a member of this place there have been no amendments to statutes—although I have tried to amend the Local Government Act—and no legislation that have dealt adequately with this issue. This legislation does not deal with it adequately either. It gives the Minister the power to step in and impose a planning regime on councils.

I do not support that. These matters should be dealt with in-house through structures set in place at council level so there is a systemic improvement in the performance of councils across the State. That is better than the Government interfering or making appointments when the Minister perceives there is a problem in a particular council. He may miss all sorts of council improprieties in other areas. An internal Ombudsman could undertake a professional and factual investigation and ensure the resolution of complaints at community level. He retains independence and impartiality, particularly on a regional basis. It is a cost-effective system because matters can be dealt with locally and it gives the community a focus for their complaints about the way DAs are being processed, or the time being taken to process them, and the role of council staff or councillors.

I believe councillors should be removed from the DA process, as much as is practicable. They are at moral risk. That is particularly noticeable with small councils. Councillors know lots of people in the community and they are at risk of pressure from friends, friends of friends, relatives, or whatever, to approve or oppose development applications. Councillors should not be put at moral risk in that way. The job of councillors is to provide policy guidelines and put structures in place, including independent panels, to ensure the council does its business in a transparent and predictable way. That is what I believe should happen. Once again, it should be up to the local council to put those mechanisms and processes in place. That is still democratic because if it does not work, the council as the policy-making body and the councillors as the policy makers can then rectify or modify that arrangement so that the outcome is fair and equitable for all members of the community.

The notion of looking at the timeframe in which approvals should be made is simplistic and depends on whether it is a large-scale commercial DA or a residential DA. In my electorate the community wants quality, it wants its urban amenity protected and it expects the council and councillors to put mechanisms in place to do that. If the process takes a bit longer, so be it, because I believe it is the wish of my community to protect the amenity of the area from inappropriate development and overdevelopment—not non-development. This bill gives the Minister too much power to interfere in the processes of local government. It should be up to councils to make these decisions at the local level. That is what democracy is all about.

Ms ANGELA D'AMORE (Drummoyne) [12 noon]: It gives me great pleasure to support the bill and recognise the importance of the amendments to my electorate of Drummoyne. I certainly welcome the introduction of this bill, which will amend the Environmental Planning and Assessment Act. The amendments build on planning reforms that were undertaken in 2005 to slash red tape on development, encourage jobs and investment in New South Wales and ensure that major projects in New South Wales can be assessed and determined in the most efficient and robust manner.

The key amendments will achieve important planning objectives, which include reducing delays and costs in the assessment of development applications [DAs]—very important measures. Recently the Minister had to intervene in the City of Canada Bay Council with respect to Breakfast Point to facilitate residential and commercial space for up to 5,000 people. Hundreds of DAs were being held up in the Land and Environment Court in cases between council and developer and 700 jobs were being jeopardised. It is very important to reduce delays and assessment costs.

The bill will also help to co-ordinate local and State planning controls and to ensure the timely and efficient supply of infrastructure and services to support growth and development in land release areas and other important sites. Amongst other things the bill will ensure that the administration and collection of development contributions by local councils are fair and reasonable. For many decades local councils have been able to seek levies on new developments. These levies should be used to help pay for services required for new residents, such as parks or community facilities, or to offset the impact of a development.

The New South Wales Government is concerned that the local development contributions system is not working as effectively as it should. For instance, there has been some criticism of local councils with respect to

the way in which some contributions have been spent, including criticism that levies for funding the works arguably should be serviced through the general rate revenue. Last year the Government made some changes to give councils increased flexibility in the collection and spending of development contributions, and I supported those changes. This allowed them to spend more easily the hundreds of millions of dollars in existing contributions sitting in accounts and to negotiate voluntary agreements with developers.

Despite these reforms I am concerned that some councils still do not effectively utilise their collected section 94 funds. The electorate of Drummoyne contains three local government areas—Ashfield, Canada Bay and Strathfield. All those councils enjoy my support and I am always there to help when they need my assistance. But in relation to contributions, especially section 94 contributions in the Canada Bay area, which has experienced significant development with industry moving away from the foreshore, returning the foreshore to the community, for three years I have tried to extract information from council about the section 94 contributions and where they will be used.

For three years that council has avoided answering those questions or been unable to clarify the situation. I am sure that this bill will go a long way towards helping me, as a State member of Parliament, to inform my community in the new estates and surrounding suburbs about how much money has been set aside and for what purpose it should be used. Residents have been waiting years for upgrades to be undertaken and they are extremely frustrated. Footpaths and roads are cracked and, despite commitments being made to upgrade facilities, nothing has been done.

I welcome the bill, which will build on the planning reform work undertaken in 2005 to improve the development contributions system, and that will be a good thing for residents. Any measure to secure infrastructure for residents is to be commended. The Minister for Planning will now have the ability to intervene when legitimate concerns are raised about a council's contributions plan. This could include concerns about the purpose for which the money is collected or the contribution amount. I am sure that my residents look forward to the section being implemented.

The amendments will help to ensure that contributions plans are in place to complement the timing of developments and will prevent contributions being used for inappropriate purposes. It will also ensure a reasonable total of local contributions. This is important because many of the estates in my area were built 5 to 10 years ago yet money still has not been spent on infrastructure. The problem is that the cost of projects then blows out. The proposed law allows the Minister to approve, amend or repeal a contributions plan. It also requires councils to provide the Minister with a copy of the plan as soon as practicable after it has been adopted. I welcome this wholeheartedly as I have had immense problems with obtaining these details. The Minister advises me that he expects these provisions to be used only in exceptional circumstances. I call on my councils to do the right thing so that the Minister will not have to intervene.

Importantly for councils, it will not be possible to appeal to the Land and Environment Court against contributions determined under a contributions plan if that plan is made or amended by, or is at the direction of, the Minister. However, the bill does not affect the ability to appeal to the Supreme Court on certain administrative and technical matters. Provisions relating to local section 94 contributions are important to me and my electorate, particularly in light of new housing in the area. I support also other important components of the bill that are part of the Government's ongoing work to ensure there is greater certainty and efficiency within all levels of the planning system.

In relation to reducing delays and costs in the assessment of development applications, we all know that local councils in New South Wales deal with the majority of DAs, with approximately 125,000 lodged each year. The majority of applications are not from the big developers but, rather, from mum and dad investors, who just want to renovate their homes or provide better housing. Despite the Government cutting red tape, some councils still continue to drag their feet on development applications for no good reason. I regularly see constituents frustrated at councils not approving their DAs or not informing them of what is wrong with their applications.

The bill provides a new power to appoint planning assessment panels. Some councils already use independent planning and assessment panels to advise on development applications, so we already have a precedent. The new laws expand on currently available powers and allow more flexibility to target problem areas. The Minister assures me that the powers will only be used as a last resort when a council is failing to deal with planning matters efficiently. That is an important point.

Concerns have been expressed with respect to excessive planning and development legal expenses incurred by some councils. The legal bill for New South Wales councils jumped by 40 per cent to over \$33 million in the two years to 2003-04. This is taking ratepayer funds away from councils' other priorities. Residents come to my office on a weekly basis after having received letters from council stating that what they want upgraded is not a priority. Councils should stop wasting money on legal battles and spend the money on infrastructure, where it should be spent. If a council is failing in its planning and development responsibilities, the Minister for Planning will be able to appoint a planning and assessment panel to perform the council's functions.

The new law will strengthen the Government's ability to deliver infrastructure, amenities and services in new land release areas and other areas where there will be co-ordinated growth and development. It will ensure that roads, public transport and other important amenities are available when new communities are built, rather than 5 or 10 years later, as occurs in certain sections of my electorate. The Minister for Planning can create further special contribution areas. This could include corridors or centres earmarked for housing growth in regional strategies. A new fund will be established to collect the regional levies.

The proposed law states that the funds cannot be used to pay for general government funding. The funds must be used for the provision of infrastructure and administrative expenses, and will only be collected where it is reasonable to impose an additional levy because of the area's infrastructure requirements. The bill also prevents any double-dipping to the same infrastructure and services, and ensures that the combined total of local and State contributions in these special areas is fair, balanced and reasonable.

The bill also contains provisions relating to development control plans [DCPs], which reinforce recent initiatives to provide greater certainty for communities and the development industry. Specifically, the amendments will enable the Minister to direct a council to make, amend or revoke a DCP. If the council fails or is unable to act as directed, the Minister may make, amend or revoke the development control plan. At present, councils can use DCPs to introduce onerous and inappropriate controls without sufficient public scrutiny, and at times in conflict with other planning and development objectives.

The community expects the Government to prevent councils from implementing regulatory requirements that have not been properly analysed. However, at the moment the Government is powerless to do so. In conclusion, the amending bill contains a range of sensible measures designed to promote consistency in planning and development. The bill also addresses concerns relating to the tardiness of councils, which is causing frustration for many residents, ranging from people wanting answers on simple home renovations to investors who want to create more jobs and investment in local areas. For my electorate, the bill addresses my concerns about the delays in provision of local infrastructure, which my residents and I consider to be of utmost importance. These reforms are necessary, and I commend the Minister for reforming the legislation. I commend the bill to the House.

Ms CLOVER MOORE (Bligh) [12.10 p.m.]: Since the Government introduced its so-called planning reforms in 2004 it has repeatedly attacked people's hard-won right to be involved in determining the form and future of their cities, suburbs and living environments. This bill is anti-democratic and anti grass roots involvement in planning, and I believe it is rampant hypocrisy from the State Government. This Government squeals whenever the Federal Government overrides its planning controls—as it should do; the airport is just the most recent example—or interferes in the State's share of taxation. But with this bill, and other recent planning reforms, the State Government kicks local government in the same way—overriding its ability to plan for local communities, imposing costs and restricting revenue. It continues the trend of the three tiers of government each blaming and kicking the other tiers, rather than focusing on their own areas of responsibility. People are heartily sick of this, and I predict that their dissatisfaction will make itself known at future elections.

This is reminiscent of the bad old days of the Askin Government, when a junta of big developers and Government Ministers controlled all development and planning, and shocking developments that were not in the public interest were negotiated under the table in the Minister's office. I do not see how this bill aligns with ICAC's recommendations to address corruption in development applications, and I am seriously concerned about the risk of corruption inherent in this bill. I support the calls of the Local Government Association of New South Wales, the Shires Association of New South Wales, the Council of Social Service of New South Wales [NCOSS] and the Environment Liaison Office, representing amongst others the Nature Conservation Council, the Total Environment Centre and the Australian Conservation Foundation, for this bill to be substantially amended.

I strongly oppose this bill, which allows the Minister for Planning to intervene in local government at whim, with draconian, unrestricted powers to override democratically elected local councils in planning for local communities. People elect local councils to plan for their communities and expect them to have the capacity to do so. The powers of the democratically elected council, and the community's ability to participate in the planning process, should not be usurped. Good planning with community consultation and effective determination of development applications can go hand in hand, as shown by the city of Sydney, despite the huge volume of applications and the major projects involved. If the Minister believes that councils are too slow in dealing with applications, the Minister for Planning and the Minister for Local Government should provide the support needed for councils to become more efficient. They should help them with the tools they might need to become as efficient as many other councils. Community input into planning decisions was won through the enactment of the progressive Environmental Planning and Assessment Act, which was brought in by the Labor Government in 1979. Now we have this Labor Government winding back the clock and reversing those important reforms.

Unlike the Minister for Planning, local government councillors are answerable to their local communities every day, and are required to consider each and every public submission when drafting planning controls or considering development applications. The Minister in his second reading speech gave the assurance that "the Government is a strong defender of the role of local government in the State". One objective of this bill is to "help to co-ordinate local and State planning controls", yet the Minister did not even discuss these proposals with the Local Government and Shires Associations, NCOSS or the general community about what he describes as a "radical overhaul" of the New South Wales planning system. I share the view of the Local Government and Shires Associations and NCOSS that developers should be required to contribute to essential regional infrastructure, including public amenities and services, transport and affordable housing, and environmental conservation, especially in growth areas.

However, like them, I am concerned about the free rein for the Minister for Planning to determine special contribution areas, set the level and nature of special infrastructure contributions, and give these contributions to government departments for the provision of infrastructure, which may not even be in the special contribution area. This bill provides no clear mechanism to ensure that contributions levied are used for specific infrastructure; nor is there any requirement that the Minister even identify the specific infrastructure for which the levies are intended. I support the proposal by NCOSS that the Minister should be required to take into account any existing or draft infrastructure plan, and consult with the relevant local council or development corporation when requiring the levy of special infrastructure contributions. It is particularly important that there be clear, enforceable guidelines to limit ministerial discretion, as the bill specifically excludes any appeal of the Minister's decision.

The Minister could declare a special contributions area wherever and whenever major development is proposed, and set any level of development contributions, delivering another planning cash cow to the New South Wales Government. The level of ministerial discretion lacks transparency and accountability, and risks corruption, particularly when major political parties continue to accept donations from developers. I support the Local Government Association's call for the bill to be amended to enforce detailed scrutiny and oversight of money paid into and out of the proposed special contributions area infrastructure fund, and to include a process to appeal the Minister's determination in the court. The bill proposes serious restrictions on local government's capacity to levy developer contributions to provide necessary local infrastructure for growing communities, including local roads, parks and community facilities, particularly in special contribution areas.

Given local government's limited capacity to raise revenue, developer contributions payable under section 94 of the Environmental Planning and Assessment Act are essential to ensure the provision of adequate local services and infrastructure. The Minister will be able to direct the council to make, amend or revoke any development contributions plan in any time or manner specified, without giving any reasons or justification for the direction. Through section 94, the State Government already places stringent limits on the amounts and nature of contributions councils can collect from developers. Should a council not comply with the Minister's direction, the Minister will be able to make, amend or revoke a development control plan directly, and he will not be subject to regulation.

This bill further erodes the original intention of the Environmental Planning and Assessment Act by providing the Minister with the extraordinary power to direct a council to make, amend or revoke a development control plan, and to do so himself if the council concerned does not comply with his direction. However, the bill does not require the Minister to provide any reasons for his decisions; nor does it detail in what circumstances the Minister may make such a direction. There are inherent risks of corruption in such extraordinary discretion.

The Minister already has the power to determine so-called State significant developments; now he is trying to wrestle the determination of local planning policy, as well as development applications, from local government. Development control plans are drafted and endorsed by councils in accordance with the wider planning context of local environmental plans, which are already approved by the State Government. The proposed changes have the opportunity for the Minister, who may not have any connection to or understanding of the local area, to step in and make changes to the planning powers of council without the local context needed to fully understand complex local planning issues.

Development control plans should be the responsibility and the domain of local government, where local decisions with a local context can be made and residents can trust that planning controls are there to protect them and not to favour developers. I support the Local Government and Shires Associations' recommendation that the bill be amended to include provisions to make explicit the criteria a Minister must use when deciding to direct a council over a development control plan; require a formal process of forewarning, consultation and negotiation with the council concerned before such a direction is issued; and require the Minister to comply with all the relevant planning legislation and regulation when making, amending or directing a council to make or amend a development control plan.

This bill provides for the Minister to appoint a planning administrator or panel to carry out any or all of a council's planning functions, including drafting planning controls and its consent authority role. Currently, the Minister may appoint a planning administrator if a council is shown to be failing its legislated planning duties or if the ICAC so recommends. Under the bill, the Minister will be able to appoint an administrator or planning panel if he is of the opinion that a council's planning performance is unsatisfactory in timeliness or in any other way. There are no criteria that the Minister must consider, no steps he must take to help a council address planning difficulties before appointing a panel or an administrator, and no restrictions on when or how the Minister may intervene in this way.

A council whose functions are carried out by a panel or an administrator must reimburse the Government for the remuneration, costs and expenses of the administrator or panel. The Minister has power to exempt the council from these costs or to resolve disputes over reimbursement. The council must also provide staff, facilities and documents to the panel or the administrator, and there is a penalty for any individual obstructing the panel or administrator.

The bill also makes changes to the draconian, undemocratic Redfern-Waterloo Authority legislation, which I opposed when it went through this House and which is very much opposed by all the people living in the Redfern-Waterloo area. A meeting just last Saturday showed the feeling of the community about the draconian nature of excising an area from a democratically elected body. It is quite outrageous. Again I condemn the Government for that legislation.

The bill will allow the Minister for Planning to delegate to the Minister for Redfern-Waterloo his functions—which is interesting, as it is the same person—as consent authority for State significant sites in the operational area. The Minister for Redfern Waterloo can then delegate this authority to the Redfern Waterloo Authority, a member of its staff or the city of Sydney. The bill will allow the Minister for Redfern Waterloo to acquire Crown land vested in government departments, other Ministers or other statutory bodies but not from council. The bill amends the Redfern-Waterloo Act to reflect the proposed changes to provide for special infrastructure contributions. I am concerned this indicates that the Minister intends to use unfettered powers to determine special infrastructure areas to get hold of developer contributions in this area as well. It is a very sad day for the democratic process that members of this House seem to have forgotten the communities they are elected to represent. They are supporting or planning to support this legislation to remove the people's ability to contribute to planning in their local communities.

Mr BARRY O'FARRELL (Ku-ring-gai—Deputy Leader of the Opposition) [12.21 p.m.]: Planning and development issues can be frustrating. They can be frustrating for home renovators, as my wife is experiencing at present, they can be frustrating for councils, and no doubt they can be frustrating for the State Government. That frustration stems from the need to try to balance all the issues involved in planning and development, whether it is in the home, the street, the community or across the State. My concerns about this legislation centre on that issue of balance—the balance that requires owners to be mindful of neighbours, requires individual interest to be balanced against the public interest, and requires local needs to be measured against State and city requirements. So, my concern is centred on the balance in this legislation, principally in relation to the power it gives to the Minister to appoint planning and assessment panels and a planning administrator.

As the Minister indicated in his second reading speech, there will be four criteria on which planning and assessment panels will be able to be appointed. They can be appointed, for instance, if the council has not complied with its obligations under the environmental planning legislation. They can be appointed if the Independent Commission Against Corruption recommends their appointment because of serious corruption by councillors; or they can be appointed if councils agree, because some councils may recognise the need for such a panel to be appointed. Those three powers are largely unexceptional. The issue here, as the shadow Minister for Planning indicated, relates to the fourth category in which the planning and assessment panels can be appointed, and that relates to where the council is failing in its planning and development responsibilities.

Similarly, in relation to the planning administrator, the Minister is able to do so currently if council has not complied with its obligations under planning legislation, or if ICAC recommends it. But like the power to appoint planning and assessment panels, power is going to be given to the Minister to appoint planning administrators where a council is not performing. My concern—a concern reflected in the comments of the shadow Minister, and a concern that we hope will be the centre of the upper House debate—is the absence of any form of criteria about the use of that power. What are required are fair, relevant benchmarks against which any Minister's use of those powers can be measured. Amendments will be moved in the upper House. That is where the crux of this debate will occur. We are prepared to allow this bill to pass through this House to the upper House, particularly given that the Government has a majority in this House. I cannot support a *carte blanche* being given to any Minister for Planning, whether it be the current Minister or his predecessors—and I will say something about them in a moment—or those who may be appointed in the future on either side of politics. Not only are no criteria set out but the ability of residents or councils to appeal those decisions has been severely curtailed.

This is not a personal matter about any individual Minister. It certainly is not personal about the current Minister. What is personal to me is the community I represent. I believe Ku-ring-gai council will be the first council subjected to these provisions should they get through Parliament unfettered. It may well be the first council affected even if legislation gets through Parliament with agreed criteria. The Department of Planning has its gun locked and loaded, in shooting parlance, and my concern is that, without specific criteria, after the passage of this legislation the Minister will be able to fire it at will at the community I represent.

I understand the Minister's and the department's frustration with Ku-ring-gai council. Residents have their own frustration with Ku-ring-gai council at times, as has the local member, as I have made clear in this House before. What is most frustrating to me in the saga that has represented planning in Ku-ring-gai for the past six years or so that I have been concerned is the repeated failure of successive Ministers or departmental officials to ever take the Ku-ring-gai perspective in these matters. They never accept any responsibility. They never talk about the shifting goalposts, what I once described, when Ku-ring-gai was first being asked for its residential strategy, as being asked to sit a maths test without being told what the questions were and when you submitted your answers you were told you got it wrong but you were not told why.

Mr Frank Sartor: You were at meetings. You know we gave them lots of advice.

Mr BARRY O'FARRELL: No, I am talking about the pre Frank Sartor times. I remain of the view I have publicly stated. Notwithstanding my grave concerns about this legislation, I think that with the current Minister, who has a better background in local government than some of his recent predecessors, Ku-ring-gai has a better chance of achieving a fair outcome. But this is not about the current Minister. I am talking about dealings between Ku-ring-gai council and the Department of Planning over 11 years that have been characterised by shifting goalposts, mixed messages, delayed decision-making and, quite frankly—and it may be unparliamentary and if it is no doubt I will be picked up—ministerial lies, lies by the former Minister for Planning Dr Refshauge, and lies by former Minister for Planning Dianne Blunder, the honourable member for Mulgoa.

Mr ACTING-SPEAKER (Mr Paul Lynch): Order! I caution the Deputy Leader of the Opposition about the language he uses.

Mr BARRY O'FARRELL: I will not call her Dianne Blunder again. There has never been any acknowledgement, including under the current planning administration, of any improvements at Ku-ring-gai council. I am the first to say that in the past Ku-ring-gai council has been absolutely hopeless. It has let down its community and has created the sorts of pressures that have led to much of the development breakouts in areas like North Turrumurra. Its behaviour during the last council, in particular, created the conditions in which a former Minister for Planning could assume direct control over six sites in Ku-ring-gai and deliver to our municipality some of the ugliest looking housing I am yet to see, particularly that development at Warrawee.

In September 2003 the residents of Ku-ring-gai voted overwhelmingly to send a strong message to former councillors. The place was cleared out. A clear message was sent to councillors to get on with the job, to work their way through with the State Government to try to ensure we saw an end to this situation. In the new council, seven of the 10 councillors were new. It was an avalanche by anyone's reckoning. Martin Pakula never felt the voters' wrath that was experienced in Ku-ring-gai in September 2003. The new council, under the new mayor and the new deputy mayor, sought to make progress. Has that progress ever been acknowledged by the Department of Planning? Absolutely not. There has been no attempt to do so. When you do not get that encouragement, when you do not get past Ministers' commitments fulfilled, behaviour reverts to type.

I am the parent of young children and I know that when parents are inconsistent in their behaviour the children never learn the lessons of how to behave. In recent months at Ku-ring-gai council there has been an outbreak of the sorts of antics, politicking and tactics that put public interest last. This Minister and his predecessor, the community and the State member abhor these things. But why would there not be a return to that sort of behaviour when at no stage will the Minister, or his department in particular, which has been dealing with the issue for 11 years, acknowledge that, especially from 2003 on, Ku-ring-gai council started to get its act together? Not acknowledging this creates the conditions that will enable the Minister one way or the other, with these powers defined or without these powers, to ride roughshod over the desires of the Ku-ring-gai community. What are those desires? The people are willing to continue to carry their fair share of this city's population growth but without damaging the intrinsic residential character of our suburbs, the character defined by homes on large blocks, with parks, gardens, schools and all the wonderful things that make a dormitory suburb and community such as Ku-ring-gai.

Ku-ring-gai is surrounded by magnificent national parks. Why on earth would we want to destroy the sort of character that continues to attract people to this part of Sydney? I live in a pocket of Roseville. Most of my neighbours have come from the inner west. Many of them had not previously had an association with Ku-ring-gai. They were attracted by the open space, the public and private schools, and the tree canopy. The planning policies pursued by this Government threaten that. No-one has an objection about the highway corridor. With the level of traffic these days it is very hard to live adjacent to highways. No-one has an issue with that; the issues relate to the interface between the highway zoning and the rest of the suburb, and preserving the residential amenity and character that have made Ku-ring-gai unique. We do not want it to end up like other parts of Sydney. It is frustrating that at no stage will the Department of Planning say to Ku-ring-gai council, "You have started down the path to improvement. We will continue to work with you." As the honourable member for Bligh says, instead the unsatisfactory approach is always to use sledgehammers to crack nuts.

The second issue I raise in relation to the bill relates to the development contributions known as special infrastructure contributions. The Minister says that they will be designed so that new growth areas have the services and infrastructure required to exist. I ask the Minister: What about providing a similar commitment—not a contribution but a similar commitment—to those areas such as Ku-ring-gai that have been subject to this Government's medium-density planning policies whereby populations are being increased without any attempt by the Government, over 11 years, to match infrastructure or services to deal not only with existing problems of the current population but also with the expectations of future populations?

The Minister has a blank cheque approach to planning. On the one hand, he wants to raise densities. On the other hand, he is not prepared to spend any money to match infrastructure and services to ensure that they meet the demands of existing and future populations. The bill seeks to load greater contributions again onto green fields sites. It will raise the price of those sites. Last week I talked to the Urban Development Institute of Australia about the sorts of average contributions on Sydney housing blocks in the electorate of Macquarie Fields and other areas that are expanding. The figure averages \$50,000. In many areas that means that buying acreage for redevelopment is no longer feasible. That is providing greater incentive for medium-density development to take place closer to the city in areas such as I represent.

As I said before, Ku-ring-gai is happy to share the load in relation to Sydney's population growth, but the Government has never sought to provide infrastructure and services in Ku-ring-gai to cater for existing demands let alone the increases with extra residents. In the green fields sites homeowners are expected to bear the cost. At most question times the Premier talks about getting his fair share of the goods and services tax. The residents of northern Sydney pay more than their fair share of State taxes and revenue. The Premier wants to ensure that all GST revenues come back to New South Wales, an argument that Peter Debnam on day one described as the Queensland bludger syndrome. On the same argument that the Premier uses, there is also justice and equity in ensuring that North Shore residents gain some benefits from the taxes they pay. In railways, water,

roads or other infrastructure problems exist with current population levels. The Government has no plans to ensure that infrastructure provided by States will be there for increased populations.

Mr ACTING-SPEAKER (Mr Paul Lynch): Order! The Minister for Planning will come to order. It is disorderly to speak with people in the gallery.

Mr BARRY O'FARRELL: I simply do not understand why we cannot deal with this problem. I hope that the pragmatism of the Minister for Planning will result in some of these issues being addressed. The first action of the Iemma Government in splitting up the Department of Infrastructure, Planning and Natural Resources—an organisation that of itself was meant to ensure that there was a co-ordinated approach to planning—does not leave me with great expectations about what will happen. My concerns are about the unfettered power, the lack of criteria being given to the Minister in appointing planning and assessment panels and appointing planning administrators. Whatever happens in this place, those powers in one form or another, under this bill or future legislation, will be used against my community and this will not be in the interest of Ku-ring-gai or the public. I am also concerned that, unless the Minister starts to address the need for infrastructure and services, whatever he delivers to my area and the rest of Sydney will simply ensure that this city is a far less inhabitable and attractive city as we move into future decades. I do not believe he wants that. I certainly do not want it and neither do my constituents and the rest of the population of Sydney. They want leadership, proper planning and co-ordinated planning. Above all, criteria should be contained in the bill. [*Time expired.*]

Mr BRAD HAZZARD (Wakehurst) [12.36 p.m.]: As indicated by the shadow Minister, the Environmental Planning and Assessment Amendment Bill will be dealt with in more detail in the upper House, where the Opposition, if supported by members of the crossbench, has the necessary numbers. In this Chamber it is almost a pointless exercise because the Government continuously steamrolls over the Opposition. It happens daily. Yesterday legislation was introduced and moved through all stages. Yet it went to a critical issue that the Opposition would have liked to have discussed. For that reason I simply express my concerns about the bill and hope to see it dealt with in more detail in the upper House. The bill could be more properly named the "Trust me, I'm Frank bill". All the planning entitlements of local communities may end up with this Minister—entirely in his hands or at least in avenues which are entirely at the mercy of the Minister.

The Government is not to be trusted. Sadly, over the past decade the Government has failed in every avenue of infrastructure. The honourable member for Bligh pointed out that the Minister has brought to him a number of powers. The power in regard to Redfern-Waterloo is just one of them. He also has power over sites of State and regional significance. In bringing each of the powers to himself he has been driven by his belief that he can do a better job than local government, local communities. In some cases local communities, through their local councils, may not always get it right. But the fact is that local communities are entitled to be masters of their own destinies. That is the whole purpose of local government. Some local councils frustrate us from time to time—perhaps I will mention a couple of those frustrations in a few minutes—but the big issue for this Parliament to determine is whether those frustrations of local councils and local communities should translate into this Minister or any subsequent Minister having the power to steamroll over the top of local communities.

In Warringah we have already experienced the negative aspects of this Government's planning policies. For a decade we have put up with the push for medium density. As the honourable member for Ku-ring-gai pointed out earlier, most communities are prepared to wear their fair share of development to accommodate Sydney's increasing population. However, they are entitled to expect that their views will be taken into account and resources will be provided by the State Government to ensure that they have a reasonable quality of life. For a decade we on the northern beaches have seen more and more density development foisted on Warringah and Pittwater. The former member for Pittwater spoke on this issue a number of times, and I have heard the honourable member for Manly talk about it occasionally.

While that increasing density has occurred, no money has been spent on infrastructure. Our roads are still unbelievably bad. We have had an ongoing, now decade-old, debate about funding for hospitals, but no money has been made available. The money is disappearing from budgets for the police, medical services, roads and all the other ancillary services, but this Government is not shoring us up as we play our part in the community equation. We are prepared to accept some increase in density, but we expect something back. Given that we have nothing, perhaps the Government can understand our lack of faith in it and in the Minister responsible, particularly now. As I said, the problem is that Warringah has experienced a massive increase in medium-density developments. The council has from time to time been on the receiving end of criticism about that, but it has not been the council's problem. It has been a problem driven by this Government's medium-density development plans. Coming on the back of other changes to legislation, which have put more and more power into the Minister for Planning's hands, we now have yet another bill that seeks to give him even more power.

The issue that particularly concerns me is the fact that the Minister can in some unfettered way, without any applicable criteria or yardstick to consider, simply determine that a council is "failing in its planning and development responsibilities". Minister Sartor will be able to appoint a planning and assessment panel to perform the council's functions. That is one of the most horrific provisions in any legislation I have seen in this place, and I have seen some pretty horrific legislation introduced by the Labor Party. On this occasion the Minister is saying, "Trust me, I'm Frank." That could be said by whoever is the Minister on the day, but this legislation is being driven by Frank Sartor. The Minister must understand that as representatives of our communities we need to know that criteria are in place, steps must be taken and yardsticks applied to determine whether a council is failing. Of course, that is a subjective decision.

We all know that when a council runs over the 40-day limit it can be frustrating and when councils try to stop developments from proceeding that that can be a problem. However, is it failing in a sense that would justify a Minister's stepping in and removing the local council's democratic entitlement to make decisions for local communities? I completely agree with the honourable member for Bligh and the honourable member for Ku-ring-gai that local communities know what is best for them. It is impossible for a Minister in the brass and mahogany club of Macquarie Street to make decisions about what affects Warringah, Ku-ring-gai or the far-flung parts of the State. The Minister is going a step too far. I find that objectionable and I am sure my local community agree.

This has not come out of the blue; as I said, it has come on the back of other legislation that this Minister has introduced. We are living under the threat of a development being given approval by Minister Sartor without any consultation with the community, despite the fact that the community has raised issues and expressed concerns about it. Only yesterday a resident came to speak to me about section 96AA of the Environmental Planning and Assessment Act. Residents could not believe it when they read that one can go to the Land and Environment Court, have an order made, and if the developer wants to change aspects of the development, he or she can go back to the local council under section 96AA—while satisfying concern criteria—and ask that the development be changed. Residents are left in the lurch again. Who introduced that legislation? Labor. It is another way around local communities having their say.

This Government has had a history of stuffing up planning requirements. I do not know whether the Minister is aware, but private certifiers are causing havoc all over the place. I am not opposed to them, but I am opposed to the way in which they are working and to the lack of direction and guidelines that the Government has put in place for them. I have an email dated 12 December 2005 that the Peter Macdonald, the Mayor of Manly, sent to various councils. It states:

Rick.....I've spoken to the GM about this matter and am insisting that Council take action and not rely on the private certifier. I have little faith in private certifiers to ensure compliance. I believe there is an order to stop work likely.....Peter

Mayors all over New South Wales and communities have concerns about private certifiers. That is often because the Government, in its rush to push things through—as it did some years ago and just as it is trying to do today—got it wrong. It did not establish the right framework for private certifiers. A development on Pittwater Road, Brookvale, has similar problems. Private certifiers gave approval for a development and it went to the Land and Environment Court, which ordered that airconditioning units be installed in the basement. A variation to the application is back before the council for approval to allow for individual airconditioners to be installed throughout the building. Private certifiers, their relationship with councils and the framework within which they operate should have been addressed by the Government rather than rushing forward with legislation.

This legislation is part of the continuum of this Government's incompetence. At the end of the day, local communities own their communities. The people of Warringah own our community, the people of Manly own theirs, and the people of Pittwater own theirs. They should be entitled to determine what development is reasonable in their local areas. They should not have the sword of Damocles hanging over their head, knowing that the switch is in Frank Sartor's hands. We want to know that we can make decisions. As frustrating as it sometimes is dealing with our local councils, it would be a much better solution than what the Minister is offering.

Mr MALCOLM KERR (Cronulla) [12.48 p.m.]: The Environmental Planning and Assessment Amendment Bill is an important piece of legislation that determines the quality of life in the Sutherland shire and the rest of the State. I was sorry that during his contribution the honourable member for Miranda sought to use derogatory terms about various people. We should not be talking about personalities; we should be talking about principles when we address a piece of landmark legislation. He made extensive reference to a mayoral minute. I seek the leave of the House to table that minute.

Leave not granted.

I thought honourable members would be assisted in this debate if they had it in front of them. Nevertheless, I will refer to the minute because it is something the Minister for Planning will need to address in his reply to the debate. The local council said that through the local environmental plan [LEP] the State would impose higher densities on the shire. The honourable member for Miranda said that the councillors are against public housing, but there is no evidence of that in any of the documentation relating to planning. On the contrary, the council is concerned that townhouses are not placed in low-density areas where private housing would not be placed either.

The council is saying that we should have a level playing field. It is saying that in relation to town planning government agencies should not expect to get special privileges at the expense of the public interest. The proof of the pudding will be in the eating. We will see whether townhouses are placed in low-density areas, which would not be permitted if they were private housing stock. The council is concerned about developments over railway stations. The council is particularly concerned that there should not be high-rise development over Caringbah and Cronulla railway stations. That is not unreasonable. The Minister is aware of the Kirrawee brick site. Council wants a lower density in that area than the State Government wants.

Mr Frank Sartor: But they had agreed. There was \$500,000 of community consultation. They had agreed and then they changed their minds.

Mr MALCOLM KERR: I remind the Minister that Churchill was once accused of changing his mind at a public meeting. He said, "When I am presented with the facts contrary to the opinion I formed before, I reconsider my position. What do you do?"

Mr Frank Sartor: But there were no new facts. This was an entirely political decision. There were no new facts.

Mr MALCOLM KERR: The Minister says it was purely a political decision, which is code for "It is against the public interest", that the public does not support it. I am happy for both the Minister and the council to seek the approval of the public for their plan. Development is appropriate, but there is always concern that as density is increased so too is congestion on the roads. I am not only talking about urban design, but also infrastructure. I would welcome the Minister justifying to the House why there should be higher density on the Kirrawee brick site. The other concerns of council are: no controls on villas for separation and concentration; brothels and sex shops—people in the shire have indicated that they do not want brothels and sex shops in the area; and what it calls the removal of "superfluous environmental protection provisions (Greenweb)".

The shire is environmentally conscious. It wants to ensure that there are adequate safeguards in relation to the environment. The honourable member for Miranda should be aware that not only does Sutherland Shire Council oppose this legislation, the Local Government and Shires Associations also oppose it. The honourable member for Bligh would no doubt initiate defamation proceedings if someone outside the House accused her of being a member of the Liberal Party. However, she is opposed to provisions of this legislation. The honourable member for Miranda should not see this as a partisan issue. This is an issue that transcends politics, and that is why there is opposition across the political spectrum to this bill. Any suggestion that giving this Minister additional powers—a Minister who was responsible for trying to impose a desalination plant on the shire—would be of benefit to the shire should be taken with a grain of salt.

A former vice-president of the United States of America was right when he said that in regard to planning often the debate is conducted behind a lot of false choices. It need not be citizens versus developers, business versus the environment, cities and suburbs versus farmlands. When we see our connectedness and craft solutions for the common good we see that the right solutions are good for business as well as for the environment and for families. I do not think the Minister for Planning or any member of the House would object to that proposition. In our planning we should be looking towards building more liveable communities in which people are able to raise families; places where the young and old can walk, bike and play together; places where we not only protect historic neighbourhoods but where green spaces can add life and beauty to the newest of suburbs; places where people can work competitively and still spend less time in traffic and more time with their families. Even the honourable member for Bligh would agree with those sentiments. The objective of the planning department of Sutherland Shire Council should be to achieve liveable communities in the shire, communities with a high quality of life that are economically competitive. Frank Lloyd White, who the Minister may have heard of, said, "A doctor can bury his mistakes but an architect can only advise his clients to plant vines."

Ms Clover Moore: And trees.

Mr MALCOLM KERR: And trees—if you have the space. Vines take less space. We do not want to see more vines in the Sutherland shire. We labour in the vineyard of Parliament, but we want our suburbs to be protected from unnecessary vines. It is unfortunate that this bill enables the Government to adopt the role of beauty commissar. I appreciate, Mr Acting-Speaker, there was probably a time when you saw a role for commissars in society—

Mr ACTING-SPEAKER (Mr Paul Lynch): Order! The honourable member for Cronulla knows better than to involve the Chair in partisan debate. I will call him to order if he continues.

Mr MALCOLM KERR: I just made a passing reference.

Mr ACTING-SPEAKER (Mr Paul Lynch): And I have made a passing ruling. The honourable member will return to the leave of the bill.

Mr MALCOLM KERR: Nobody could ever accuse you of partisanship, Mr Acting-Speaker. As I said, we do not want to have beauty commissars, especially in this Government. Planning issues must be addressed in the Sutherland shire. In his contribution the honourable member for Manly spoke about the need for councils to have an ombudsman. I thought that was a reasonable suggestion. For example, fairly small councils could band together and employ an ombudsman. The Minister might be surprised to know that Sutherland Shire Council has an ombudsman. If the honourable member for Miranda thinks things are going on that should not be going on at Sutherland Shire Council, I wonder how many times he has availed himself of the services of the council ombudsman or the State Ombudsman for that matter. There are no particular safeguards within the planning mechanism at the moment. The Minister should be aware that the Sutherland Shire Council has an independent panel in relation to planning matters, which was mentioned by the honourable member for Miranda.

Mr Frank Sartor: Advisory panel.

Mr MALCOLM KERR: Yes, an advisory panel. The honourable member for Miranda spoke highly of that advisory panel. The council should be congratulated for having a panel that gives fearless and independent advice in relation to those matters. If activities were taking place at Sutherland Shire Council that were wrong or sinister, would the council saddle itself with that mechanism? That advisory council was not required to be set up, and I think the Minister is going down the track where advisory councils are advisable—

Mr Frank Sartor: Don't go there.

Mr MALCOLM KERR: My only destination is to say that the Minister is now going down the track where he finds advisory councils are useful provisions in relation to the planning mechanism. Personal denigration will not help. We should be looking at the principles in planning and the objectives of good planning, which are to make liveable communities. We should not ignore the effect that development has on infrastructure, particularly roads, in the shire. We do not want those roads to be unnecessarily congested. I urge the Minister to work co-operatively with the Sutherland Shire Council. If he has complaints he is perfectly at liberty to take those complaints to the council. He has this House as a forum to discuss the Sutherland Shire Council. Simply denigrating people serves no purpose at all. We should be here to serve the community and nothing we decide here will have the degree of impact that planning laws have on the lifestyle of people and their families. It is incumbent on each of us to look at this legislation and the whole planning process in New South Wales and ensure that we get the best system possible.

Mr ALEX McTAGGART (Pittwater) [1.00 p.m.]: I oppose the bill in its current form. The basis of my opposition is twofold: first, the lack of consultation and, second, what I perceive to be an interference with the development control plan (DCP) process. There has been no consultation with councils or council staff, who, after all, are the people who have to deal with these issues, and there has been no consultation with the community, which is the end beneficiary or the end sufferer of these changes. The bill appears to be driven by land release projects, that is, it is developer led. The tragedy is it gives power to the Minister over all development applications. Certainly in Pittwater the majority of DAs are infill—alternations and additions, mum-and-dad-renovations.

I do not believe the bill in its current form is in the interests of the people of Pittwater. Pittwater Council accepts 120 applications a month and resolves approximately 120 a month, with about six to 10 going

to council for resolution. We have a functioning system called the development unit, which is an in-house public process. Councillors stay out of the process. Applicants and objectors are able to speak. Most of our applications are resolved at staff level. We have also developed an electronic tracking process for development applications. It has been implemented by many councils across Australia and was the recipient of numerous awards by the Government. It provides a clear, open and transparent tracking process for development applications.

I am particularly opposed to interference with DCPs, the reason being that DCPs are the way the community addresses the merit-based issues that arise from the topography and the locality. DCPs cover things such as view sharing, privacy, spatial separation, and the view from a public place. One of the problems we have in Pittwater is that the electorate contains very valuable waterfront and oceanfront land. Therefore, the applicants usually have plenty of money. They like to take council to the Land and Environment Court to try to push through what they want. That is the reason for a lot of council's legal costs. Those people do not want to abide by the wishes of the community. DCPs underpin the local environmental plans (LEPs). The LEPs are signed off by the Minister or the Department of Planning.

It is interesting to note that Pittwater 21, which is our current LEP, started off as Pittwater 2000 as a result of the old PlanFirst. It has been on exhibition twice and is still waiting for Parliamentary Counsel to sign it off. So from 2000 to 2005 we have not been able to get an LEP through. I am not reflecting on the Minister or the department, but that shows that the community wants to thoroughly vet the issues that go into an LEP. For a Minister to be able to take an LEP or a DCP and write it off, refer it, or change it, opens a Pandora's box.

Mr Frank Sartor: I can change LEPs now.

Mr ALEX McTAGGART: I understand that. DCPs respect the community's views and it is wrong for the Minister to take away that right without justification and true cause. In Pittwater's case—I am not talking about other local government areas—where the majority of applications are alterations and additions, we are not holding up development applications for huge land releases or slowing down the economy of New South Wales. We are endeavouring to reflect the community's values. Pittwater has almost completed the Warriewood Valley land release. For members who have not been there, this land release is quite remarkable. It has taken six or seven years. We have had no problems, no complaints and no need to call in the Minister. It is a very significant land release 20 kilometres from the city, one kilometre from the beach, next to a sewerage treatment works. We have not had any interference with this land release because the community has been able to demonstrate it can manage these things in a transparent and reasonable manner. Pittwater council does not believe it needs this sort of legislation that allows somebody to come in over the top of it.

I reiterate that consultation is required. In trying to improve land release areas in the western suburbs and elsewhere the Minister is opening up a Pandora's box by allowing interference with mundane alterations and additions, the standard matters that the residents of my electorate need to get on with. On that basis we would like to see more consultation and some form of template or guideline as to the reasons the Minister should be able to override a DCP. I am not satisfied that we know why the Minister should be able to alter planning powers.

Mr FRANK SARTOR (Rockdale—Minister for Planning, Minister for Redfern Waterloo, Minister for Science and Medical Research, and Minister Assisting the Minister for Health (Cancer)) [1.06 p.m.] in reply: I will first address the issue of consultation in relation to the bill. I have had meetings with a whole range of people from local government, including the Local Government and Shires Associations. I have had meetings with all the mayors and general managers of councils in the growth centres. I have also had discussions with them about the need to control overall development levies for both local and State infrastructure.

I had initial discussions with them about that many months ago. I have also met the five mayors from the lower Hunter region, the Property Council, the urban task force, the Urban Development Institute of Australia, which wrote a strongly supportive letter in only the last day or two, which I have seen, and the Housing Industry Association. It concerns me that the HIA, which was part of the Metro Alliance and part of the agreement on the strategy for growth centres, which included a regional infrastructure levy, suddenly has decided it does not support regional infrastructure levies. I have the power now to call in developments and impose regional infrastructure levies. The beauty of this legislation is that it allows me to indicate, in a more transparent way, a general levy for an area which councils can impose, along with their own levy, when they deal with development applications. It means I do not have to call in as many applications. In fact a theme of this bill is avoiding calling in applications.

I have already said to the Local Government Association that I will talk to it about performance reporting by local councils in relation to development applications. The current performance reporting is blunt. There is an average or median figure of 120 days, and I am well aware there are different categories of development. Some of them are complex and some are not. Privately all sorts of local government sources will agree that there is no question that councils at both ends of the spectrum are just not delivering. Contrary to some assertions, the precursors to this bill are simple. There are some compelling facts. First, there has been a flood of requests to me to call in more developments, which I do not wish to do. There are many more requests outstanding than I am able to deal with or that I want to deal with. I have to find a mechanism for dealing with that.

A significant body of evidence shows that there is non-performance in local government at both ends of the spectrum. I have asked in a review panel to look at one rural council where up to 25 development approvals may be invalid. Some country councils are approving developments too quickly without properly considering the issues. At the other end of the spectrum some city councils are taking forever to deal with applications and are apparently unconcerned about the effects that will have on applicants. We should remember that of the 125,000 applications that local councils deal with each year, most are from ordinary people or business men or women who just want to get on with their lives and businesses. Most of them are not developers. Developers are well armed with lawyers and appeal mechanisms. It is the little people who come into my electorate office and complain, sometimes justifiably, and cannot afford to go to the Land and Environment Court.

These chronic issues need to be addressed at both ends of the spectrum but there are a few problems at the margins that also need to be addressed. In a significant number of councils it is physically impossible for the Minister for Planning to appoint panels. There are not many people one would choose to appoint as panellists and, in any event, one would wish to appoint at least some panel members with local knowledge, such as councillors. The Central Sydney Planning Committee model has been around for 16 years in the city of Sydney. I worked with it as lord mayor. By way of comparison, the State deals with 400 applications and local government deals with 125,000. There is significant evidence that certain problems need to be addressed at the margin. However, the argument that this is interfering with the community is fatuous.

A recent report commissioned by local government entitled "Are Councils Sustainable" deals with a range of issues. The inquiry was undertaken by Percy Allan, who argued for a virtual council at Balmain, with no merger. Indeed, he wanted to make the council smaller. An IRS survey was commissioned to look at people's views on development processes in councils. The results are stunning. The survey comprised 912 respondents—not 300—of which 8.9 per cent said they wanted councils to determine development applications, 36 per cent wanted panels and 22 per cent wanted council staff. If one adds together panels and council staff, 58 per cent wanted people other than elected representatives to determine development applications. Another 26 per cent wanted the council to make the determination but only after advice from a panel. Only 8.9 per cent of people wanted councils to determine development applications.

Members opposite can bag the Government, but ordinary mums and dads are overwhelmingly dissatisfied with the way they are treated under the present processes. The bill merely seeks to appoint panels to resolve marginal matters between applicants and objectors in reasonable time frames. I assure the House that there is no way I would interfere if a council takes more than 40 days to decide a development application. I am well aware that in some cases 40 days is a totally unrealistic time frame. In other cases 20 days is too long because the application relates to a minor matter and does not require exhibition. Consideration must be given to all the issues and the overall performance of the council. One council wants to refuse all dual occupancy applications. It has taken those matters to the Land and Environment Court and it has lost 26 out of 30 cases.

The provisions of the bill mean that the Minister will not have to deal with applications unnecessarily or sack a council and appoint an administrator to take over the functions of council. The bill redrafts section 118 to give the Minister more flexibility to intervene, but only where there is a problem. I will discuss with the Local Government and Shires Associations mechanisms for performance reporting because it is from that process that the Minister will make an informed judgment. I am aware that in some cases developers lodge poorly specified applications. I am well aware of the games that both sides play as I was in the industry for a long time and I have dealt extensively with such matters.

My colleagues have also made some valid points. The honourable member for Parramatta spoke about her council genuinely addressing delays. The honourable member for Drummoyne spoke about issues with her councils, in particular with respect to Breakfast Point, and how we had to intervene. The honourable member for Macquarie Fields referred to issues affecting his constituents and made a constructive contribution. The

honourable member for Miranda reminded the House of the saga with Sutherland shire, although the honourable member for Cronulla put an alternative point of view.

During this debate I have given examples of problems; I have not named councils. I have avoided doing so because the bill is not about specific councils. Nothing would please me more than councils not being on the radar screen and people being broadly satisfied. However, one can never please everyone when dealing with development applications. Councils need to be time sensitive. They need to address the issues sensibly, try to reconcile competing claims and make decisions. When developments are reasonable, councils should not avoid making decisions that result in matters being taken to the Land and Environment Court.

A couple of industry groups want to cherry pick the legislation. We have said publicly for well over a year—and we have discussed this with industry groups across-the-board—that there would be regional infrastructure contributions, especially in the growth centres. The bill provides that the Minister for Planning does not have to be the consent authority. That is, there will be less intervention by the Minister, not more. The bill also provides—and I know the Property Council objects to this provision—that a special contributions area can be declared in other zones. In other words, where it makes sense to fund a road, it may make sense to have a regional infrastructure contribution. Under the bill the Minister could declare that as a requirement of the State, and local government could accommodate it.

One view has been that a growth centres commission should be established whenever we can levy a regional infrastructure contribution, but we should not set up bureaucracies unnecessarily. The process must be more flexible. The issues driving this process were, in part, the Metropolitan Strategy, which led to the need for regional infrastructure levies in the growth centres and was applauded across-the-board, the constant pressure on housing costs that is pushing up the price of housing and the importance of making sure that housing is affordable so that people will invest. Total contributions have to be reasonable and the Government is determined to ensure that remains the case. Local councils must realise that they cannot make wish lists out of section 94 plans. However, most councils act properly and will not be affected by the bill.

Although they provide a new income stream new residents should not bear the responsibility of all the costs when sometimes the facilities benefit other residents. Councils have to find a balance and 90 per cent of them do so. Efficiency and equity are important. The bill is not about internal process just for the sake of it. Where a panel is appointed the processes of local government do not change. Applications still have to be advertised and notified. I will introduce regulations to ensure that panels meet and make decisions openly. I do not intend to have a non-transparent system. Where we have to intervene, we will do so in a more transparent, selective and less extreme manner than we have in the past, when councils were sometimes sacked. We want conflicts to be resolved at a local level. Too much conflict is coming to my department.

I thank the shadow Minister for his constructive contribution. I note his point that it is easy to try to cherry pick this bill, but this is a package. An advantage for local government is that if a section 94 contribution plan is amended or approved, local government no longer has the uncertainty of being appealed against by developers in the court. The bill removes the right to appeal against local council plans. At present, once a council has adopted a section 94 plan and is in the process of imposing a levy it is difficult for council to change what it is doing midstream, and it is unfortunate if the court overturns a particular condition of consent. If the Government has reviewed the plan and approved, adopted or amended it, council will be protected from further appeals by developers. That is a significant gain for local government, which I am sure over time will come to be appreciated perhaps more than it is at the minute.

The honourable member for Manly talked about the 40 day time limit. As I said, 40 days does not mean anything to me in terms of intervention. I do not think one could ever intervene on such a broad basis. The proposal for an internal or local ombudsman worries me in terms of more bureaucracy. We simply want councillors to do their job competently and efficiently. We do not want more oversight and more bureaucracy. Basically, the Deputy Leader of the Opposition was playing to his electorate. He has attended meetings with me and the council. I have given Ku-ring-gai Council a lot of time to deal with its issues; there have been many letters and much correspondence. I am always playing nursemaid to the council but I cannot do its job.

As usual, the honourable member for Wakehurst talked about fine ideals. The honourable member for Cronulla is concerned about the brick pit site, which I called in after the council had agreed to the controls. Council had spent \$500,000, 20 public meetings had been held, and everyone had agreed to the plan. Then a new council, for legal reasons, changed its mind. People need certainty. Although the State happens to be a landlord, it should also be able to get on with its job. I am pleased about the processes to which the honourable

member for Pittwater referred. I have not had one complaint about Pittwater Council. I do not have the slightest interest in interfering in Pittwater. I am simply concerned to pick up the outlays across the board.

As usual, the honourable member for Bligh made a huge, broad-brush attack on democracy, notwithstanding the fact that 89 per cent of the people of this State want councils to deal with applications. She made a broad-brush attack about rampant hypocrisy and the Askin days, and she made imputations of corruption to which I take some offence. She strongly opposes the bill, notwithstanding all its good provisions. My advice is that the honourable member for Bligh should look in her own backyard in her role in the city of Sydney. The Carlton and United Breweries site has now been under discussion for probably three years. They even talked to me about it when I was the Lord Mayor of Sydney. The saga of the Centrepont site is interminable. On the issue of Notre Dame University, the director general wrote to the council asking it to deal with that in two months. The council does not seem to be capable of dealing with a simple application. The council should get its act together because it is starting to slide from the efficient system we had in place some years ago.

Frankly, broad-based attacks on the Government, imputing improper motives, is a little passé. We are genuine about wanting an efficient system. We must protect affordable housing and the people of this State who rely on development consents so that we can achieve a balance between environmental outcomes and people's personal wishes. I thank all honourable members who contributed to this debate. This bill is important. It is well crafted, and it will serve us well to ensure that we lift the standard of processing and dealing with development applications in this State. I commend the bill to the House.

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

The House divided.

Ayes, 50

Ms Allan	Ms Gadiel	Mrs Paluzzano
Mr Amery	Mr Gaudry	Mr Pearce
Ms Andrews	Mr Gibson	Mrs Perry
Mr Bartlett	Mr Greene	Ms Saliba
Ms Beamer	Ms Hay	Mr Sartor
Mr Black	Mr Hickey	Mr Scully
Mr Brown	Ms Judge	Mr Shearan
Ms Burney	Ms Keneally	Mr Stewart
Miss Burton	Mr Lynch	Ms Tebbutt
Mr Campbell	Mr McBride	Mr Tripodi
Mr Chaytor	Mr McLeay	Mr Watkins
Mr Collier	Ms Meagher	Mr West
Mr Corrigan	Ms Megarrity	Mr Whan
Mr Crittenden	Mr Mills	Mr Yeadon
Ms D'Amore	Mr Morris	<i>Tellers,</i>
Mr Daley	Mr Newell	Mr Ashton
Mrs Fardell	Mr Orkopoulos	Mr Martin

Noes, 6

Mr Barr
Mr Draper
Mr McTaggart
Ms Moore
Tellers,
Mr Oakeshott
Mr Torbay

Question resolved in the affirmative.

Motion agreed to.

Bill read a second time and passed through remaining stages.

[Mr Speaker left the chair at 1.33 p.m. The House resumed at 2.15 p.m.]

PETITIONS

Alstonville Bypass

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

Pensioner Travel Voucher Booking Fee

Petitions requesting the removal of the \$10 booking fee on pensioner travel vouchers, received from **Mr Greg Aplin** and **Mr Andrew Stoner**.

Hornsby and Berowra Train Station Parking Facilities

Petition requesting adequate commuter parking facilities at Hornsby and Berowra train stations, received from **Mrs Judy Hopwood**.

School Bus Seat Belts

Petition requesting that seat belts be installed on school buses, received from **Mrs Judy Hopwood**.

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**.

North-west Rail Link

Petition requesting that the north-west rail be completed by 2010, received from **Mr Steven Pringle**.

Whale Protection in Australian Waters

Petition requesting protection of whales in Australian waters, received from **Mrs Judy Hopwood**.

Unborn Child Protection

Petition requesting mandatory statistical reporting of abortions, legislative protection of foetuses of 20 weeks gestation, and availability of resources for post-abortion follow-up, received from **Mr Andrew Stoner**.

Graffiti Policing

Petition requesting strategies and resources, including employment of additional police and security agents, to catch and prosecute the perpetrators of graffiti, received from **Mrs Jillian Skinner**.

Mount Austin High School

Petition requesting funding for the installation of airconditioning in all learning spaces at Mount Austin High School, received from **Mr Daryl Maguire**.

Wagga Wagga Electorate Schools Airconditioning

Petition requesting the installation of airconditioning in all learning spaces in public schools in the Wagga Wagga electorate, received from **Mr Daryl Maguire**.

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**.

Manly Hospital Maternity Services

Petition requesting the retention of the current level of maternity services at Manly Hospital, received from **Mr David Barr**.

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**.

Breast Screening Funding

Petitions requesting funding for BreastScreen NSW, received from **Mr Steve Cansdell, Mr Andrew Fraser, Mrs Judy Hopwood, Mr Michael Richardson and Mr Andrew Stoner**.

Lismore Base Hospital

Petition requesting that Lismore Base Hospital remain an accredited centre of excellence, received from **Mr Thomas George**.

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**.

Kurnell Sandmining

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

Newstan-Awaba Mines Extension Project

Petition opposing Centennial Coal Company Limited's proposal to extend the Newstan-Awaba mines for open-cut mining, received from **Mr Jeff Hunter**.

Nullica State Forest

Petition requesting the removal of Nullica State Forest from the list of declared-for-hunting State forests, received from **Mr Andrew Constance**.

Recreational Fishing

Petition opposing any restrictions on recreational fishing in the mid North Coast waters, received from **Mr Andrew Stoner**.

Kurnell Desalination Plant

Petition opposing the construction of a desalination plant at Kurnell, received from **Mr Malcolm Kerr**.

CSR Quarry, Hornsby

Petition requesting a public inquiry into Hornsby Shire Council's acquisition of CSR Quarry in Hornsby, received from **Mrs Judy Hopwood**.

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

Petition requesting that the Minister for Roads change the Roads and Traffic Authority's priority for Federal AusLink funding for the Barton Highway to allow the construction of a dual carriageway, received from **Ms Katrina Hodgkinson**.

Waitara Traffic Arrangements

Petition requesting a pedestrian bridge over the Pacific Highway to assist access to Waitara Station, received from **Mrs Judy Hopwood**.

The Rock/Bullenbong Road Upgrade

Petition requesting funding for the immediate upgrade of The Rock/Bullenbong Road, received from **Mr Daryl Maguire**.

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**.

BUSINESS OF THE HOUSE

Reordering of General Business

Mr ANDREW STONER (Oxley—Leader of The Nationals) [2.22 p.m.]: I move:

That General Business Notice of Motion (General Notice) No. 1150 [Snowy Hydro Ltd Sale] have precedence on Thursday 9 March 2006.

I seek precedence for this motion because it must be debated now. This is a rushed fire sale by the Labor Government of the Snowy Hydro scheme simply to fill a budget black hole caused by its own mismanagement of the State's finances. The Nationals attempted to have this matter debated yesterday but that move was blocked by "Sparkles" Scully. It is obvious that Labor does not want this matter debated but the community does, and The Nationals will not give up.

This hasty sale should be debated urgently because it is being rushed through for all the wrong reasons, namely, to fill Labor's black hole budget deficit. It is being done without proper consultation with affected communities, such as communities in Dalgety which already have had water diverted from Lake Mowamba, in which people fish and sail, due to this Government's desire to boost Snowy Hydro's profits prior to the sale. If this is happening now, what will happen after full privatisation? There is a pressing need to debate this matter because this Labor Government simply cannot be trusted.

Mr SPEAKER: Order! I call the Minister for Aboriginal Affairs, and Minister Assisting the Premier on Citizenship to order.

Mr ANDREW STONER: Last year, when asked about that privatisation by the Leader of the Opposition, the Premier denied it. Since then the truth has emerged but community concerns have continued to be ignored—concerns about the release of additional water for irrigation, concerns about public land around Jindabyne, and concerns about a lack of effective regulation governing a future private sector operator. I think they are very justified concerns, given Labor's appalling toll road deals with big business.

There are concerns about a future compensation payment related to this Government's statements that it will increase the so-called environmental flows in the Snowy River by up to 28 per cent by 2012. Any proceeds of the sale may be eroded by a future compensatory payment. There are concerns that this Government would be underselling this iconic asset. It has been valued at up to \$3 billion by the private sector yet the Government is talking about \$1 billion, which is selling out taxpayers in New South Wales. There are concerns that the so-called Country Labor faction was gagged in the caucus meeting earlier this week. Labor did not even put the matter to a vote. It did not have the guts to have a vote on this issue. [*Time expired.*]

Mr CARL SCULLY (Smithfield—Minister for Police) [2.25 p.m.]: I will deal first with one of the last comments made by the Leader of The Nationals relating to irrigators' water rights. This is what his Federal counterpart had to say—

[*Interruption*]

Mr SPEAKER: Order! The Leader of The Nationals has completed his contribution.

Mr CARL SCULLY: Honourable members should bear in mind that the Federal Government is a shareholder and has agreed to sell its share. The Leader of The Nationals ignored that. The Federal Minister for Finance and Administration, Nick Minchin, said this:

It was disappointing to read media reports today that the NSW Opposition is claiming irrigators' water rights would be threatened by a privatisation of Snowy Hydro. They should know that no such threat exists.

It is a complete furphy to suggest water rights would be threatened or in any way affected by a change of ownership of Snowy Hydro—they would not be ...

It is a bit rich for Opposition members to complain in this House about Snowy Hydro being sold. Do they remember the thousands of dollars that were rammed into their pockets before the 1999 election? They were going to sell all the distributors and retailers, and all the generators in Snowy Hydro. So it is a bit rich for them to come into this House and lecture us about this motion today. This motion is a complete falsehood. I will not allow it to have priority. It is a complete falsehood, as is the Leader of The Nationals.

Mr Andrew Tink: Point of order: I ask the honourable member for Monaro to stop heckling the Minister.

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

Mr CARL SCULLY: The motion is premised on a falsehood. Snowy Hydro is not being sold because of a budget crisis; the budget is in strong shape. What I am about to say might alarm the Opposition. Snowy Hydro is being sold for the simple reason that the Government has decided the capital tied up in it should be transferred to other capital assets on behalf of the people of this State.

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

Mr CARL SCULLY: I have dealt with the concerns raised by the Leader of The Nationals. The motion does not need to be debated.

Mr SPEAKER: Order! The Leader of The Nationals will cease calling out.

Mr CARL SCULLY: The matter has been resolved. The Leader of The Nationals has had the questions answered, and the request is denied. No!

Question—That the motion be agreed to—put.

The House divided.

Ayes, 38

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

Noes, 53

Ms Allan	Mr Gaudry	Mr Orkopoulos
Mr Amery	Mr Gibson	Mrs Paluzzano
Ms Andrews	Mr Greene	Mr Pearce
Mr Bartlett	Ms Hay	Mrs Perry
Ms Beamer	Mr Hickey	Ms Saliba
Mr Black	Mr Hunter	Mr Sartor
Mr Brown	Mr Iemma	Mr Scully
Ms Burney	Ms Judge	Mr Shearan
Miss Burton	Ms Keneally	Mr Stewart
Mr Campbell	Mr Lynch	Ms Tebbutt
Mr Chaytor	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 Daley	Mr Morris	<i>Tellers,</i>
Mr Debus	Mr Newell	Mr Ashton
Ms Gadiel	Ms Nori	Mr Martin

Question resolved in the negative.

Motion negatived.

QUESTIONS WITHOUT NOTICE

HOLSWORTHY ARMY BARRACKS ASBESTOS CONTAMINATION

Mr PETER DEBNAM: I direct my question to the Premier. Given that State emergency workers have been exposed to asbestos in training facilities, that asbestos is present in at least 231 public schools and in December the Premier told Parliament that asbestos condemned its victims to "painful lives and horrible deaths", why is he now downplaying the threat of asbestos to emergency workers?

Mr MORRIS IEMMA: An independent scientific assessment of asbestos present at New South Wales Fire Brigades rescue training facility at Holsworthy army barracks has been conducted. It confirms the risk of exposure to those at the site, although it leading to asbestos-induced illness is generally considered to be low. From time to time New South Wales Fire Brigades and other emergency services used the site for specialised rescue training. I am advised that New South Wales Fire Brigades will develop a plan to address the recommendations in consultation with WorkCover, the unions and the Department of Defence. I am further advised that Commissioner Mullins has also commissioned an independent occupational health and safety specialist to review safety systems and to provide further advice to him. New South Wales Fire Brigades has a full complement of firefighters trained in urban search and rescue and planned training courses can be conducted at other sites. The Minister for Education and Training dealt last week with the matter in relation to schools.

Mr SPEAKER: Order! The honourable member for Southern Highlands will cease calling out.

Mr MORRIS IEMMA: In relation to the victims of James Hardie asbestos, I look forward to the support of the Leader of the Opposition for the deal struck by the New South Wales Government and the unions. I look forward to the support of his Federal colleagues in allowing the \$4 billion compensation fund to proceed.

HUMANITARIAN REFUGEE SUPPORT SERVICES

Mr PAUL GIBSON: My question is addressed to the Premier. What is the latest information on community concerns about humanitarian refugee support services?

Mr MORRIS IEMMA: I thank the honourable member for his question.

Mr Andrew Stoner: Are you running for Canberra?

Mr MORRIS IEMMA: The Leader of The Nationals can lend support to the victims of asbestos by contacting Peter Costello. How about doing that? Humanitarian refugees are among the most vulnerable people in our community—indeed, the world. When the Commonwealth accepts a humanitarian refugee it also accept responsibility for the problems and challenges refugees face. Refugees and asylum seekers arriving in New South Wales from places such as Sudan have a range of complex health problems not seen in previous groups of refugees. These people have spent a major part of their lives in refugee camps with poor nutrition, terrible sanitation and only limited access to basic health care. In many cases they have been subjected to the most traumatic experiences such as witnessing the execution, rape or torture of their family members.

NSW Health in late 2005 advised me as: only 37 per cent of the 4,000 humanitarian refugees from Africa underwent screening for diseases before arriving in Australia. Despite being given basic preliminary health checks upon application for an Australian humanitarian visa, these refugees continue to be exposed to infections while living in refugee camps before they leave Africa. But when they arrived in Australia, unlike other migrants, they are denied a Medicare card.

Mr Alan Ashton: Shame!

Mr MORRIS IEMMA: Yes. This makes access to medical treatment well nigh impossible. It also puts the whole community in danger from diseases such as tuberculosis, malaria, hepatitis, and measles—

Mr Alan Ashton: They have just been dumped here.

Mr MORRIS IEMMA: Yes. The Federal Government is not only dumping these vulnerable immigrants on our doorstep without proper medical checks and without Medicare cards; it has also refused to set up a single dedicated support service in areas where refugees settle such as Western Sydney, Coffs Harbour, Tamworth, Newcastle and Wollongong. These vulnerable refugees are simply left to fend for themselves and the State health system is forced to pick up the pieces. New South Wales is pulling its weight with services such as the Refugee Health Service and the Service for the Treatment and Rehabilitation of Torture and Trauma, which we fund to the tune of \$3.5 million a year. Not only that but the specialised needs of humanitarian refugees are placing huge strains on our new paediatric clinics at Westmead Children's Hospital and at Wallsend. The Minister for Health has written to the Federal Government calling for the establishment of a Medicare number for refugee health services. The Commonwealth needs to get its act together.

Mrs Barbara Perry: And do it quickly.

Mr MORRIS IEMMA: Yes. This is necessary to prevent an emerging health crisis. It is not just in health services where John Howard is letting these people down. The Commonwealth's English as a second language [ESL] new arrivals funding program is simply inadequate. The Commonwealth has primary responsibility for the ESL program—

Mr Andrew Stoner: Can't you raise these matters over in Canberra?

Mr MORRIS IEMMA: No, because it is placing a strain on area health services. The Leader of the Nationals might not care about the paediatric services at Westmead but we do. The Commonwealth has primary responsibility for the ESL program because it controls Australia's migration program. It is all very well for the Commonwealth to talk big about who comes into this country, yet it has abrogated its duty to teach migrants English. This has been a longstanding concern of this and other State governments. Under the New Arrivals Program the Commonwealth provides a grant to New South Wales for each newly arrived ESL student. However, only 62 per cent of ESL students enrolled in New South Wales government schools meet the Commonwealth's eligibility criteria.

Despite the Commonwealth's failure, the State government will continue to provide a high-quality, targeted ESL program as part of its equity provision in New South Wales government schools—our commitment to equity. Low English ability is a direct contributor to high unemployment rates and is a massive barrier to becoming part of the Australian community. The situation is further exacerbated by the Commonwealth exiting the field of providing interpreter services. On 1 July 2005 the Commonwealth

completely abandoned its commitment to providing interpreter services for those accessing community services. This has had a massive impact on those trying to access community services in New South Wales. All this results in social alienation and, inevitably, increased crime rates.

I am advised by NSW Police that a number of local area commands have expressed concern in recent months about the increasing number of recent arrivals from African countries. The concern is not about the African refugees per se; it is about refugees not being adequately supported during their settlement period and thus beginning to feature in crime statistics—both as victims and as offenders. The police are responding to this at the individual local area command level and have recently begun workshops with the Sudanese community as part of a crime prevention and education strategy. About half of the recent 5,000 arrivals have settled in Blacktown. A further 1,500 live in Newcastle and Coffs Harbour. I am advised that local area commanders have to divert police resources to deal with problems associated with these refugees. There are also reports of more serious crime associated with gangs of young men from African communities. It is not the core business of the New South Wales health system for the New South Wales police force to spend time and resources picking up the ball dropped by Canberra.

RAILWAY STATIONS ASBESTOS CONTAMINATION

Mr ANDREW TINK: My question is directed to the Premier. Given that parts of Eastwood railway station were closed to passengers and staff last week because of the risk of exposure to dangerous asbestos, how many other railway stations have asbestos present and how many commuters and staff are at risk?

Mr MORRIS IEMMA: I am advised by Railcorp that staff at Eastwood station were immediately relocated to other areas when Railcorp became aware last Thursday that asbestos had been disturbed in the station's booking office. Once Railcorp was aware of the situation the booking office was closed to all staff. In order to minimise the impact on passenger services Railcorp deployed extra ticket selling facilities and issued pay-at-destination slips at the station. WorkCover was also notified of the situation. I am advised that the following day asbestos technicians were brought onto the site. They confirmed that asbestos had been disturbed and that it was not a suitable work location. Railcorp had already taken the appropriate action and closed the booking office.

I am further advised by Railcorp that it is currently undertaking a detailed investigation to minimise the risk of asbestos-related dangers on their premises. I am advised that all work by the contractor that originally disturbed the asbestos has been stopped. Railcorp will be giving medical examinations to all staff who were potentially exposed to asbestos at Eastwood station as well as counselling if required. A temporary booking office was established at Eastwood station in time to service the Monday morning peak. This includes ticket-selling facilities temporarily sourced from Olympic Park and Hurstville stations. I am further advised that an asbestos specialist will be deployed to review all previous work that the contractor has undertaken on RailCorp premises. I am also advised that WorkCover will be on site on Wednesday to ensure that the temporary arrangements at Eastwood are suitable.

NUMERACY PLAN

Mr STEVEN CHAYTOR: I direct my question to the Minister for Education and Training. What is the Government's plan to improve numeracy in public schools?

Ms CARMEL TEBBUTT: I thank the honourable member for Macquarie Fields for his interest in numeracy. Today I inform the House of a new three-year State numeracy plan, which is the first of its kind in New South Wales.

Mr SPEAKER: Order! The Minister has the call and will be heard in silence.

Ms CARMEL TEBBUTT: The Government is committed to raising the bar by improving the statewide numeracy performance of all public school students. It aims to close the gap between those whose numeracy skills are weakest and those whose are outstanding. It will do that by setting statewide targets for improvement, providing more information for parents on what their child should be achieving, tracking students for the first time as they move between schools so that teachers can quickly ascertain when they need help and where they need help, and improving teacher training and classroom resources. The Iemma Government is working hard to ensure that students have every opportunity to reach their potential in the public education system. We on this side of the House support the public education system; unlike honourable members opposite, we do not talk it down. The State Numeracy Plan 2006—

Mr Brad Hazzard: Point of order: I am sorry that I have to raise this point of order—

Mr SPEAKER: What is the point of order?

Mr Brad Hazzard: I am raising this point of order because the Minister is saying that we are talking it down. New South Wales students have the worst results in the year 7 tests—

Mr SPEAKER: Order! The honourable member for Wakehurst will resume his seat.

[Interruption]

Mr SPEAKER: Order! The honourable member for Wakehurst will have an opportunity to make a speech at the appropriate time, which is not during question time. The Minister has the call.

[Interruption]

Mr SPEAKER: Order! The honourable member for Bathurst will cease interjecting.

Ms CARMEL TEBBUTT: The statewide numeracy plan is the first to set numeracy targets for all public school students. This Government wants to see achievable and sustained improvement in numeracy over the next three years. Numeracy and literacy are top priorities for this Government. It is an investment in the future of the State. We are equipping our students with the numeracy and literacy skills that they need to achieve their full potential. The Government has committed \$538 million over the next four years on strategies to improve student achievement in key areas of learning through programs such as Count Me In and Counting On. In addition, the Government has committed \$144 million towards the professional development of teachers. This will be directed where appropriate to supporting improvements in numeracy teaching. We have worked hard in New South Wales to build on strong foundations in numeracy, and the results are reflected in our performance at state, national and international levels.

Mr SPEAKER: Order! The honourable member for Wakehurst will stop pointing his finger.

Ms CARMEL TEBBUTT: We are not in the classroom now. In 2004-05, year 3 and year 5 students recorded excellent results in the basic skills test. In 2005, the mean score for year 3 numeracy was the highest ever recorded for all indigenous and non-indigenous students. Year 8 indigenous students achieved their highest ever mean score in numeracy. In terms of national benchmark results, our year 3 and year 5 students have consistently performed above the national average in numeracy. If honourable members opposite were to look at international assessments, such as the trends in international maths and science study, they would see that New South Wales year 8 students were ranked first overall among all Australian States and Territories in mathematics in 2003.

Our students are achieving outstanding results. Members opposite might want to take note, because they will not hear about this from the shadow Minister. He will not talk about levels of investment in literacy and numeracy. What is his claim? He claims that this Government is spending less on literacy and numeracy than the Coalition Government spent. The shadow Minister might benefit from our numeracy plan, because the maths are simple: \$53 million spent by the Coalition Government on literacy and numeracy and \$131 million spent by the Labor Government. That is a 150 per cent increase. The honourable member for Wakehurst should note that that is an increase and not a lessening.

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

Ms CARMEL TEBBUTT: The honourable member might take a look at the numeracy plan. If he did so he might learn something from it. This Government's numeracy plan targets a 10 per cent reduction in the number of students who are weakest in numeracy outcomes in years 3, 5 and 7 assessments. The plan sets challenging but attainable targets for improvement. The Government is in touch with New South Wales families. It recognises that parents make a significant difference to the success of a student at school.

As part of the numeracy plan, the department will publish on its web site a simple and easy to read numeracy guide for parents. The guide, which will be entitled, "What my child should know in mathematics", is based on the expectations of the mathematics syllabus and will allow parents to work with schools and help their child to overcome any identified numeracy problems. Teachers have also been included in the plan. One of its features is having numeracy teacher networks within and between schools.

Mr Andrew Tink: Point of order—

Mr SPEAKER: Order! I hope the honourable member for Epping is not being goaded by the honourable member for Wakehurst. The Chair takes a dim view of that sort of collusion.

Mr Andrew Tink: It is a point of order on numeracy. If the Government understood numeracy, the Minister would be the Deputy Premier!

Mr SPEAKER: Order! There is no point of order. The honourable member for Epping will resume his seat. I am sorely tempted to call him to order, noting that it is only one call to order and should not challenge his numeracy skills. The Minister has the call.

Ms CARMEL TEBBUTT: It is not problems on this side with counting; it is problems on the opposite side. We all know that. A feature of the Government's new plan will be numeracy teacher networks within and between schools. These networks will help teachers to work together, get expert advice and share advice on numeracy teaching. Teacher training is also an important consideration, and that is why numeracy materials will be made available to universities to support pre-service teacher training in student numeracy development. All new teachers entering the profession must have strong skills in and knowledge about numeracy teaching.

Tracking student progress within and between schools is vital to prevent students from falling behind. Schools will identify individual students and groups of students who need particular assistance in aspects of numeracy and respond to their needs.

Mr SPEAKER: Order! The honourable member for The Hills will cease calling out.

Ms CARMEL TEBBUTT: For the first time, with the technological advances now available, this information will systematically follow students between schools and from primary and high schools. The Government's numeracy plan will provide a co-ordinated statewide approach and it contains clear targets. This Government is interested in lifting the bar, closing the gap, and ensuring that all students in government schools can fulfil their potential.

CROSS-CITY TUNNEL DAILY TRAFFIC FIGURES

Mr ANDREW STONER: I direct my question to the Premier. Given that recommendation No. 7 of the cross-city tunnel inquiry report, which calls for daily and monthly traffic use figures to be released publicly, why does the Premier still refuse to tell the public the actual daily traffic figures?

[Interruption]

Mr MORRIS IEMMA: The honourable member for South Coast is interjecting. I will come to the figures in a second. The honourable member for South Coast has a passionate interest in the cross-city tunnel. By the way, the other day I came across this note to Shelley. It says, "Shelley, keep it to yourself. I've talked Trevor Fredericks back into the field", and it is signed "D". Is it Don or David, which one? Which faction?

Mr Andrew Stoner: Why don't you answer the question?

Mr MORRIS IEMMA: I am happy to. The number of motorists using the cross-city tunnel has increased. I am advised that yesterday 34,488 cars used the tunnel. That means 8,817 more cars have used the tunnel so far this week than used the tunnel last week. That means almost 9,000 cars were not using the surface roads and adding to congestion. We have also seen an increase in the number of motorists using the Sir John Young Crescent exit to access the harbour crossing. I am advised that yesterday 9,404 cars used this northbound off ramp. According to the figures announced on Sunday, this exit now costs just 84¢ to use. That means 9,404 cars are not using Macquarie Street, easing congestion in the city. They are the figures. The Leader of The Nationals asked for them and I have given them to him.

SALINITY

Mr GERARD MARTIN: My question without notice is directed to the Minister for Regional Development representing the Minister for Natural Resources. What is the latest information on the Government's efforts to combat salinity?

Mr DAVID CAMPBELL: I thank the honourable member for Bathurst—a Country Labor member—for his question. It is a question of interest to country New South Wales, and it is a long, long time since the Leader of The Nationals asked a question of any interest or relevance to country New South Wales, as is pointed out by members on this side of the House on a regular basis. The Australian Bureau of Statistics estimates that land degradation costs \$1.15 billion a year in lost agricultural production. Salinity is a national issue. Approximately 80,000 hectares in the eastern half of New South Wales are directly affected by dryland salinity.

Mr Ian Armstrong: Point of order: I think it is important to note what the Minister is saying. They could move the desalination plant to Cobar to help keep the salinity down in the west. It would be better in Cobar than where it is.

Mr SPEAKER: Order! I am sure the honourable member for Lachlan has much to add to the debate, but now is not the appropriate time to do so. The Minister has the call.

Mr DAVID CAMPBELL: Dryland salinity impacts farms, irrigation areas, wetlands, rivers, homes, drinking water and infrastructure. Solving the problem is a shared responsibility involving land managers, conservationists, indigenous communities, scientists, businesses and all levels of government. The Government has a long-term salinity management plan that involves working with all sections of the community and using the best available science and strategic investments. Today I am pleased to advise the House of the Iemma Government's latest weapon in the battle against the salinity curse: new grants totalling \$3.8 million for rural and regional areas. The \$3.8 million in new funding will go directly to our catchment management authorities as part of the Iemma Government's three-year Salinity Strategy Enhancement program.

This new round of grants takes the Iemma Government's investment in high priority, on-ground salinity management works to approximately \$20 million. The Iemma Government's financial commitment builds on the hard work already undertaken and lays the foundation for salinity management well into the future. This is about prevention as well as cure. The Iemma Government is providing practical solutions and investing in the future of New South Wales.

I know some members sitting opposite will warmly welcome this funding. Perhaps not the Leader of The Nationals, but the honourable member for Wagga Wagga can go back to his community, probably get on the telephone to the *Daily Advertiser* today and thank the Government for delivering \$290,000 for rehabilitation works to saline-affected gullies at Houlighan and Redbank. We are delivering practical solutions: revegetation, native vegetation and farm forestry. An amount of \$180,000 of that grant will provide direct payments to Wagga Wagga district landholders to protect and enhance native vegetation for salinity control. It is exactly this kind of program, greatly valued in Opposition electorates, that the Leader of the Opposition will scrap to pay for every reckless promise he makes to special interest groups that come knocking on his door, or the wacky ideas to which he has already committed the Opposition.

Remember, the Leader of the Opposition wants to captain a special defence industries unit, creating another bureaucracy and duplicating work already undertaken by the Department of State and Regional Development. Make no mistake: the Leader of the Opposition will not stand up for Wagga Wagga; he will not stand up for New South Wales. I am sure the honourable member for Hawkesbury will be delighted to know the Iemma Government is supporting the Hawkesbury Nepean Catchment Management Authority with a \$400,000 grant to map salinity and salt scalds and study ground water flows.

The honourable member for Hawkesbury knows that the Leader of the Opposition will not stand up for the Hawkesbury. After all, why would the Leader of the Opposition help out a city member who is being so viciously targeted by the extreme right wing of the Liberal Party—the same shadowy figures to whom the Leader of the Opposition owes his tenuous grip on the leadership? I am very confident the honourable members for Penrith and Londonderry will welcome this funding for the Hawkesbury River in an attack on salinity in that part of the State. This new funding package does not end there. An amount of \$1.4 million will go to coastal and inland catchment management authorities for community education programs.

[*Interruption*]

That is right, there is more, as the honourable member for Mount Druitt suggests. There are projects to mitigate the impact of urban salinity by providing best-practice training and establishing bore monitoring networks to identify and act on ground water level changes and salinity problem areas. I know the honourable member for Bathurst will be pleased to learn that \$1 million will go to the Central West and Lachlan catchment management authorities for on-ground works, community education and incentives.

[*Interruption*]

I note the honourable member for Lachlan interjected and said, "Thank you for that funding." An amount of \$400,000 will go to coastal catchment management authorities to use existing outbreak salinity mapping and technical data and improve consultation with landholders and relevant stakeholders.

[*Interruption*]

And that interjection from the Leader of The Nationals was to complain about coastal funding—not a comment about the country programs, but he is back in the city again with that very poor interjection. An amount of \$340,000 will go to the Hunter-Central Rivers Catchment Management Authority to identify ground water processes driving salinity in the district and to rehabilitate 12 high priority salinity outbreaks. The honourable member for Cessnock will certainly be proud to report to his community that Black Creek is one of those high priority areas, in recognition of its importance to our world-famous vineyard region. This \$3.8 million is money well spent on practical solutions in our fight against the salinity menace. The only menace to this program is the Leader of the Opposition.

LIFELINE TELEPHONE COUNSELLING FUNDING

Mr ADRIAN PICCOLI: My question is directed to the Premier. Given that Lifeline runs nine local centres to combat mental illness in regional New South Wales and that the Government's own health Minister admits that the Mental Health Access Line refers callers to Lifeline, why will the Government not properly fund Lifeline counselling services?

Mr MORRIS IEMMA: I thank the honourable member for Murrumbidgee for his question.

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

Mr MORRIS IEMMA: Certainly not, because a very good partnership is about to commence with the Commonwealth Government on just the type of service raised in the member's question. Lifeline is one of many non-government organisations that receive funding for mental health. That has increased from \$12.3 million when we came to office to \$35 million. That is part of an \$850 million investment in improving mental health services in the State. There has been no cut to Lifeline's funding. The fact is the Government invests \$1.5 million each year to support Lifeline.

Mr SPEAKER: Order! The honourable member for Willoughby will come to order. The Premier has the call.

Mr MORRIS IEMMA: I am glad you identified yourself this afternoon, which is what you did not do this morning when you rang up the radio.

Mr SPEAKER: Order! Members of the Government will come to order.

Mr MORRIS IEMMA: It's Gladys on the line! The fact is the Government invests \$1.5 million each year in Lifeline. There have been no cuts—

Mr Peter Debnam: Point of order. The point is very simple: Gladys does not have to identify herself.

Mr SPEAKER: Order! There is no point of order. The Leader of the Opposition will resume his seat.

[*Interruption*]

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

Mr MORRIS IEMMA: We provide \$1.5 million to Lifeline to assist its 15 branches across New South Wales to provide general counselling, welfare and telephone services. At the Council of Australian Governments meeting to which the honourable member for Clarence referred earlier there was an agreement on a national co-ordinated approach to improve mental health services across the nation. It includes an additional \$20 million investment, a partnership, by the Commonwealth and the States to provide a national health call centre and a standalone mental health service as part of the call centre. That will involve an additional

\$20 million, a partnership between the Commonwealth and States—\$10 million from the Commonwealth and \$10 million from the States. Organisations like Lifeline—

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

Mr MORRIS IEMMA: The Prime Minister made specific reference at the meeting to the fact that organisations like Lifeline would be able to access the national health call centre.

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

Mr MORRIS IEMMA: That is an additional \$20 million investment in the national health call centre for mental health services. Point two, at the meeting it was agreed that organisations like Lifeline, in recognition of the service they provide and the very good work they do, would have access to the national health call centre and the mental health services the call centre will provide. In relation to Lifeline receiving further assistance from the Government, I can inform the House that the Government has agreed to provide it with an additional \$500,000 over the next two years.

Ms Gladys Berejiklian: Point of order: The Premier is misleading the House.

Mr SPEAKER: Order! There is no point of order. The honourable member for Willoughby will resume her seat. The Premier has the call.

Mr MORRIS IEMMA: The Government supports Lifeline to the tune of \$1.5 million a year and the Government has agreed to provide an additional \$500,000 over the next two years in additional support. For the benefit of the member for Willoughby, Lifeline, in its submission and in the discussions that have been held with Government, stated that when it undertook an analysis of the data relating to callers to its services, callers with a mental health-related inquiry comprised 12 to 15 per cent of the total inquiries. The Government is investing an additional \$500,000 over the next two years to support Lifeline and, with the agreement that has been reached nationally about that \$20 million investment for mental health call services—

[Interruption]

The States are contributing \$10 million and New South Wales' contribution will be apportioned according to its size, around \$3 million to \$4 million. That will be our contribution to the \$20 million national health call centre service. That is in addition to the \$1.5 million we already provide to Lifeline and the \$500,000 that is coming over the next two years.

CHILDREN IN CARE ASSISTANCE

Mrs KARYN PALUZZANO: My question is to the Minister for Community Services. Can the Minister inform the House how the Department of Community Services works with other Government agencies to support children in care?

Ms REBA MEAGHER: I thank the honourable member for her question and her interest in this area. The Department of Community Services [DOCS] works closely with other government agencies to provide the best possible assistance to children in care. The Department of Ageing, Disability and Home Care [DADHC] and DOCS have adopted a collaborative approach to help those children with particular needs. Our priority is to provide seamless services to children and young people with a disability and their families. This approach is formalised in a memorandum of understanding between the two agencies.

The agreement ensures caseworkers from both agencies work together providing assessment, planning and service delivery to children and young people with a disability, and their families where child protection issues arise. This approach is at risk. The Opposition's planned destruction of 29,000 public sector jobs is a promise it will never live down. In 2003 the Opposition tried to fund its reckless promises by slashing \$700 million from DOCS. This time around it is 29,000 public sector jobs. The target may have changed but the mentality remains the same. It is just cold, hard-hearted indifference to the families of New South Wales by a man who will not even stand in this Chamber and answer the accusation made against him.

Mr Peter Debnam: Point of order—

Mr SPEAKER: Order! The Leader of the Opposition need not respond to the Minister.

Mr Peter Debnam: I am happy to answer the question.

Mr SPEAKER: Order! The Leader of the Opposition will resume his seat. He will have other opportunities to respond to the Minister.

Ms REBA MEAGHER: The question to the Leader of the Opposition is a simple one. Will he abandon his cold, hard-hearted indifference to the families of New South Wales?

Mr SPEAKER: Order! The Leader of the Opposition will resume his seat. He will have an opportunity to respond to the Minister at another time.

Ms REBA MEAGHER: The people of New South Wales want to know where those public sector cuts are going to come from. It is a very interesting question because the Opposition's figures just do not stack up. The Leader of the Opposition has promised to quarantine 193,000 front-line workers—doctors, nurses, police. That leaves 94,000 employees, from whom he has to slash 29,000. You do the mathematics. One-third of the public service will get the axe because of him. That poses a real problem for agencies like DADHC that are not quarantined by the Leader of the Opposition. One-third of the staff of the Department of Community Services would be slashed. As the Minister for Community Services that bothers me enormously because one in 10 children in out-of-home care have special needs. When they turn 18 they rely on the Department of Disability to provide them with a quality of life that affords them some dignity. All that will go under the plan proposed by the Leader of the Opposition.

The Department of Ageing, Disability and Home Care has 8,500 employees. It provides personal care, respite, therapy, day care, cleaning and meals to thousands of people with disabilities and the frail and elderly in the community. The Opposition's slash and burn program would see 2,800 of those jobs go. But the problem for DADHC is that there are only 700 jobs in its back line. That means 2,100 front-line staff to go.

Mr Andrew Stoner: Point of order: My point of order relates to the use of unintelligible jargon. The member for Coogeeematta said something about DADHC. People do not know what DADHC is. What is that?

Mr SPEAKER: Order! The Leader of The Nationals will resume his seat. He knows that the standing orders do not deal with unintelligible jargon. If a point of order is taken every time something unintelligible is said in the Chamber, members will have to take care. The Minister has the call.

Ms REBA MEAGHER: That interjection is a sad indictment of the cold indifference of the plight of thousands of people in our community that live with disability. It is an indictment of the Opposition's cold indifference for people who live with special needs. The Opposition's policy in one fell swoop would dismantle a network of care that has been carefully put together by this Government over the last 10 years, with 20 per cent of front-line staff to go. The impact on the quality of life for people living with disability is unimaginable. The Opposition should be ashamed.

To add insult to injury, the Opposition spokesperson for disability yesterday tried to cobble together a policy, which involved just giving people cash. It is a sad reflection. The cash comes from the slashing of the department. This is what he said: "My belief is that people with disability should be given cash grants to find their own accommodation"—nobody to monitor the standards, nobody to provide home care, nobody to take the meals, nobody to provide the training, and nobody to provide the policy, ideas and infrastructure to deliver a better standard of life to people living with disability. That is what the Opposition has to offer. It is a cynical exercise. It offers people false hope. Throwing cash at people is not about delivering a social service. It is cynical manipulation.

That is in stark contrast to the record of this Government. We have more than doubled our spending on ageing, disability and home care from \$800 million to \$1.6 billion in a decade. We have doubled respite care funding in the past six years, we have doubled funding for community transport, and we have nearly tripled attendant care positions. We have built a proud record of supporting the most vulnerable people in our community but the Opposition wants to dismantle that network of care. It has to dismantle that network of care because it has promised \$22 billion to every interest group to try to buy its way into the next election. The families and vulnerable children in New South Wales will pay the price for the Opposition's desperation. The people of New South Wales will see Opposition members for what they are: cold, heart-hearted, uncaring, cynical politicians.

SNOWY HYDRO LIMITED SALE

Mr ANDREW CONSTANCE: My question is directed to the Minister for Energy. Given the Minister's mismanagement of the cross-city tunnel project, does he understand that the people of New South Wales are concerned that he now has responsibility for the fire sale of the Snowy Hydro Scheme?

Mr JOSEPH TRIPODI: It seems that the research team for the Opposition has not had time to read the newspapers nor had the chance to work out exactly who is looking after the sale of the Snowy. The Government has decided to sell its shares in Snowy Hydro Limited. Snowy Hydro Limited is a unique company. It is quite different from our government-owned generators. The decision to sell our shares in Snowy Hydro Limited does not have any implications for the Government's other electricity businesses. There will be no effect on our electricity supply or the price that households pay for electricity as a result of the sale of the company. Questions on the sale process should be directed to the Minister responsible, who is the Minister for Finance.

INTERNATIONAL WOMEN'S DAY

Ms TANYA GADIEL: My question without notice is directed to the Minister for Women. How does International Women's Day play an important role in the improvement of women's lives?

Ms SANDRA NORI: International Women's Day was first celebrated in 1908 under the banner of Bread and Roses. Obviously, it is a day that we reflect on the gains and great achievements that women have made over the years but it also a day that we focus on the future and challenges that still lie ahead, and I will come to those in a moment. I thank honourable members and Ministers for the way that they have responded to the awards that will be announced later this afternoon and tonight. I shall take the House through some of the finalists from amongst whom will be chosen New South Wales Woman of the Year.

This year there are 10 finalists, five from ministerial nominees and five from backbench members of Parliament. I thank people for their involvement. I want to draw the attention of the House to the fact that even though there was no particular request to put an emphasis on this, 4 of the 10 finalists were indigenous women. I mention first Valda Weldon from Wagga Wagga, who has dedicated her life to improving the health and wellbeing of Aboriginal people. Second, Helen Spittal from Albury is an owner-operator of a freight transport and distribution company. Anybody who wants something done should ask a busy woman. Helen is also a member of the Albury netball association and has fostered 30 children in 10 years.

Minister Debus nominated Gail Wallis, a Wandandian woman, who has made an outstanding contribution to Aboriginal justice over many years and who has recently designed and implemented the Nowra circle sentencing trial. Minister Sartor has nominated Professor Eades. I would really like to draw the attention of the House to this woman. Professor Eades is the first Aboriginal medical doctor to be awarded a PhD. She has made outstanding contributions to Aboriginal health research. She has had long-term involvement in the development of Aboriginal health policies at the national level. She is a senior research fellow at the Sax Institute and is a co-joint professor in the faculty of public health at the University of Newcastle. All nominees are very worthy but I thought I would single these women out. This is only the second year of these awards. The level of interest is growing and I am pleased about that.

I turn now to the unfinished agenda. I want to single out the work family balance as an area where I feel we still have a long way to go. Honourable members should look at the article written by Ross Gittins in this morning's *Sydney Morning Herald*, which goes some way towards explaining this. I got concerned last night when Nick Minchin, speaking to the H. R. Nicholls Society, said that WorkChoices did not go far enough and that there would be more legislation. However, I say to the Premier that I took heart because he did concede that the New South Wales Government's challenge in the High Court had a real chance of succeeding. What worries me about Nick Minchin and the fact that the Federal Government wants to take WorkChoices further is that its current plans will already start to unravel many of the gains that women have made.

We know that under WorkChoices women will be forced to trade flexibility for salary. Women will have to take the option of flexibility and forgo salary, and that is not good enough. If we are to get the work family balance right it will involve support from business, employers, men, and government; it will certainly need a Federal Government and a Prime Minister who willingly acknowledge that the world has changed since the 1950s. Women constitute something like 45 per cent of the work force in this State alone. It will take a Federal Government and a Prime Minister who understand that, although there are many reasons for our

economic prosperity over the past 30 or 40 years and the modernisation of the Australian economy, one of the reasons is that women have had fewer children, have accessed higher education, have broken down the barriers, have started to have careers, and are entering the work force. In other words, there is more disposable household income to, in turn, fuel the economy and fund other people's jobs.

Unfortunately, all this economic prosperity and benefit to the nation and the economy has pretty much fallen on the backs of women because they have shouldered the burden. I cannot resist returning to a theme that I have enunciated in the House in the past: a woman, no matter what level of professional qualification she has, if she is married or partnered and has kids—it does not matter whether she is working 20, 30, 40 or 70 hours a week—will still be doing the lion's share of the housework.

Eighteen months ago I managed to track down some research that showed that between 1992 and 1997 the amount of housework done by men in those circumstances—with both partners working and kids—actually increased by 81 minutes a week. Well done, boys! The good news is that when I discovered that research two years ago it meant that we had 25 years to go until men reached parity in terms of their contribution in the home. I suppose the good news today, 18 months later, is that we have to wait only 23 more years. I hope everyone is enjoying and participating in some way in International Women's Day. I shall conclude with a global perspective that comes from the Executive Director of UNIFEM, Noeleen Heyzer, who said:

It is still a woman's face we see when we speak of poverty and HIV/AIDS, of violent conflict and social upheaval, and of trafficking in human beings... women can celebrate significant gains, but progress has been too slow... we cannot wait another 30 years...

Questions without notice concluded.

CONSIDERATION OF URGENT MOTIONS

Fuel Prices

Mr PETER BLACK (Murray-Darling) [3.32 p.m.]: This matter is urgent because The Nationals at both the Federal and State levels continue to be totally inert with respect to the differentials in fuel prices between regional and rural New South Wales and the city. This matter is urgent because the average price for unleaded fuel in Sydney yesterday was 113.1¢ per litre. In Balranald the price was 126¢ a litre; Barham, 127.9¢; and Bourke, 127.9¢. This matter is urgent because in Broken Hill the price was 125.8¢, which is a fuel differential of 12.7¢ per litre. This matter is urgent because in Cobar the price was 127.9¢; Condobolin, 129¢; Deniliquin, 126.9¢; and Dubbo, 126.6¢. This matter is urgent because the price in Goolgowi was 132.9¢; Griffith, 122.9¢; Hay, 126¢; and Hillston, 128¢. This matter is urgent because the price in Leeton was 128.7¢; Moree, 126.5¢; Moulamein, 128.6¢; and Nyngan, 126.9¢. This matter is urgent because yesterday in Wilcannia the price per litre of premium fuel was 143.9¢. This contrasts with 121.9¢ in Echuca and 128.9¢ in Mildura.

The price for diesel is even worse. As members who represent country electorates would know, yesterday the differential in the price of diesel between the bush and regional New South Wales and the city was no less than 15¢ a litre. My good friend, the emeritus mayor of Lane Cove, is not in the Chamber at the moment. Last year during a debate on this matter I pointed out the envy of people in the bush for the fuel prices charged in Mosman. It is a disgrace that we have this differential in New South Wales, and that disgrace is laid straight at the throat of the Federal Government. In other countries such as America, fuel prices have been capped in places such as Hawaii. That could be done in New South Wales. The Nationals repeatedly walk away from the issue, and the Australian Competition and Consumer Commission [ACCC] does not have the power to do anything to get effective competition in various towns in New South Wales.

Years ago Professor Fels told the Federal Government that the ACCC recognised that the fuel industry was corrupt at all three levels but it did not have the power to do anything about it. Yesterday the price of diesel at Balranald was 139¢; Barham, 137.9¢; Bourke, 137.9¢, with a discount of a few cents; Broken Hill, 138.9¢; and Cobar, 130.9¢. Honourable members should think about Sydney prices! At Condobolin the price was 143.9¢ per litre—that is 143.9¢, not 123.9¢—Deniliquin, 137.9¢; and Dubbo, 138.4¢. These costs are killing industry in western New South Wales. This matter is urgent because the cost for stock transport has gone up by 90¢ a kilometre this month. This matter is urgent because yesterday the price of diesel at Goolgowi was 145.9¢ a litre; Griffith, 137.9¢; and Hay, 138¢. That is significant because it has come down by 3¢ in the past three weeks but it has gone up in other places. So much for the competition model! The price of diesel at Hillston was 142¢; Leeton, 142¢; Moree, 133.9¢; Moulamein, 136.8¢; Nyngan, 138.9¢; and Wilcannia—wait for it—155.9¢. [Time expired.]

Lifeline Telephone Counselling Line Funding

Ms GLADYS BEREJIKLIAN (Willoughby) [3.37 p.m.]: My motion is urgent because often Lifeline is the last port of call for people in crisis. The State Government's failure over a four-year period to offer sufficient funding for Lifeline's vital counselling services has meant that many of its services are now under threat. This is not just a veiled cry for help; it is a desperate cry for help. On every occasion over the past four years that Lifeline has approached the State Government for funding for its counselling services it has been denied. During that period two Lifeline centres in the regions have had to close. Lifeline is self-sufficient. It has more than 2,000 volunteers across New South Wales, in 15 centres and 24 call centres. It does an outstanding job. It has trained volunteers. Yet on every occasion it has approached the State Government to assist with funding for its counselling service it has been denied.

This matter is urgent because, unless the State Government stops misleading the people of New South Wales and accepts the fact that it does not adequately support Lifeline's counselling services, there is a risk that people who have nowhere else to turn, because government services fall short, will not be able to call for help. Lifeline helps people who have nowhere else to turn. It is the only 24-hour, 365 days a year mental health crisis centre in the State. It is a non-government organisation. Compared with Victoria, the funding in New South Wales is abysmal. Victoria has only nine Lifeline centres and the Victorian Government gives more than \$1 million each year just for the counselling service.

The New South Wales Government misled the public and claimed that it gives \$1.5 million to fund Lifeline's counselling services. That is not correct. It gives in the vicinity of \$400,000, which is less than any other State contribution. Non-government organisations in New South Wales generally receive only 2 per cent of the mental health budget, which is the worst rate in the country. I doubt there would be one member in this Chamber who has not at some stage referred a constituent to Lifeline or referred a constituent's concerns to Lifeline.

If the House does not deal with this issue today and does not call on the State Government in a resounding way, we risk not only the future of Lifeline but the future of people desperate for mental health assistance. Mental health is a growing problem in the community. Services are scarce and demand is increasing. It makes me sick when the Premier cannot accept the amount of funding he provides to Lifeline. It is better to come clean with the public and tell them what the Government is spending rather than pretending it is supporting something that it is not. That is a disgrace not just to Lifeline as an organisation but to everybody who is desperate for themselves or for a loved one. Lifeline takes calls not only from members of the public but also from organisations such as the Ambulance Service and other emergency services who, in the dead of night, have no-one else to call but Lifeline. In the dead of night those organisations will call Lifeline for assistance.

It made me angry today when the Premier suggested during question time that the national mental health line would do the same job that Lifeline is providing. The Council of Australian Governments agreement said that the primary use of the national mental health line would be for referral services. Lifeline is much more than a referral service. Lifeline has trained counsellors who deal with people when they ring up. They do not need to refer people; they are the point that people are referred to. Even NSW Health brochures list Lifeline as a referral service. It is the only after-hours service available in New South Wales. For the Premier to mislead the House today not only about the amount of funding the Government does not provide to Lifeline but also by saying that Lifeline is simply a referral service shows a complete lack of understanding about what Lifeline does and a complete ignorance about the services Lifeline provides.

Coalition members believe that part of the Government's agenda is to centralise Lifeline services, which would be a tragedy for the State. The Government is happy to sit on the sidelines and watch Lifeline centres close. That is the opposite of what should be occurring. We should be encouraging volunteers in the community with proper training to help people in the dead of night when State Government services do not exist. This matter is urgent because everybody in this House cares about mental health and cares about constituents. I urge honourable members to forgo their political affiliations and to support the motion on its merits. People who argue against this motion are turning their backs on people with a mental illness. [*Time expired.*]

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

The House divided.

Ayes, 51

Ms Allan	Mr Gaudry	Mrs Paluzzano
Mr Amery	Mr Gibson	Mr Pearce
Ms Andrews	Mr Greene	Mrs Perry
Mr Bartlett	Ms Hay	Ms Saliba
Ms Beamer	Mr Hickey	Mr Sartor
Mr Black	Mr Hunter	Mr Shearan
Mr Brown	Ms Judge	Mr Stewart
Ms Burney	Ms Keneally	Ms Tebbutt
Miss Burton	Mr Lynch	Mr Tripodi
Mr Campbell	Mr McBride	Mr Watkins
Mr Chaytor	Mr McLeay	Mr West
Mr Collier	Ms Meagher	Mr Whan
Mr Corrigan	Ms Megarritty	Mr Yeadon
Mr Crittenden	Mr Mills	
Ms D'Amore	Mr Morris	
Mr Daley	Mr Newell	<i>Tellers,</i>
Mr Debus	Ms Nori	Mr Ashton
Ms Gadiel	Mr Orkopoulos	Mr Martin

Noes, 38

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

Question resolved in the affirmative.

FUEL PRICES**Urgent Motion**

Mr PETER BLACK (Murray-Darling) [3.51 p.m.]: In establishing urgency I went through a list of prices for petrol and diesel in regional and rural New South Wales. I can compare the prices with other places as well as Sydney. For quite some time the price of fuel at Yunta, some 200 kilometres down the road—

Mr Andrew Fraser: Point of order: The honourable member for Murray-Darling has not moved his motion as required by the standing orders.

Madam ACTING-SPEAKER (Ms Marianne Saliba): Order! I ask the honourable member for Murray-Darling to move his motion.

Mr PETER BLACK: It was an oversight. I move:

That this House:

- (1) again condemns the State and Federal Nationals for failing to address the higher cost of fuel in rural and regional communities.
- (2) notes the devastating impact of higher fuel prices on primary producers and the mining sector in New South Wales.
- (3) congratulates the Iemma Government on its three-point plan to help small business manage high petrol prices.

When I read the list of fuel prices demonstrating the huge differences between Lane Cove and western New South Wales I pointed out that the differential between, for example, Sydney and Broken Hill yesterday was 12.7¢ per litre for petrol and 15¢ per litre for diesel. People going from Broken Hill to Yunta, 200 kilometres down the track to Adelaide, buy enough fuel in Broken Hill to get to Yunta and then fill up at Yunta. When coming back from Adelaide they also fill their tanks at Yunta to take advantage of the cheaper fuel. Yunta has never been busier than it is now. At present there is a glut of wine grapes in Sunraysia, the Murrumbidgee Irrigation Area and the Riverland. Premium chardonnay grapes are selling at \$140 a tonne, which is killing the blockers down south. The Wentworth shire, Mildura Rural City Council and others have suggested that in the order of 10 per cent of last year's crop should be distilled and added to fuel. This would bring down the price of fuel if the Federal Government would mandate it.

On 9 February Don Carrazza of Mildura was becoming very frustrated with the slow response from Federal Ministers and parliamentarians to a proposal to convert up to a billion litres of surplus wine to ethanol. If the Commonwealth Government mandated the use of ethanol in fuels 600,000 litres of wine a day could be turned into ethanol immediately. On 17 February the former deputy mayor of Wagga Wagga and now Federal member for Riverina, Kay Hull, raised fuel price concerns and said, "I have had people make allegations that there is price fixing taking place." I am delighted that she raised the issue of price fixing with her Federal parliamentary colleagues at a joint meeting of The Nationals and Liberal members in Canberra. Kay Hull also raised exceptional circumstances funding in relation to rice growers and crossed the floor in regard to Telstra.

I cannot believe what is going on with John Cobb at the moment. He is the Federal member for Parkes and former head of the National Farmers Federation. Again, he is at the epicentre of scandal. Once again he is in trouble in Dubbo. This time it is about whether he knew about what was going on in Iraq. It has now been alleged that he was up to his neck in that little deal. But this is the same bloke that has said absolutely nothing about fuel prices. He was reported in the *Barrier Daily Truth* some time back as saying that high prices are the State Government's fault. What a load of absolute nonsense! There have not been any State fuel taxes since the 3 x 3 scheme, which effectively became the 9 x 7.2 or thereabouts, was abolished following a High Court case instituted by the Commonwealth against New South Wales.

Another great disappointment in this debate has been the performance of the honourable member for Murrumbidgee, F. J. Piccoli. He has said nothing about prices down south. Today I mentioned prices in Deniliquin, yet there has been a deafening silence from him. What a contrast with the Federal member from Wagga Wagga. The State member for Wagga Wagga, Daryl Maguire, has been speaking up. He is doing his bit and saying what he can. But the Federal member for Parkes and the State member for Murrumbidgee are saying nothing. Continuation of the present situation is entirely on the heads of State and Federal Nationals.

On the issue of taxation, the Federal Government is making a motser out of the increases in fuel prices—at the latest count \$1.4 billion in unexpected, unplanned revenue. That is indicated in Federal Treasury papers. Let us go through how this comes about. Firstly, the natural resources tax accounts for the Commonwealth Government receiving \$1.1 billion. This is levied on the people operating the drills in Bass Strait and north of Broken Hill on the Jackson field. Then there is the double taxation on the refineries, company tax as well as wage and salary taxes, and all the other sorts of taxes. The Commonwealth Government also receives revenue from transport taxes. But then we come back to the fact that the Commonwealth is reaping—

Mr Kerry Hickey: What about the GST?

Mr PETER BLACK: I have not come to the GST yet. The Commonwealth Government is reaping 38.143¢ a litre in excise on top of all the other taxes. Let us coldly analyse what has been happening. In 2005-06 the fuel excise alone will generate \$13.980 billion for the Commonwealth Government, of which only \$1.67 billion will be returned to the States for roads. We are talking about grants to shires, block grants and so on. When one does the sums—I am sure someone in The Nationals can do sums—that represents 12 per cent being returned to the States out of the Commonwealth's excise income. In the case of New South Wales, the figure is \$501 million. That is a miserable amount being returned to the State as block grants to the shires, Roads to Recovery funding or whatever.

I note that the honourable member for Wagga Wagga has returned to the Chamber. He is a remarkable member. I suspect that is because he was born at Ivanhoe, the heart and soul of the Murray-Darling, where his nickname was Jack Dempsey—but we will not go into that. In speaking on this motion I must deal with the GST. At the moment, 2.5¢ a litre of what Broken Hill motorists spend on fuel does not come back to New South Wales. Like everyone else in western New South Wales, Broken Hill motorists are paying this exorbitant price to subsidise other States. Why on earth do they have to do that?

Mr ANDREW FRASER (Coffs Harbour) [4.01 p.m.]: The hypocrisy demonstrated by the honourable member for Murray-Darling is unbelievable. He raised the issue of mandating fuel. There are 23 ministerial vehicles in the parking lot on level four of this building and they are all ethanol-10 [E10] compliant. However, we have heard nothing from the honourable member today or at any other time about that, and the Government has done nothing about mandating the use of E10 fuel in the government fleet. That is the first thing that should be considered. The alcohol in chardonnay could be used, but I am sure the honourable member would prefer to use it in another way rather than turn it into fuel. Converting those 23 ministerial vehicles would reap some benefit. Every other departmental vehicle owned and operated by the Government could be mandated to use E10. Probably 90 per cent of the State fleet would be E10 compliant. Why does the Government not mandate the conversion of those ministerial vehicles and the rest of the government fleet to use E10 fuel? That is my first question.

The honourable member for Murray-Darling said that the State Government does not collect any taxes on fuel. Let us look at his final point: that all GST payments go back to the States. Every time the fuel price increases, the only thing that increases is the GST component. He correctly identified the fact that 38.143¢ a litre goes to the Commonwealth Government and that it has returned more money through its Roads to Recovery programs to local government, an area in which the honourable member for Murray-Darling has a proud history. He recognised the fact that the Commonwealth Government has spent more on those programs than was ever spent by this Government.

We all know what members opposite did with the 3 x 3 levy. The Labor Government built bike sheds and car parks at railway stations in Sydney. It changed the 60:40 split from 60 country and 40 city to about 51 per cent or 52 per cent for country areas and the balance went to city areas. In fact, the Government took money away from roadworks in regional and rural New South Wales. We should look at some quotes from Federal members of Parliament about fuel prices. In a recent article, Craig Emerson, the chairman of the Federal Labor caucus economic committee stated:

Australia's record petrol prices have one cause and one cause only - high world oil prices.

Members opposite are trying to blame the State and Federal Nationals. Why the hell does the honourable member's motion condemn The Nationals? Members opposite can mandate that government vehicles use E10 fuel. I look forward to the honourable member for Murray-Darling's introducing or supporting legislation mandating its use. I guarantee him that if he introduces it he will have The Nationals unanimous support. If members opposite really want to know what is hurting regional and rural New South Wales, they should have a look at the cost of doing business in this State. A Business Council of Australia report released late last year stated that 8,700 pages of regulations applying to small businesses, including farmers, have been introduced in this State since 2001. What has the honourable member for Murray-Darling done about that? What has he said in caucus about that? Absolutely nothing.

In fact, he even failed to address the part of his motion referring to the Lemma Government's three-point plan to help small business to handle petrol prices. He has not told us about that three-point plan despite the fact that it was mentioned in his motion. I will give members opposite a plan: First, get out of government, because they ruining regional and rural New South Wales; second, reduce workers compensation premiums—and not by 5 per cent. The Government announced last year that it had reduced workers compensation premiums by 5 per cent, but that was after it had increased them by 40 per cent. I have correspondence here—and I can lay it on the table for the information of honourable members—demonstrating that small businesses have been bankrupted by the Government's policy on WorkCover. We heard the Leader of The Nationals yesterday talking about Heron's mill at Wauchope, which is paying the equivalent of 34 per cent of its payroll, which is the major part of that business—it has some fuel costs, but not many—in workers compensation premiums.

The Government has introduced ludicrous regulations dealing with occupational health and safety. Commonsense does not come into it. The Government has introduced regulations to give jobs to its union-official mates who no longer have jobs because less than 25 per cent of the work force is unionised. The Government has given them work by introducing bizarre occupational health and safety regulations for them to enforce and, in the process, earn a living and at the same time provide income for the Government. If honourable members opposite want to argue about that they should talk to the two builders in Coffs Harbour who were fined \$250 each for eating their sandwiches on a veranda of a home they were constructing rather than in the designated kitchen on site. These are the sorts of blokes that members opposite claim they represent, but two union officials hit each of them with a \$250 fine because they were sitting on a veranda looking at a magnificent view. That is lunacy.

Let us talk about the WorkCover inspector at Emerald Beach who, at the height of a storm, rang a real estate agent and said, "The roof is leaking on the house that I am renting from you, I want it fixed". The real estate agent badgered one of his tradesmen to go around and have a look at the job. The tradesman went round there and noted that there were only a couple of pieces of ridge capping missing. In the middle of the storm he climbed the roof and put the ridge capping on, but as he came back down from the roof the WorkCover inspector gave him a card and said, "I am an occupational health and safety inspector. You have come out here and not taken proper safety precautions".

If the State Emergency Service had come—it could not because it was too busy—it would have been exempt from any prosecution. That poor bloke lived in fear for two or three weeks because a former union official has been given a job by the Government to oversee small business and has put a poor bloke like that under stress. Eventually WorkCover withdrew the case, but only because I went to the media about it. In that situation a woman begged for help—and she waited until after the leak was fixed—and then said, "You will be hearing from us and you will be fined". That is the sort of over-regulation that the Government has imposed on small business in New South Wales.

A fellow in my electorate runs a security firm. WorkCover has deemed a great swag of his wages over the past seven years—even though the Minister for Finance says the Government will go back only three years on audit—to be for employees, not contractors. I have seen his books, I have spoken to his accountant and I argued the case. The fact is he employs contractors, not workers. A fortnight ago that poor bloke had to borrow money against his house and pay WorkCover \$60,000 until this matter is resolved. The Minister will not return his telephone calls and will not reply to his correspondence. That poor little battler, who employs a lot of people, is being weighed down by the cost of doing business in this State purely because of WorkCover rules.

Mr Thomas George: That is what the Government does to small business.

Mr ANDREW FRASER: As the honourable member for Lismore says, that is what the Government does to small business and to the people of this State. Those people are trying to make a living. Farms now need seven licences. Every two years farmers have to renew a chemical licence if they want to spray crops or drench their cattle. The oppressive regime that the Government has created for small business in this State is a disgrace, and we cannot support the motion.

Mr STEVE WHAN (Monaro) [4.11 p.m.]: It is a pleasure to support the motion moved by the honourable member for Murray-Darling, who is, as always, standing up for people in rural New South Wales and pointing out, quite rightly, the negative impact that high petrol prices and city and country petrol price differentials have on businesses and individuals in rural New South Wales. It is a pity that in a 10-minute speech the honourable member for Coffs Harbour deigned to spend so little time talking about that impact on people in rural New South Wales. Petrol prices impact seriously on small businesses in rural New South Wales, and that impact is growing due to the petrol price hikes over the past year or so. The Australian Automobile Association says that Australia-wide from January 2005 to January 2006 petrol prices increased, on average, 21.5¢ a litre. That is a fairly phenomenal increase. Rural New South Wales is at a disadvantage because of the differential between city and country prices. All the people who talk to me about this issue cannot fail to note the fact that petrol prices certainly go up with an increase in international oil prices, but then they fail to come back down to the previous levels when oil prices drop.

The Opposition claims the reason is high international prices. High international oil prices are certainly a component, but during the same period there have been vast increases in the profits of oil companies. Caltex announced a \$500 million profit for the year and Exxon International recorded a \$48 billion profit. Caltex said that its profit result was in part due to higher refiner margins than in 2004. The refiner margin is something that is controlled locally, and we constantly see in regional New South Wales that the oil companies appear to manipulate the prices by not allowing service station sites in regional New South Wales to have access to the same discounting regimes as they give to the city motorists.

There is a serious problem for businesses and people in rural New South Wales. The motion deals with the three-point plan unveiled by the Minister for Small Business to help small business survive the impact of petrol price hikes. The first point under the plan is the provision by the New South Wales Government of free advice to small businesses across the State on how to restructure and minimise the impact of fuel price rises. Second, the New South Wales Government is calling on the Federal Government to include small-business deductibility of motor vehicle running costs. Third, to help put downward pressure on petrol prices the Iemma Government will continue to refer changes to the Trade Practices Act and ask for greater power to be given to

the Australian Competition and Consumer Commission [ACCC] to investigate petrol price hikes. Those steps need to be taken. We do not regard the ACCC as having the power or the will to take enough action to ensure that there is no collusion in petrol prices in Australia and to ensure that there is real competition. One has to ask why that is. Why are the Howard Government and the State Opposition so indifferent to the plight of these businesses?

Could the reason be, as the honourable member for Murray-Darling indicated, the tax revenue the Government gains from petrol price hikes? As we all know, resources rent tax receipts increase with international oil prices and the midyear economic report from the Federal Government shows that it predicts that the resources rent tax receipts will be up 57.8 per cent. That is a massive increase in tax receipts, the benefits of which are not being passed back to the motorists of New South Wales either through petrol prices or, more relevantly, roads.

There is also an increase from the GST, and, as we know, the GST builds in differentials in country New South Wales so that country motorists end up paying more. If petrol is \$1 a litre in Sydney, those motorists pay about 9¢ a litre in GST. Petrol is about \$1.21 to \$1.23 a litre in Cooma at the moment and motorists there are paying 10¢ a litre in GST. For each full tank of a Commodore, for instance, that is 70¢ extra. Neither the Federal Government nor The Nationals in this place are interested in trying to help people in rural New South Wales in these difficult times. We know we cannot instantly fix international oil prices, but there is action we can take at home to promote competition and make sure that the ACCC takes action. [*Time expired.*]

Mr DONALD PAGE (Ballina—Deputy Leader of The Nationals) [4.16 p.m.]: Let me assure the House that both the State Nationals and the Federal Nationals are very concerned about the price of fuel in New South Wales and, indeed, the whole of Australia. We understand clearly the impact that the price of fuel has on individuals, families, farmers and businesses in regional and rural areas, and how it affects competitiveness in New South Wales and overseas. However, there is no way the Opposition can support the motion in its current form. I move:

That the motion be amended by:

- (1) leaving out the words "Federal Nationals" in paragraph (1) with a view to inserting instead "Labor Government"; and
- (2) leaving out paragraph (3).

The motion would then read:

That this House:

- (1) again condemns the State Labor Government for failing to address the higher cost of fuel in rural and regional communities; and
- (2) notes the devastating impact of higher fuel prices on primary producers and the mining sector in New South Wales.

That is a motion we could all support. Indeed, earlier in his contribution the honourable member for Murray-Darling made the point that fuel prices in western New South Wales are much higher than they are in Victoria. If that is not due to some State Government policy, the honourable member might like to explain in his reply why that is so. If the Government has some capacity to change the price of fuel as the Victorian Government is happily doing, Government members should go and have a yarn with Mr Bracks to find out what he is doing down there that they are not doing up here.

We should be realistic in this debate and understand the reasons why our petrol prices are the way they are. As members know, two-thirds of our petrol is imported. Therefore, our price is linked to the international price. Crude oil prices have a significant effect on petrol prices. An increase in the price of a barrel of crude usually produces a rise in the price of a litre of petrol in Australia. That is not just me talking or the Federal Government talking. Craig Emerson, the chairman of the Federal Labor Party's economic committee, was quoted in the *Age* on 22 July last year as saying that Australia's record petrol prices have one cause and one cause only: high world oil prices. As the member for Coffs Harbour said earlier, if the New South Wales Government seriously wanted to do something to assist the situation it could mandate the use of 10 per cent ethanol fuel for the whole of the New South Wales Government car fleet.

Let us be honest about the GST. The Federal excise is 38.143¢ a litre. That is a fixed charge on every litre sold. If the price of fuel goes from \$1 a litre to \$1.50, for argument's sake, the Federal Government still gets 38.143¢ a litre but the GST component goes from 10¢ to 15¢. Where does the GST revenue go? It is collected

by the Federal Government and it comes back to the State governments. Which State Government gets the biggest percentage of GST? It is New South Wales. Let us not have this nonsense about the GST. The Government is the direct beneficiary of rising fuel prices as a result of an increase in GST. The Federal excise is fixed at 38.143¢ a litre. That has disposed of that furphy.

There are some genuine issues in relation to the differential between country and city prices. Those of us who live in the country are perplexed by it. I have been perplexed for years trying to work it out. In my electorate, particularly in Ballina, the fuel price is high compared with the price just north of the border. Some of these things can be explained, but not all. This situation has occurred under Labor and Coalition governments. It has been a problem for a number of years in country areas. It must be said there are some reasons that go part of the way to explaining this differential. Obviously volumes in country areas are lower, therefore margins tend to be higher, so prices are higher. Competition in the country is not as great as it is in the city. There is not the discounting that occurs in the city so there is less competition, less discounting and higher fuel prices. The Federal Government has introduced a number of measures, which I do not have time to go into, designed to reduce Federal excise. [*Time expired.*]

Mr GERARD MARTIN (Bathurst) [4.21 p.m.]: I am pleased to join this debate because it is particularly important to my electorate. High petrol and diesel prices are having a devastating impact on our rural and regional economies. High fuel prices particularly affect operators in the mining and agriculture sectors, both of which are large employers in regional areas, and in my area in particular. There is insufficient competition in the Australian market to ensure the market alone delivers fair fuel prices to the rest of the economy. The big four fuel companies are making record profits while every other sector of the economy suffers because of their market power.

It is to be hoped that the review of taxation announced on 26 February by the Federal Treasurer, Peter Costello, will also examine the 38¢ a litre fuel excise. The fuel excise is just one of three taxes imposed on fuel by the Federal Government. The others are the resource rent tax and, of course, the GST. Every time a motorist fills up at a bowser, the Federal Treasurer, Peter Costello, is dipping into his or her pocket three times. Families in regional New South Wales are still paying some of the highest petrol prices they have paid in their lives. We are talking about \$70 to fill up a family car. Diesel prices are up to 15¢ to 20¢ a litre higher in rural areas, and no-one can give an adequate explanation for that. The Federal Government must realise that we are feeling the petrol pinch, the real pain, and it can provide the pain relief. The Federal Government could do much more to ensure that fuel prices are fair and not impose unnecessary imposts on hardworking people in rural and regional Australia. On Monday 6 March the National Farmers Federation issued a warning about high fuel prices and their effect on the economy. It said:

The Reserve Bank has warned that inflation is now right at the limit of their 2-3% target range and the pressure is on for another interest rate rise in 2006.

In the farming sector, high oil prices have already severely cut into farm incomes by spilling into the cost of transport, fuel, fertiliser and farm chemicals.

As these proposed increasing transport costs feed into almost everything we buy, consumers will end up bearing the brunt of higher prices.

This will add to inflationary pressures and may bring on higher interest rates sooner rather than later.

Higher fuel prices affect every level of the farm economy. As well as increasing costs to primary producers, high fuel prices reduce their profits and their purchasing power in country towns. It goes right down the chain. Primary produce is more expensive when it hits the markets in the mainland capitals due to transport operators passing on high fuel costs. Therefore, consumers are at a disadvantage when they try to buy such things as meat and vegetables produced on New South Wales farms. The problem of higher fuel prices permeates through the community.

We know the Federal Government gets \$13 billion a year in GST revenue from New South Wales. Unfortunately, it has not sunk in with Opposition members that we are being short-changed, even though the Governor of the Reserve Bank of Australia agrees. We want the New South Wales Liberal Party and The Nationals to take a stand on this issue. Under the leadership of the Leader of the Opposition, of course, they are running from any decisions. We heard his infamous interview about the cross-city tunnel this week on 2BL—"Get back to me next year and I will make up my mind." Has the Leader of The Nationals been to see Mark Vaile, the Deputy Prime Minister, to make a fairer case for New South Wales? I bet he has not. Has the Leader of the Opposition been to see the Federal Treasurer to ask for a fairer deal for New South Wales on fuel taxes?

Mr Thomas George: Have you been to see Kim Beazley?

Mr GERARD MARTIN: Yes, indeed I have. Has any member of the New South Wales Opposition spoken up on the need for greater regulation of our fuel prices by the Australian Competition and Consumer Commission? If anybody is a waste of time in this House it has to be The Nationals Whip. He is making another important contribution to a debate! They leave him on the bench all the time for obvious reasons. If I were him I would pull my head in, before we embarrass him further.

What more do the Leader of the Opposition, the Leader of The Nationals and other Opposition members need to know before they start sticking up for businesses and families in New South Wales? The Leader of the Opposition and his motley crew have been disturbingly silent on this issue. We know that the Leader of The Nationals has gone the way of a long list of Nationals leaders in New South Wales who have been seduced by the eastern suburbs latte set. I exclude from that the honourable member for Lachlan, because he never went down that path. They have been more interested in what is happening in Darling Point than what is happening in the country. On fuel prices they should stand as one with us and send a message to Canberra.

Mr PETER BLACK (Murray-Darling) [4.26 p.m.] in reply: I thank the members who have spoken in this debate: the honourable member for Coffs Harbour, the honourable member for Monaro, the honourable member for Ballina and the honourable member for Bathurst. I thank the Minister for Local Government and the Minister for Tourism and Sport and Recreation, for being at the table—one from Country Labor and one from city Labor. Once again that demonstrates that the only coalition working successfully in this place is on this side of the Chamber.

I must say how disappointed I was in the contribution made by the honourable member for Coffs Harbour. So much of it was not about country fuel prices—so much was not about the subject of this debate—that it does not matter. We can have debates on all those other matters, that is fine. He has walked away from this. I will tell members something else. The honourable member for Coffs Harbour is not a bad tactician. If the rest of The Nationals in this place had listened to him in 2002, when I received that leaked document from The Nationals conference in Broken Hill, they would not be sitting on the other side of the House in coalition with the Liberal Party. In that event I think we would find The Nationals would agree with us on many of these matters far more often than they do now as prisoners of the Liberal Party.

As a demonstrable example of that, where is the Leader of The Nationals? What have we heard from him this year? Late last year he talked about the desalination plant at Kurnell. Kurnell is still in the city, is it not? What have we heard this year? We are in the second week of the sitting and where is Andrew "Tunnel" Stoner? He is asking questions about the city. Apparently that is all he can do. He does not care about the bush, and he has demonstrated time and time again that he is not worried about fuel prices and what they are doing to people in the bush. He does not worry about his own traditional constituency.

Mr Donald Page: Point of order: I want to make it plain to the honourable member for Murray-Darling that the Leader of The Nationals could not be present in the Chamber but I am here in his stead as Deputy Leader. The Nationals are very concerned about the impact of fuel prices in country New South Wales.

Madam ACTING-SPEAKER (Ms Marianne Saliba): Order! The honourable member for Ballina will resume his seat. There is no point of order.

Mr PETER BLACK: Why is the honourable member for Ballina smiling? He spent the last 40 seconds of his contribution on the topic, but previously he was smiling when using joke lines about the GST. I will tell him what it is costing people out west. For two decks of cattle, fuel has gone up to \$3.50 per kilometre; for four decks of cattle or eight decks of sheep it has gone up to \$6.40 per kilometre on the road train. That is what the increase has meant in fuel prices, so it is a joke for people to say that all the GST is coming back. That is the point. The GST ought to be coming back because so many taxes were traded for it, but on average 2.5¢ in western New South Wales is going out to subsidise other States such as South Australia or other resource-rich States such as Western Australia and Queensland.

The Nationals in this State pretend this is not happening and have made not a whimper. They should take notice of what is happening with other country members, not necessarily Country Labor, but start to listen to people like Kay Hull, the member for Riverina, who had the guts to say that something is crook in Tallarook and something should be done about it. They should listen to some commonsense for a change. Not only is the Leader of The Nationals not present in the Chamber, neither is the honourable member for Murrumbidgee.

Obviously, he does not care. There has not been one word about the share arrangements in Deniliquin. That is not a problem because my constituents also go there to get fuel; but he has not said one word about high fuel costs in his electorate. The honourable member for Ballina is a disgrace too because he should be standing up for country people.

The Nationals now has 12 members. When the honourable member for Lachlan was the leader there were 20 members and it was a proud old party. My old mate was the last dinky-di member of the Country Party and he is mortified to see the behaviour of The Nationals, who are going down the track towards self-extinction; in 2007 they will be gone. [*Time expired.*]

Question—That the words stand—put.

The House divided.

Ayes, 51

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

Noes, 35

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

Question resolved in the affirmative.

Amendment negatived.

Motion agreed to.

DISTINGUISHED VISITORS

Madam ACTING-SPEAKER (Ms Marianne Saliba): I acknowledge the presence in the Speaker's Gallery of the Federal member for Cowper, Luke Hartsuyker.

RURAL AND REGIONAL BUSINESSES

Matter of Public Importance

Mr IAN ARMSTRONG (Lachlan) [4.42 p.m.]: I ask the House to note as a matter of public importance the importance of businesses in rural and regional New South Wales. I do so because of the increasing difficulties in doing business in rural and regional New South Wales. I shall try to make the Parliament aware of an increasing lack of confidence by some businesspeople in their capacity to establish, conduct or continue business in a reasonably relaxed and responsible manner. Today I shall quote a speech made on 26 May last year by none other than the Labour Prime Minister of England, the Hon. Tony Blair, because what he described as affecting England is certainly affecting our businesses and confidence in much of inland New South Wales. Mr Blair said:

It is what I call a sensible debate about risk in public policy making. In my view, we are in danger of having a wholly disproportionate attitude to the risks we should expect to run as a normal part of life. This is putting pressure on policy-making, not just in Government but in regulatory bodies, on local government, public services, in Europe and across parts of the private sector—to act to eliminate risk in a way that is out of all proportion to the potential damage. The result is a plethora of rules, guidelines, responses to "scandals" of one nature or another that ends up having utterly perverse consequences ...

Health and safety legislation is necessary to protect people at work. Food standards are necessary to protect people from harm. Protections are necessary for children from the danger of predatory adults. These are things against which, historically, the state has underwritten the risk. The pooling of such risks is still the fundamental basis of our case for publicly funded public services ...

Workplace fatalities have fallen by around two-thirds since the 1970s ...

But something is seriously awry when teachers feel unable to take children on school trips, for fear of being sued; when the Financial Services Authority that was established to provide clear guidelines and rules for the financial services sector and to protect the consumer against the fraudulent, is seen as hugely inhibiting of efficient business by perfectly respectable companies that have never defrauded anyone; when pensions protection inflates dramatically the cost of selling pensions to middle-income people; where health and safety rules across a range of areas is taken to extremes...

Here in Britain, whatever the actual state of the so-called compensation culture, the perception of it and the effects of that perception are real. In England in 2003 there were between 7 and 10 million pupil visits on school trips. Sadly, there was one fatality. But only one...

But the facts too often do not prevail. You may recall the stories of the girl who sued the Girl Guides Association because she burnt her leg on a sausage or the man who was injured when he failed to apply the brakes on a toboggan run in an amusement park...

The impression, in turn, has genuine effects. Public bodies, in fear of litigation, act in highly risk-averse and peculiar ways. We have had a local authority removing hanging baskets for fear that they might fall on someone's head, even though no such accident had occurred in the 18 years they had been hanging there. A village in the Cotswolds was required to pull up a seesaw because it was judged a danger under the EU...

A natural but wrong response is to retreat in the face of this change. To regulate to eliminate risk. To restrict rather than enable. But we pay a price if we react like this. We lose out in business to India and China, who are prepared to accept the risks. We are unable to exploit our scientific discoveries. We seek protection from risks that are exaggerated or even imagined. We allow the conspiracy theorists to dictate the argument without a basis in fact.

Likewise in more mundane areas of public service the idea that it is the job of Government to eliminate risk can lead to the elimination of common sense... Julia Neuberger claims that, if an old person falls on the floor, the regulations currently decree that the care worker cannot help them to their feet. They have to go and find some hoists before they can help. No doubt, most care workers help anyway but if basic human acts of care like this are being prevented by intrusive regulation, it is absurd. We cannot guarantee a risk-free life.

Although that speech was made by Tony Blair, I suspect that it reflects almost exactly some of the problems we have in New South Wales, particularly in country areas. For instance, my wife is a typical country lady. She is on the board of the local golf club, she is chairman of the local wine show, she is on the committee of the local show society, and she is in charge of some of the bars during the show.

Ms Sandra Nori: She's in charge of you.

Mr IAN ARMSTRONG: No. In the past 12 months she has done about 10 different courses. The other day she said to me, "Ian, I have to do a chainsaw course and a welding course." She also said, "I have to do a course on horse riding." Although she was reared on a farm she must do a course on horse riding. The other day a man on a horse came to muster some cattle; we suddenly realised that we would be in breach of the law because no-one was there to assess whether he could ride the horse. In terms of the chainsaw course, if a man comes to lop a tree that has fallen over in a windstorm my wife must be able to assess the risk factor. No doubt

she can make the assessment, but because she has not done the course we cannot employ the man to do the job. We must get a contractor who takes the risk.

The President of the Cootamundra Show Society is a wonderful young man who is battling for finances and battling to have a committee. He is also the licensee. During last year's show the public address system broke down so he ducked into town to get parts. On his return the licensing sergeant handed the president a list of fines. First, no-one was in charge of the bar while he was away from the showground; second, there were only three signs around the bar indicating the responsible service of alcohol conditions when there should have been eight signs; third, the four fellows behind the bar should have had responsible service of alcohol certificates but one of them did not. The fellow without the certificate was only there to talk to the other guys but the president was still fined for the lack of certificate. Those fines totalled about \$20,000. How the devil will we get people to work in those voluntary capacities—be it golf clubs, sporting clubs, whatever it may be—if we are going to make it so darn difficult for them?

Labor has just extended payroll tax incentives to parts of New South Wales. The Government said in its press release that it was to assist those areas that had high unemployment. The Premier was trying to mount the argument that areas west of the divide do not have high unemployment rates. Albury has 7.6 per cent; Barraba 6.5 per cent; Bogan 6.2 per cent; Bourke 7.5 per cent; Brewarrina 12.4 per cent; Broken Hill 8.5 per cent; Coonabarabran 7.2 per cent; Cootamundra, which I mentioned a few minutes ago, 7.9 per cent; Glen Innes 6.7 per cent; Greater Lithgow 6.8 per cent; Gunnedah 6.7 per cent; Guyra 7.2 per cent; Inverell 6.2 per cent; Junee 8.1 per cent; Leeton 6.5 per cent; Manilla 7.2 per cent; Moree Plains 6.5 per cent; Nundle 6 per cent; Tamworth 6 per cent; Temora 6.3 per cent; Tenterfield 6.2 per cent; Tumut 6.3 per cent; Walgett 8.5 per cent; Wellington 7.8 per cent; and Wentworth 9.7 per cent. None of those is eligible for payroll tax incentives, yet they all have a higher unemployment rate than Sydney and the metropolitan area. Something is awry when the Government does not understand what is happening with unemployment and business in country areas.

We also have the problem of the local environment plan [LEP]. At the moment many local government bodies are going through a review of their local environment plan, which they are required to do. However, the State Government is yet to release the template for New South Wales. Many shires have spent well over \$100,000 and up to \$200,000—with some government assistance—to review their LEPs, but they do not know what the rules are. They do not know whether it is going to be a minimum subdivision for agricultural land of 40 hectares, which is the existing minimum, 200 hectares or, what has been talked about, 400 hectares. Imagine the effect that is having on agricultural values and on the confidence to make investments, improve agricultural land, and establish agricultural businesses such as machinery manufacture. How do they know what the demand will be for machinery in the future and what type of machine will be required in the future? Plus, many small agricultural machinery manufacturers will move back to Sydney because they cannot read what the Government intends to do in inland New South Wales.

The Department of Natural Resources issued warnings for blue-green algae the other day. It was a red level warning saying that waters are unsuitable for recreational use and may also pose a threat to stock and domestic users. The department said landholders should remove stock. It put out a press release but it did not say whether landholders with access to that water are therefore liable unless they warn people not to use the water on their land frontage. Landholders own land to the centre of the stream. I have sought advice from the department as to whether there is a responsibility. It did not know, but said it would find out. There is no doubt—because I sought private advice in the meantime—that the landholder is liable because he has been told there is a risk that water on his land may be toxic.

Mr Andrew Fraser: And it is not his water.

Mr IAN ARMSTRONG: And it is not his water. He does not own the water but he owns halfway across the stream. That is another reason why it is impossible to do business in many parts of inland New South Wales. [*Time expired.*]

Mr DAVID CAMPBELL (Keira—Minister for Water Utilities, Minister for Small Business, Minister for Regional Development, and Minister for the Illawarra) [4.52 p.m.]: I acknowledge that the honourable member for Lachlan took great pains to quote a Labor Party source—Tony Blair—appropriately and entirely accurately. Many of the things he talked about have been dealt with by this Government—changes to legislation, personal liability and personal responsibility. The Government led the way in Australia by taking hard, tough decisions. The honourable member also talked about some occupational health and safety [OH&S] issues. A review is under way, led by the Minister for Industrial Relations, of the OH&S legislation. I am sure some of those issues will be picked up.

Is also important to point out that WorkCover has a program these days called Business Assist. WorkCover staff, not inspectors, can be invited into the business to give advice and to consult to make sure the business is complying with the legislation. One of the reasons for doing that is that there has been all this doom and gloom by a number of organisations, not least of which has been the New South Wales Opposition—all misinformation about what is required. WorkCover and the Government have responded appropriately to ensure people are available to give advice as to exactly what is required rather than go through the furphy of the doom and gloom that is spread, particularly by the Opposition.

Although the doom and gloom is spread by this mob opposite, as I have visited more than 200 locations around the State in my capacity as Minister for Regional Development I have seen that nothing could be further from the truth. The Opposition is plain wrong and is overlooking the hard work of regional businesses and regional communities. Just recently I visited a small town in the Central West called Burcher, with a population of 60. I went there to launch the community's strategic plan. It is a confident and positive community, and I am surprised the honourable member for Lachlan did not acknowledge the work Burcher is doing, because he was there when that positive community talked about the support of the New South Wales Government for the strategic plan for their future.

Mr Thomas George: You have not seen his summary.

Mr DAVID CAMPBELL: I am sure it will be in his summary, now that he has been reminded of that very positive community. Part of that positiveness comes from the fact that this Government has supported the Cowal goldmine investment not far from Burcher. Coalmine workers are now living in Burcher, and that is why new houses are being constructed in Burcher. That is the sort of confidence the Iemma Government is creating in regional New South Wales. That benefits families, towns and businesses across the State. Members of the House are well aware that the Iemma Government is working hard at getting investment and jobs into regional New South Wales. Our efforts have created unprecedented growth in many regional communities.

Unlike the Opposition, which has no plans, we have energetically supported and encouraged country families and businesses. I remind the House that Labor paid off \$10 billion in government debt left by the Coalition. In the past seven months Premier Iemma has cut four State taxes. We have abolished a vendor duty, lifted the land tax threshold and cut workers compensation premiums by 5 per cent. In addition, we have provided payroll tax concessions to companies locating or expanding in areas of high unemployment as defined by the Australian Bureau of Statistics. Let us look at the payroll tax concessions. When the Coalition was in government payroll tax was at 8 per cent. We have reduced it to 6 per cent. The Opposition has no feather to fly when it talks about payroll tax.

Our fourth major reform to support business since August 2005 is a \$90 million payroll tax incentive encouraging jobs and investment across the whole of the State. This is targeting areas of the State where there is higher than average unemployment. We are offering payroll tax assistance to eligible businesses in regions where unemployment rates have been above the State average for two consecutive years. Unlike the Opposition, we are encouraging business growth with practical assistance. Our support for investment in country communities reaches well beyond payroll tax. Through our practical and effective regional development programs we encourage and support business growth and investment on a case-by-case basis, and we are doing this every day of the year.

If the Opposition had bothered to ask its members, it would have realised that the payroll tax incentive benefits businesses and families in many Opposition electorates. It covers The Nationals seats such as Clarence, Coffs Harbour, Lismore, Upper Hunter and Oxley. I note the honourable member for Coffs Harbour is present and I note also that the Federal member whose electorate covers Coffs Harbour is in the gallery. The honourable member for Lismore has disappeared, as he is wont to do. The honourable members for Upper Hunter and Oxley would have been able to tell the honourable member for Lachlan that those Nationals seats are covered by this strong new policy initiative—not to mention the Liberal seats of South Coast, Southern Highlands, Myall Lakes and Gosford.

Have we heard from any of these members? Not a word! Why? Because this Opposition is trying to pull the wool over the eyes of country communities and is trying hard to avoid the unavoidable. That is, that the Federal Government is failing to deliver GST revenue to New South Wales. Again, the Opposition does not stand up against that. It does not talk about it; it hides from it. It will not support New South Wales by trying to get a greater share of the GST revenue for New South Wales.

The Nationals are a spent force and the Liberals are focused on Vacluse. Despite the best efforts of the Opposition, we all know that New South Wales is open for business, no matter where in the State someone is located. Look at the Government's record: in 2005 business investment in New South Wales rose by more than 16 per cent to almost \$39 billion. This compares with growth of 13.7 per cent for the rest of Australia. So basically our figure is a full 3 percentage points better than the national average. Our strong economy makes New South Wales a great place to do business, and regional New South Wales is a great place to do it in as well. The Opposition's myth that businesses are moving across State borders is just that: an absolute myth. Business knows that for skills and a supportive government New South Wales is the place to be, and regional New South Wales is a great place to do business.

Mr Andrew Fraser: You do not believe that.

Mr DAVID CAMPBELL: I hear the honourable member for Coffs Harbour saying that he does not believe that regional New South Wales is a great place to do business.

Madam ACTING-SPEAKER (Ms Marie Andrews): Order! The honourable member for Coffs Harbour will remain silent.

Mr DAVID CAMPBELL: It is quite bizarre that the honourable member for Coffs Harbour would make an interjection saying that he does not believe that regional New South Wales is a great place to do business. It probably speaks to some of those ructions that we are hearing about preselections for The Nationals in the seat of Coffs Harbour, but more will be said about that at another time. From April 1999 to December 2005 the Government's regional development initiatives attracted more than \$4.5 billion in investment for regional New South Wales. More than 25,400 jobs have been created in and retained across rural and regional New South Wales. We have helped companies such as Blayney Sealink to establish its \$32 million logistics facility, generating 160 new jobs over the life of the project. We have assisted Costa's Pty Ltd, a Victorian-based company, to set up its massive \$14.4 million hydroponic tomato glasshouse in Guyra in the New England region. We were strongly supported by the Independent member for Northern Tablelands. He welcomes and acknowledges that investment. He has encouraged and worked with the Government to make it happen. That is why The Nationals do not have the seat of Northern Tablelands.

We have been there to help Power Serve set up new corporate headquarters at Thornton in the Hunter region. That is another \$4 million of investment into the region, creating 36 new jobs and helping to build Thornton's reputation for manufacturing and investment. Investment in the regions is no accident; it is the result of hard work by the New South Wales Government, in partnership with many communities, local government authorities and the regional development boards scattered around the State. The facts are on the record: this Government works hard to support and encourage investment in the regions and businesses have responded very positively. The Government knows that there is always more work to be done. That is why the Government continues to review policies, such as with the red tape review that I am leading in regard to specific industry sectors, especially the motor industry. It has been very well responded to by regional business. [*Time expired.*]

Mr ANDREW FRASER (Coffs Harbour) [5.02 p.m.]: I will start my speech by reading a letter from Australian Urban Tree Services. It is headed "The Death of 43 years of Business and 28 jobs". In part it says:

Over the last five years I have increased my commitment to OHS and the professional management of my business by implementing certified systems of management. The business now has a fully integrated, certified management system as follows:

Occupational Health and Safety System certified to AS 4801:2000
Environmental Management System certified to ISO1401:1998
Quality Management System certified to ISO 9001:2000

These certification standards are the highest level of management system in Australia. The direct cost for implementation, certifying and maintaining the systems has been \$93,000.

This is in addition to the hundreds of hours my staff and I have spent developing a working system. The most expensive and time-consuming part of the system is the Occupational Health and Safety sector.

That speaks for itself: \$93,000 for a small firm employing 28 people for occupational health and safety regulations under this Government. The letter, written by Wayne Larman, goes on to refer to a minor workers compensation claim. The table of his claims payments history and wages paid shows that the total insurance paid in 1999-2000 was \$24,467, in 2000-01 it was \$24,422, in 2001-02 it was \$7,405, in 2002-03 it was \$8,367, in 2003-04 it was \$11,774, but in 2004-05, because of one claim, it was \$303,729. The Minister for Small

Business has the gall in this House to say that the Government has reduced workers compensation premiums by 5 per cent. It has put them up by 40 per cent and it has slapped this bloke with a \$300,000 bill to pay, an accumulated debt that the Government has allowed through its union mates—for stress claims and all the other nonsense that goes on. All that is guaranteed these days is a bond insurance that sends businesses broke. I have proof: I have a file full of examples in my office. But at the estimates committee hearings the Minister tried to tell us that the problem with small business in New South Wales was caused by the Federal Government. That is nonsense.

The New South Wales Chamber of Commerce has concerns about competitiveness and it recommended in its budget submission this year that New South Wales investigate ways to streamline compliance-related paperwork and processes and use debt instruments to intensify its efforts to overcome its infrastructure deficit. The Government is flogging the Snowy Hydro. The submission goes on to deal with commercial stamp duties. The Chamber of Commerce asked that the Government have fiscal transparency that is the equivalent to that of small-business in New South Wales. I return to workers compensation. I raised the case of BioSeptic. I am sure that the Minister knows about it because the honourable member for Camden knows about it. It is good that he is in the Chamber. A letter to me advised that New South Wales WorkCover had more than doubled the firm's workers compensation premiums because of a small injury last year. It warned that unless the Minister immediately rescinded the huge premiums the company would be forced to reduce staff immediately to avoid incurring a workers compensation premium that could jeopardise the viability of the company.

Mr Bryce Gaudry: Increase the safety of the workplace.

Mr ANDREW FRASER: The fellow I just mentioned spent \$93,000 on occupational health and safety. BioSeptic is now looking at a bill of \$122,000 because of a minor injury, thanks to the Government's WorkCover premiums. The honourable member should get out of his office and go to the back of Wickham—I am sure there is still some industrial area there—and talk to a few small businesses to see what the compliance costs are. The Minister said that businesses are not moving out of New South Wales. A letter I received stated that a company recently arranged for some training for a number of newly elected safety representatives but was concerned that WorkCover New South Wales has a new requirement for participants of any accredited course: they must now provide identification similar to that required for opening a bank account.

The problem is that people are reluctant to become involved in the committee in the first place and any additional impost makes them less likely to be involved. This is not a union, non-union and government argument; this is a personal information and privacy issue. Employees now have another reason to say no and not become involved, and they can use this as a bargaining tool in the workplace if they are so inclined. The company may then risk being fined for not training an elected safety representative. The company involved is Lindsay Bros Transport. Where is it now? Queensland. The Minister should open his eyes. He has an open invitation to visit my electorate so that I may show him the problems. [*Time expired.*]

Mr IAN ARMSTRONG (Lachlan) [5.07 p.m.], in reply: I appreciate the fact that the Minister for Small Business defended the Government this afternoon. However, when one fails to admit one's weaknesses and argues that we have a utopian situation, it is time to leave, because the job is finished. It is also a demonstration of failure. If one fails to recognise weaknesses, the strengths also go unacknowledged. I do not think we are in a utopian phase; rather, the Government is tinkering around the edges. The Minister takes a lot of credit on behalf of the Government for investment and various policies. What about private investors? Do they not count? All of the investment in infrastructure and business in inland New South Wales for many years has come from private investors. They are the risk-takers and they have had to put up with the regulations and deal with the pluses or minuses as time goes on.

The Minister for Transport has just announced that he will not give a decision on rail freight branch lines; he will undertake a review instead. Farmers will commence sowing crops for next year during the next month, and they will do so not knowing how this Government intends to get their crops through to the seaboard at the end of October. How is that for giving confidence to farmers? For three years this Government has been examining the future of rail branch lines in New South Wales, yet it still cannot make a decision. The Minister may not be aware that at Kingsvale, which is between Harden and Young, there is a very large poultry operation. The company uses a rail bridge across a branch for access. The old bridge has given up the ghost and the Rail Infrastructure Corporation [RIC] has imposed a 10-tonne limit. The Harden Shire Council has suggested that there should be a low-level crossing. Honourable members should see the regulations that must be satisfied before a low-level crossing can be installed. First, the council must find a crossing can be closed.

We have found about 15 crossings in the district that could be closed. Second, the proposal has to go to an advisory committee comprising professionals in the RIC. Then it has to go to the New South Wales level crossing committee. An inspection is conducted and an assessment is handed down. Then we get to the question of who will pay for it.

[*Interruption*]

This Government has been in power for 10 years. Meanwhile, major private investors are employing some of the world's best technology at this poultry farm. The farm has 70,000-odd fowl and the operators are being forced to break up their loads as they cart feed in and the eggs out. That is another classic example of where government is not helping business, but in many ways is hindering it with excessive regulations. The Minister mentioned the Lake Cowal goldmine project. That is a great story and it is wonderful to see it operating. Everything he said about its successes is correct. However, he failed to say that this Labor Government held it up for five years. There were two commissions of inquiry to appease its Greens mates. It has done nothing about the continuous litigation involving the Barrick Gold Corporation, which owns that mine. It is still facing litigation. What is the Government doing to assist that corporation?

I also mention the Environment Protection Authority and its regulations dealing with intensive farming, such as sheep, cattle, poultry and pig feedlots. A local council in my electorate has on three occasions approved the development of a dairy. It has just been ordered to close down within 90 days because of continuing protests from neighbours. The Government cannot seem to clear the air—to use a dreadful pun—to give clarity to the owners or the neighbours. The same thing has happened with the Gundmain feedlot at Eugowra. A family dispute is causing enormous problems and it is likely that that feedlot, which has 4,000 head of cattle, will not be able to expand to the approved 6,000 head. It is one of the major quality feedlots in this country. If we want to improve the scientific production meat and job opportunities we must do something. That feedlot employs 12 people; it is the biggest employer in Eugowra. One of the banks has said that it will have to close if the feedlot ceases operations. There are many problems. Let us be fair, many good businesses— [*Time expired.*]

Discussion concluded.

SELECT COMMITTEE ON THE CROSS-CITY TUNNEL

Extension of Reporting Date

Consideration of the Legislative Council's message of 1 March 2006.

Motion by Mr David Campbell agreed to:

That this House agrees to the resolution in the Legislative Council's message of Wednesday 1 March 2006 relating to the extension of the reporting date for the second report of the Joint Select Committee on the Cross City Tunnel to Wednesday 31 May 2006.

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

SELECT COMMITTEE ON TOBACCO SMOKING

Membership

The Clerk announced the receipt of correspondence nominating the following members of the Legislative Assembly as members of the Select Committee on Tobacco Smoking :

Angela D'Amore
Thomas George
Shelley Elizabeth Hancock
Dianne Virginia Judge
Paul Edward McLeay
Matthew Allan Morris
George Richard Torbay

Message sent to the Legislative Council advising it accordingly.

SPECIAL ADJOURNMENT**Motion by Mr David Campbell agreed to:**

That the House at its rising today do adjourn until Thursday 9 March 2006 at 10.00 a.m.

BUSINESS OF THE HOUSE**Notices of Motions**

Madam ACTING-SPEAKER (Ms Marie Andrews): Order! It being 5.15 p.m. the House will now deal with General Business Notices of Motions (General Notices).

General Business Notices of Motions (General Notices) given.**PRIVATE MEMBERS' STATEMENTS**

UPPER LACHLAN SHIRE ROADS

Ms KATRINA HODGKINSON (Burrinjuck) [5.19 p.m.]: I inform the House of the true cost of Labor's failure to properly fund roads in rural New South Wales. There are many bad roads in New South Wales. The honourable member for Coffs Harbour recently informed the House about Bucca Road in his electorate, which has sadly seen five deaths and many accidents in the past two years. Today I will restrict my comments to road conditions in the Upper Lachlan shire. There are four roads of particular concern: Main Road 248 East, between Crookwell and Taralga; Main Road 248 West, between Crookwell and Boorowa; Main Road 241, between Rye Park and Gunning; and State Road 54, between Crookwell and Bathurst.

State Road 54, known locally as Junction Point Road, was the site of a fatal accident on 19 January. The accident was caused by the loose gravel and corrugations on this dangerous section of road. The Roads and Traffic Authority [RTA] had committed \$1 million to Upper Lachlan Council to seal this road, but in December last year the RTA reneged on \$750,000 of this promised funding. Barely six weeks later Mrs Kathleen Doyle was tragically killed on this road. This is a dangerous stretch of road. In a section barely 30 kilometres long, 46 accidents serious enough to be reported to the police have occurred in the past five years. There have been 27 accidents causing injury on this road. However, when I raised this matter with the Premier last week he did little but say he would report back. He still has not done so. Does the Labor Government care about the number of people who die on bad country roads? A public meeting about Main Road 248 East was held on 16 February. During that meeting Sergeant Catherine Croatto spoke of the tragedy of lives lost because of bad country roads. She said:

I am sick of attending fatal accidents, of trying to assist victims and later of having to inform family members of the death of their loved ones.

If by the sealing of this road we save one life it would be worth the effort.

Her comments were supported by Lloyd Willis from the Crookwell Ambulance Station, who expressed his concerns about accidents caused by dangerous gravel roads. Upper Lachlan's Tourism Development Officer, Scott Pollock, spoke about the area missing out on day-tripper tourism because of the state of this road. All these comments were supported by speaker after speaker at the meeting—school bus drivers, farmers, pensioners, suppliers. They were all concerned about this dangerous road. A similar meeting will be held on 30 March about Main Road 248 West. I will be attending this meeting. I have raised the need for an increase in State Government funding for rural roads on many occasions in this House. During the past 11 years the Labor Government has allowed rural road funding to suffer. What is the result? The RTA web site, under the heading Country Road Safety, states:

The NSW road toll is significantly higher than for the same period last year. This increase is entirely due to fatalities in country areas as fatalities in Sydney have fallen this year.

Since 1996 fatalities in NSW country areas have increased considerably.

The RTA tells us that 60 per cent of people killed in road accidents in New South Wales die on country roads. Upper Lachlan Council has estimated that it requires \$12.6 million to seal Main Roads 241, 248 East and 248 West. In a question that I put to the former, failed and unlamented Minister for Roads, I asked whether he would fund a 5.3 kilometre stretch of gravel road. The Minister's reply was an unequivocal yes. I was happy and council was overjoyed. I asked the Minister when we could have the funding, and his reply was:

Upper Lachlan Shire Council has been allocated a Block Grant of \$1.238 million for 2005/06 for the improvement and maintenance of Regional Roads in its area. It is a matter for Council to determine where these funds are spent.

That answer illustrates the Labor Government's approach to rural road funding, which can be summed up in two phrases: blatant misinformation and buck passing. It would cost \$1.5 million to seal this road. Was the Minister seriously suggesting that Upper Lachlan Council allocate more than its entire yearly budget for road maintenance to one five-kilometre stretch of road? The Minister's grasp of reality displayed in this answer was as tenuous as his grasp on his portfolio. In January I received a letter from Mr Bob Cowey of Binda. He wrote:

I do not exaggerate when I say that approximately once a month we are in some way involved in the recovery of damaged vehicles and worse the job of helping shocked and injured people from smashed vehicles.

We lived in horror that one day we would have to witness a fatality. This week it happened. As my wife rang for an ambulance, a visiting colleague and I fought to save a local couple. Unfortunately he remains in intensive care and she died from her injuries.

Bob Cowey was referring to the local, well-known and well-loved Mrs Kathleen Doyle. This is the true legacy of the New South Wales Labor Government's failure to properly fund regional roads. We have a new Minister for Roads. I have raised these concerns directly with the Minister and made representations on behalf of many residents of Upper Lachlan shire. I call on him to provide adequate funding to Upper Lachlan Council to allow these dangerous roads to be sealed. There can be nothing more tragic than a life that is lost unnecessarily. Country roads in the electorate of Burrinjuck are in an appalling condition. They are long. Not many people live in these areas and the stretch from point A to point B is parlous. I hope that we can avert further deaths on country roads, but it takes a lot of funding. That funding needs to come from this place.

TRIBUTE TO MR JACK WALSH

Mr TONY STEWART (Bankstown—Parliamentary Secretary) [5.24 p.m.]: Today I am privileged to inform the House about someone who is a living legend in the Bankstown and Canterbury regions, Jack Walsh. Jack Walsh has continuously owned a business at 645 Punchbowl Road, Punchbowl, for the past 60 years. He has a bicycle business that has serviced my local community over those years. I was privileged to visit Jack at his local business this week. Jack is there every day of the week without fail. No matter how bad the weather is, Jack is there. He is 85 years young. When I visited him he was sitting like Buddha in his special chair in the middle of the shop, directing what needed to be done and how it was to be done. Customers pay homage to Jack Walsh because he has delivered good service in my local area for so long.

I visited the shop with the president of the Bankstown District Sports Club, Kevin McCormick—another "Mr Bankstown"—along with local identity Max Treuer. Both have been great friends of Jack for many, many years. We celebrated with Jack, shared some cakes and talked about the amazing 60 years of his business in Punchbowl, among other things. He is an amazing bloke with a great Australian character and lots of yarns to tell. One cannot see Jack without hearing some of his special yarns. It helped me understand the quality of the people that are part of my great local area. I recall very well that I was in Jack's Punchbowl shop on a Saturday morning. A fellow arrived with a bike that needed repairs. When Jack asked the fellow when he had purchased the bike from his shop the man looked at him and said, "Back in 1973." Jack simply replied, "Well, mate, if you bought it here it is guaranteed for life. Bring it up the back and we will fix it." That is the sort of bloke Jack is and what has made him a quality small business person for so long.

As I said, Jack is 85 years old and he has lived an outstanding, extraordinary life. He is a giant amongst people. Quite simply, he is a living legend in my local area. Jack started work at the age of 13, when his father died. He was left the breadwinner for his family. He looked after his family courageously and well. At 14 he entered an apprenticeship, which changed his life forever. The apprenticeship was at F. D. Walcott, a large bicycle shop situated in Wentworth Avenue, Sydney. Jack quickly showed his love for bicycle racing. He was an athletic young man. It did not take long before he was into bicycle racing. During that same year, when he was only 14 years of age, he won his first junior New South Wales championship at Canterbury velodrome, which is now Wiley Park.

Jack went on to win 21 Australian championships and 19 New South Wales championships. As a professional, Jack beat every rider he met—including overseas champions—at sprint races and half-mile races. When the war broke out in the 1940s Jack served his country in the Pacific, which meant that he was unable to continue his athletic career in bicycle racing. He also missed out on a guernsey in the Olympic Games, which were cancelled in 1940. Nevertheless, Jack was a living legend even back then. He has provided opportunities for many people who have been under his wing. Under his guidance, they have become sporting stars and sporting heroes. Jack was paramount in ensuring the Bankstown velodrome was used as an Olympic facility and for servicing the needs of riders during the games. Jack is a family man. He has eight children and 19 grandchildren. Throughout his life he has been an amazing character. He has been generous to charity. He gives away thousands and thousands of dollars to local charities and wider charities without a word said. He never wants credit for his generosity. He actually says, "Please don't tell anybody."

In 1964 he was decorated by the Queen and received an OBE. He is a life member of the Roads and Traffic Authority and the League of New South Wales Wheelmen. He is also a member of the Bankstown City Hall of Fame. I have never met such an extraordinary person as Jack Walsh. I refer to the way he has lived life, what he has done, and how he has provided for people. He deserves credit for running a business for 60 years and doing what needs to be done to make the community a better place. Importantly, he has done that without drawing attention to himself publicly; he has done it from the wings. His achievements as an athlete are unparalleled and deserve great credit.

Mr BRYCE GAUDRY (Newcastle—Parliamentary Secretary) [5.29 p.m.]: I thank the honourable member for Bankstown for giving us the history of an outstanding citizen of the Bankstown area, Mr Jack Walsh. One of the great attributes of private members' statements is the opportunity they provide for members to put before the House the outstanding service of individuals to the community. There could not be a better example than the one provided today. The honourable member for Bankstown brought us the story of Jack Walsh's youth, the establishment of his business, his athletic prowess, what he has given back to the community and the inspiration he provided not only to the community, but particularly to the cycling fraternity in the East Hills area.

BATEMANS MARINE PARK PROPOSAL

Mr ANDREW CONSTANCE (Bega) [5.30 p.m.]: I wish to put on the parliamentary record the angst and utter frustration of the local community in Eurobodalla, from Batemans Bay to Bermagui, about the marine park announced by the Premier in November last year. The fact that the Government has made this announcement with no public consultation whatsoever, without putting any information in the public domain and with no appropriate habitat mapping or socioeconomic studies, has resulted in enormous frustration and angst in the commercial and recreational fishing sector, the tourism sector and the broader community of the far South Coast.

The Batemans Marine Park will extend along some 100 kilometres of coastline and cover 85,000 hectares. It is, in essence, vast stretches of coastline and ocean. The Government is trying publicly to compare it to the Jervis Bay Marine Park, which is a quarter of the size of the proposed park and has a real focus. By that I mean it has a magnificent bay. The Jervis Bay community says that it supports its local marine park. The key point is that it took the New South Wales Government four years to develop the zoning plans for the Jervis Bay Marine Park. It is now talking about developing the zoning plans for the Batemans Marine Park inside six months. In fact, the Government says we will see the zoning plans in the middle of this year. The reason the Government is rushing the zoning through is because it does not want the proposal to affect it electorally come the election in March 2007.

It is particularly disturbing that Minister Bob Debus misled the Parliament. Last year he said, in response to a question I put on notice, that there would be no announcement of a marine park without a socioeconomic study being completed. Lo and behold, the marine park was announced and there was no socioeconomic study. In the past three weeks the head of the Marine Parks Authority and the Premier's Department, Dr Col Gellatly, was questioned on local ABC radio about job losses associated with the marine park. His response to that question was, "I would not like to speculate." That is simply not good enough. Communities such as Bermagui and Narooma in particular are dependent on the recreational fishing sector to the tune of \$36 million annually. There are upwards of 250 jobs directly associated with this industry. Those two communities are entitled to know how the marine park will affect employment.

Recently there have been extensive public meetings and rallies and the message has come through loud and clear to the Government that it should not gazette the marine park next month. If the Government wants to

progress a marine park, by all means do the preparatory work, the community consultation, habitat mapping, zoning, planning, socioeconomic studies and science and then gazette the marine park. Do not do it the other way round; do it properly. There is no doubt that Greens preferences are hanging on this deal. As a result, communities on the far South Coast are at an enormous disadvantage.

The comparisons the Government is trying to make are wrong. The Jervis Bay Marine Park is very different to the Batemans Marine Park proposal. The fact that it is reliant on a bay as opposed to vast stretches of ocean is of real concern. Given the vast numbers of people who come to the Nature Coast to wet a line, people are entitled to know whether they will be continue to be able to do that before they support a marine park. The recreational fishing sector has said point blank that this is an absolute no-go for its industry as far as local jobs and tourism are concerned. I call on the Government to respond accordingly by not gazetting this marine park in April. If it wants to proceed, it should do the preparatory work first. Do not let the far South Coast communities down. [*Time expired.*]

SAMOAN LEARNING CENTRE

Mr ALLAN SHEARAN (Londonderry) [5.35 p.m.]: I speak about the official launch of the Samoan Learning Centre last week at Chifley College Dunheved High School campus. I had the honour of representing the Premier at the launch of this special education initiative and it was particularly satisfying that the local Samoan community enthusiastically welcomed this project. The 2001 census revealed that 6,408 people of Australia's Samoan-born population, or 45 per cent of their total, lived in New South Wales. The census also showed there were 13,228 people living in New South Wales with Samoan ancestry. In the southern end of my electorate there is a large Samoan community and for that reason I am pleased to have a project such as the Samoan Learning Centre providing opportunities for Samoan youth.

The Samoan Learning Centre is a project promoted in conjunction with the Samoan Advisory Council Sydney Inc., the University of Sydney and the Premier's Department through its New South Wales Youth Partnership with Pacific Communities. As an incorporated non-profit making organisation, the Samoan Advisory Council was established in 1986 with the objective of supporting Samoans in their new settlement and their integration into Sydney metropolitan areas, as well as to maintain Samoan traditions, language and culture.

The Samoan Learning Centre proposes to assist young Samoans with their homework and to prepare them for their School Certificate, Higher School Certificate and subsequent university studies. It is part of a five-year plan covering the 2005-2010 period and also involves the following projects: the Parenting Skills Program to assist parents in supporting, nurturing and caring for their children in accordance with New South Wales legislation; recruitment of Samoan foster carers to look after young Samoans after coming into the care of the Department of Community Services; Samoan language classes for young Samoans, followed by the introduction of Samoan language in Government schools; an aged care project to start this year; and the establishment of a head office for the use of the Samoan Advisory Council and its community.

Upon arrival at Dunheved campus I was greeted by the master of ceremonies, Faamausili Taiva Ah Young, the public officer-chairman, education and employment, of the Samoan Advisory Council. At once I was made welcome and introduced to other significant guests and members of the Samoan community. At the commencement of proceedings, the Reverend Simeona Taefu of the Congregational Christian Church of Whalan performed the opening prayer. While this was done in the Samoan language, the one thing I fondly recall was the harmonious singing which so typifies many Pacific Islands communities.

Following the official welcome by the secretary of the Advisory Council, Toleafoa Komiti Vaitoelau Tonumaiepa, Professor Mike Horsley of Sydney university spoke enthusiastically about the Samoan Learning Centre. His enthusiasm was infectious and I am confident that his involvement, along with the response he got from students, will help go a long way in ensuring that this project is successful. Particularly inspiring was a power point presentation by the Deputy Principal of Dunheved campus, Bob Mulas, which included images of Dunheved students from many different cultures each singing in their own distinctive way a section of the song *We Are Australian*. It was one of those spine-tingling moments that give true meaning to the words of that song, "I am, you are, we are Australian." Collectively it was truly representative of modern Australia.

The Samoan Advisory Council Inc. should be commended for its pivotal role in achieving positive outcomes from supporting the Samoan community and maintaining Samoan traditions, language and culture. The Samoan community is growing as part of a modern Australia that is open, tolerant, democratic and competitive. I am sure that the Samoan people, as with many other communities, can also help in developing our

country. On the sporting field alone Samoan participation is clearly present. We need only look at excellent rugby league players such as Shane Loloata, Jamaal Lolesi, Matt Utai, Nigel Vagana and Sonny Boy Williams.

New South Wales has enshrined the principles of multiculturalism in legislation to ensure that all members of our community have the opportunity to contribute their skills and expertise for the benefit of this State. I am sure that many will agree that cultural diversity is alive and well and constitutes one of the great assets in the development of this State. There is diversity in harmony and respect for other people's rights and beliefs in an institutional framework in which English is the common language. My experience at Dunheved campus was exciting and inspiring. It involved people from a different culture willing to take advantage of what New South Wales has to offer. It was a pleasure to officially declare open the Samoan Learning Centre and I am quietly confident that, as a result of the passion and enthusiasm shown on the night, the Samoan Learning Centre will be a success. [*Time expired.*]

Mr BRYCE GAUDRY (Newcastle—Parliamentary Secretary) [5.40 p.m.]: I thank the honourable member for Londonderry for bringing this matter to the attention of the House and for highlighting the Samoan community's involvement in a broad range of activities and the emphasis it places on working to ensure that we remain a multicultural society.

MR JOHN DEDERER INDUSTRIAL INQUIRY

Mr CHRIS HARTCHER (Gosford) [5.40 p.m.]: I speak in respect of the case of John Dederer. In October last year I raised the important case of a long-term, highly debilitating, industrial injury suffered by Mr John Dederer. Mr Dederer worked for an aluminium processing plant in Tomago operated by W. M. and L. J. Balcom for 12 months from 1997 to 1998. The business of the plant was the recycling of aluminium. It was supposed to smelt aluminium only, which means that all contaminants should have been removed before smelting. However, that was completely disregarded and the company simply threw everything with a trace of aluminium into the smelter. During his time at the plant John was required to work without adequate protective clothing. That resulted in him becoming exposed to toxic chemicals. The exposure to the chemicals due to lack of appropriate work garments has left not only John but also his family with many serious medical illnesses. John has developed toxic poisoning and can no longer work. His children, through him, have also got a toxic condition. Tonight I seek support for Mr Dederer and his family.

In October last year the Minister for Aboriginal Affairs agreed to review the matter and see if Mr Dederer was eligible for assistance from the Aboriginal Legal Service to enable him to take private legal action against the company responsible. I thank the Minister for the personal interest he has taken so far in this case. After years of medical costs the Dederers cannot afford to run an expensive legal battle against a private company. The Minister for Aboriginal Affairs met with the Dederer family on 13 February 2006 and gave them an undertaking that he would raise this matter with Minister Della Bosca and the Attorney General. I seek from the Minister—and I have discussed this with him earlier—his advice as to whether it will be possible to get the Aboriginal Legal Service to take on the Dederers' case. The Dederer family is extremely anxious to hear from the Minister regarding his progress on their behalf.

Australia is regarded as the lucky country, a country where the idea of a fair go is enshrined in our way of life. Since the 1960s life expectancy in Australia, and in other countries, has increased significantly. Since 1981 life expectancy at birth increased by 2.7 years for males and 4.6 years for females, reaching 78.1 for males and 83 for females. For some people that will mean more time to achieve their business and personal goals, to enjoy their family and to make their own special mark. But for some people such as John Dederer, time has now become very painful, a terrible reminder of how he tried to make his way in life, how he tried to support his family and how he has now become a statistic that seems to have fallen through the cracks.

The safety and protection of workers in New South Wales should be paramount to both the community and government. I understand from a letter written to the Leader of the Opposition in February 2006 that the Minister for the Environment has supported a proposal from his colleague the Minister for Industrial Relations to establish a working group between senior officers of the Department of Environment and Conservation and WorkCover New South Wales to ensure that there is close co-operation on matters of this kind. The letter also advises that both agencies have met to progress this objective.

While I commend both Ministers for their actions, I ask that the Ministers now support Mr Dederer, use his case as a major case study and give him some assistance in recovering damages for the terrible injuries suffered to himself and his children. A case study of the Dederer family would be a major demonstration of the

commitment of the Government to ensuring that workers are protected in the future from devastation and despair like Mr Dederer. Using the Dederers' case as the case study will also demonstrate the Government's willingness for transparency. The Minister for Aboriginal Affairs has been most caring about this matter but it requires a more proactive response from the Government. If the matter does not receive that response it will be left between the Department of Environment and Conservation and WorkCover, neither of whom took any action back in 1997-98 to close down the plant. It is clear that the plant should never have been allowed to operate.

The family should not have been exposed to toxic poisoning. It is not only toxic poisoning that has gone through John's body and damaged most of his organs, including his kidneys, his lungs and his heart. Unfortunately, it has gone through his system to such an extent that it has been passed on to his children and they now suffer brain and other organic problems as a result of ongoing exposure to the toxic poisoning that he was exposed to for a period of more than two months when he had no protective clothing and he worked in an aluminium smelter which was worthy of Charles Dickens' time rather than the twentieth century. I urge the Government to show some compassion in this case. This is not a political issue; it is all about compassion to one person and to a family. [*Time expired.*]

Mr BRYCE GAUDRY (Newcastle—Parliamentary Secretary) [5.45 p.m.]: I commend the honourable member for Gosford for his compassionate plea on behalf of Mr John Dederer, who has serious health problems arising out of an unacceptable industrial work situation. Three Ministers, including the Minister for Aboriginal Affairs, have taken up this matter and I am sure they will discuss the matter with the honourable member at the earliest possible opportunity.

WESTERN SYDNEY INFRASTRUCTURE

Mr STEVEN CHAYTOR (Macquarie Fields) [5.45 p.m.]: I speak tonight about infrastructure in Western Sydney and my astonishment and disbelief at an article written by the Liberal Federal member for Macarthur, Pat Farmer, in today's *Daily Telegraph*. Pat Farmer continues a disappointing Howard Government tradition of taking no expenditure responsibility commensurate with its revenue responsibility. Pat Farmer is part of a Federal Government that raises huge amounts of money from taxation, puts whatever conditions it sees fit on allocating that money, sells New South Wales short on its GST appropriation and then complains in a newspaper article about Western Sydney infrastructure. The Federal Government's pockets are full but its rhetoric and actions are empty.

There is no better example than the lack of Federal Government funding for the construction of the F5 ramps. Despite that road being a national highway, the Federal Government avoided its responsibility and supplied only 66 per cent of the funds. The complete unwillingness of the Federal Government to fully fund this national road and the access ramps has now resulted in an unfair levy on the industrial businesses in Ingleburn and Minto. It is a levy, a tax, on employment in Western Sydney. One cannot build 66 per cent of a freeway ramp, so Campbelltown City Council was required to fund the outstanding amount.

There was a time when the Federal Government in this country took pride in delivering national projects and building the national economy at the same time. However, the Howard Government takes pride in leaving this important national project one-third short of the funding required, which will result in a financial hit to local businesses. In the article on Western Sydney infrastructure did Pat Farmer talk about the funding of the ramps? He did not; he remained silent on that topic. In the article in today's *Daily Telegraph* Pat Farmer talks about tolls in Western Sydney. He complains that the cross-city toll was cut by 50 per cent and says that relief such as reduced tolls afforded to our city cousins do not find their way out to Western Sydney. Pat Farmer's reasoning is as bad as his accounting. With the M5 cashback, which is the main toll paid by residents in my electorate and Pat Farmer's electorate, the main toll paid by residents is only 30¢. Why 30¢. The answer is this is the GST component that must be paid under the Howard Government's consumption tax.

Every family in south-western Sydney knows this reality. I am amazed that our Federal representative does not know. Pat Farmer's article goes on and on about State issues, but says nothing about Federal responsibility or Federal revenue. In south-western Sydney we have a Federal member of Parliament eager to become a State member of Parliament. As Liberal Party State preselections open, the hot tip is that Pat Farmer will nominate because obviously he is out of his depth on Federal matters. He refuses to work on Federal issues.

Pat Farmer was elected by the people to represent our national interests in the Federal Parliament. He is not there to represent his State Government bias. Given the legacy of the 10 years of the Howard Government,

his job is very clear. Pat Farmer should do something to ensure that universities are not short-changed the \$5 billion that was slashed from their funding since 1996. University students are paying more to be educated at our local University of Western Sydney. Some degrees in this country now cost \$200,000. It now costs more than twice as much to visit a doctor, and there are few general practitioners in our area who bulk bill. Australian families are overtaxed. Since 1996 average taxes have increased by 61 per cent, which is more than \$27,000 for every household. Foreign debt stands at \$473 billion. In January the monthly trade deficit was a record \$2.7 billion. Export growth has halved, household debt burden has tripled and nearly 145,000 manufacturing jobs have been lost.

Pat Farmer has a lot of work to do to represent our interest federally. Perhaps he should start with these issues. Perhaps we should have a Federal Government that cares and Federal members who lead and not mislead. Pat Farmer's role is to start leading on Federal issues and stop misleading on State issues. But the most surprising part about the article was Pat Farmer's 1970s view that Western Sydney still had a chip on its shoulder. My experience as a person who grew up in Western Sydney is that there is no longer any such chip. Western Sydney does not feel left out. It does not feel marginalised. It stands tall and proud. Western Sydney is a destination of choice; it is not a destination of last resort. And despite Pat Farmer's ridiculing of Macquarie Street in Sydney, we stand tall in Macquarie Street in Sydney with the same rights and importance as we do in Macquarie Street in Liverpool.

LISMORE ELECTORATE WOMAN OF THE YEAR AWARD

Mr THOMAS GEORGE (Lismore) [5.50 p.m.]: I draw the attention of honourable members to the Lismore Electorate Woman of the Year award, which I had the pleasure of announcing on 8 February 2006. It is rather ironic that I am speaking about it in the House today, the very day when representatives from all around the State are being recognised at Government House.

Mr Bryce Gaudry: We weren't invited.

Mr THOMAS GEORGE: No, I was not invited, but on Monday the Minister's office let my office know that someone had cancelled and I had a position if I wanted it. However, I am on duty and I cannot go. But that does not stop me from recognising the 18 wonderful women who were nominated by various organisations in my electorate. Bronwyn Watson, who is the Lismore Electorate Woman of the Year, has worked tirelessly for the Lismore Deaf Community for more than two decades. In her capacity as a teacher consultant for deaf and hearing impaired at the North Coast Institute of TAFE she has assisted countless deaf people to access education, training and employment opportunities. Rebekka Battista was nominated for her leadership in the business and local community. She co-ordinates the charity Our Kids, which works to improve health services for children in the Northern Rivers.

Lynette Bolin is a nurse at the Urbenville multipurpose service. She worked tirelessly on her family farm and took on the role of joint secretary to the Richmond River Beef Producers Association. Chaplain Janet Gates has made a valuable contribution to the success of the counselling and training centre at Lifeline in the Northern Rivers. Lisa Gava has worked for the Department of Community Services for many years. She is committed to her work and spends extra hours assisting her clients. Julie Gerrish has worked actively in our community in both paid and unpaid positions for more than 30 years. Currently she works with youth at risk.

Mandie Hale is dedicated to working with victims of domestic violence and assisting in child protection in the Nimbin community. Christine Hartley is Captain of the Tuncester Brigade of the New South Wales Rural Fire Service. She also is a member of the Bentley Brigade. She is an outstanding leader with the Tuncester Brigade and is concerned at all times with her crew's safety. Helen Hargreaves has been involved with Girl Guides in the area for more than 20 years. She has been regional commissioner and international adviser for Australian Girl Guides and has undertaken overseas trips in that capacity.

Judith Light works with people of all cultures and backgrounds to promote the equality of men and women. On moving to the North Coast she established a community centre known as the Life Resources Exchange. Jenny London, the parent of a child with disabilities, has faced many challenges. She is the manager of RED Inc, which she has expanded from nine participants to 45. Diana Roberts is a founding member of the Nimbin Community Development Association, and has worked tirelessly for that community.

Lorelle Schrofler has been a volunteer home visitor for more than five years and supported many families during that time. Dot Smith has been the chief executive officer of Maranoa for more than 30 years, in

which time it has grown from a small home to a large nursing home. At a time when most people are contemplating retirement, Shirley Smith was asked to form a medical transport team to service people in the community unable to access government transport. Liz Terracini is President of the Zonta Club of the Northern Rivers, which provide services to women. She works also to raise awareness of cancer and is mentor and patron to a number of cancer support groups. Colette Tierney is responsible for the establishment and ongoing co-ordination of the Channon Youth Group. Gloria Wilton has been an active and loyal member of the Wiangaree Red Cross for more than 30 years. Her dedication was recognised last year when she received the Kyogle Citizen of the Year award.

That is but a brief description of the women who were nominated. I am very proud that women of this calibre were recognised for their contribution to the community and the electorate of Lismore. Their contribution, and the contribution of all women, has made the community one that I am proud to represent. They have assisted people from all walks of life. They have assisted Meals on Wheels, provided transport and guidance, and many other forms of community assistance. Their contribution to their community is outstanding. As I said at the award ceremony, sadly there can be only one winner, but to my mind every one of the 18 is a winner.

Mr BRYCE GAUDRY (Newcastle—Parliamentary Secretary) [5.55 p.m.]: As the honourable member for Lismore said, it is appropriate today to recognise women and the contributions they make in every community across the State to business, households, relationships and every aspect of life. This recognition is a reminder of their everyday contribution to our community, whether it be Lismore or Newcastle. It is a good day to celebrate. We should celebrate it every day.

MONARO ELECTORATE WOMAN OF THE YEAR AWARD

Mr STEVE WHAN (Monaro) [5.55 p.m.]: I congratulate all the women in the Monaro electorate and thank them for their contributions. It is a great pleasure to congratulate the winner of this year's Monaro Electorate Woman of the Year Award, Doris—Dot—Sillis from Bungendore. Dot is an 80-year-old who was born in Bungendore. She has spent her entire life working for the Bungendore community. Over many years in the town she has undertaken a number of important activities and founded a lot of the events that make Bungendore what it is today. For many years she was the organiser of the ANZAC day function. She ensured that it was fully catered for and that all the important things that other people might overlook were attended to.

For many years Dot has been involved in the Bungendore Rodeo Committee. The Bungendore rodeo, which was founded more than 25 years ago by local churches to raise funds, is an institution in Bungendore. She is still involved in many community events and is still active at the Bungendore Senior Citizens Club. Her nomination form states, "She drives some of the other oldies around in her trusty Holden Gemini." She is active in the VIEW Club, the Bungendore Carers Association and, as I said, the rodeo committee. She told me she has just given up being on the Bungendore show committee. She is also involved in the Bungendore bowling club and does many other voluntary activities around town. Obviously she has a great commitment to her community. She is as active as possible, and I am sure she will continue to be active for as long as possible.

The woman who came a close second for the award—as honourable members said, these are tough decisions—was Patricia Sheele from Bredbo. She has had a lifetime involvement in voluntary activities. She has been involved with the Bredbo Bush Fire Brigade. She and her husband, Harry, offered a safe home for abused wives and children for a couple of years, until unfortunately it was made known that theirs was a safe house. She was involved in forming a committee to have the hydrotherapy pool built at Cooma Hospital. She is an active member of many community organisations, including youth leadership.

Rose Lyons was another nominee from the Cooma area. Over the past few years she has run a great initiative, the men's health pit stop, at shows in the region. The service is targeted at men, getting them to putting their bodies over the pits to have their stress levels, blood pressure and other things checked. It is done in a way that attracts many country men who are otherwise reluctant to consult about their health. It works very well, and Rose was a deserving nominee for that. Fern MacLachlan from Burra has been involved in Legacy, the Country Women's Association [CWA] and the Burra community for many years. Abbey Tizzard is a youth representative on St Vincent de Paul for the region. She works to provide services for disadvantaged children in the region, including respite days, school holiday camps and so on.

Narelle Pendergast is a community transport driver in Queanbeyan. She goes well beyond the call of that job in providing a service to elderly people. In particular, one highlight for the community is the Christmas

lights tour she organises each year. Susan Peters-Smith from Cooma has been involved in Cooma CWA, and is a founder of the Look Good, Feel Better Workshop, which helps people suffering from cancer. The workshops provide beauty consultants and help with skin care techniques and so on. Caroline Fox is heavily involved in voluntary work in the community, her church, and the tourism industry. Dr Cath Newman is the general practitioner at Nuggets Crossing in Jindabyne and was nominated by local community members for her strong presence as a regional woman and her dedication to and empathy with the area.

Jane Redmond is another health worker from the Cooma-Monaro area who was nominated by local women for her work on women's health in the region. Beryl Paul from Jindabyne has been involved in Christmas child boxes; she gave 200 boxes last year. She is a supporter of the Fred Hollows Foundation, and she was nominated for all her humanitarian work. Grace Hatley from Queanbeyan is a long-time member of Legacy, the CWA, National Seniors and several other clubs. There were many nominees and it was a hard job to find a winner. It is a great pleasure to see so many people making such a great contribution to the Monaro community.

Mr BRYCE GAUDRY (Newcastle—Parliamentary Secretary) [6.00 p.m.]: I thank the honourable member for Monaro for highlighting the selfless work of women who contribute much to the advancement of their community and assistance to people in need. I take this opportunity to celebrate the Newcastle Electorate Woman of the Year, Kay Duffy, who has given more than 30 years of service, initially through the Good Neighbour Council, the Steel Magnolia awards, and working in palliative care at the Mater hospital. She has provided enormous assistance to women in the Aboriginal community. The typical selfless work done by many women is being celebrated today. I congratulate the honourable member for Monaro on bringing to the attention of honourable members the work of women across the Monaro electorate.

GALSTON ELECTRICITY SUPPLY

Mrs JUDY HOPWOOD (Hornsby) [6.05 p.m.]: Tonight I shall speak about the ongoing power failures not only in the Galston area but throughout the Hornsby electorate. The residents of Galston are entitled to feel completely fed up after a recent spate of blackouts. On 11 February they had a blackout for an hour, and another blackout the following night. The next day there was a blackout all the way from Brooklyn through to Mount Colah and into Hornsby. A couple of days later they had a blackout that lasted for five hours. They are suffering continual blackouts and brownouts.

Certainly they do not have much confidence in EnergyAustralia, not only because of the continued interference with their residential and business lives but also because EnergyAustralia continues to blame environmental reasons, such as lightning strikes and other environmental conditions, for the blackouts. It is high time the Iemma Government stopped treating outlying suburbs such as Galston and the Brooklyn area as second-class suburbs. I call on the energy Minister to fix the problems immediately. An article in the *Hornsby and North Shore Advocate* of 16 February this year stated:

Pharmacy's 15 blackouts in just a year. Electricity failures are wreaking havoc on the day-to-day operations of a Galston pharmacy. Kakaka Tham said her Healthsense pharmacy on Galston Rd had experienced 15 power interruptions in the past year. With vaccines requiring refrigeration and computers storing vital patient and drug information, every blackout is a major headache. She has been forced to take medicines to her home in Castle Hill to keep them at the correct temperature.

And every time the computers go down she has to contact the software and hardware companies to get them re-started. "Because it's such a big system, it's not something we can just start up and reboot ourselves," she said. "It means customers have got to wait before we are ready to trade. People are inconvenienced every time. "There have been occasions where it might run into a full day where I can't operate."

Ms Tham said she previously ran a pharmacy in Northbridge where she never experienced so many disruptions. "It's ridiculous," she said. "Galston is so isolated and it's the cost (for customers) of having to travel either to Castle hill or Hornsby. "Even though its semi-rural you expect a good supply."

In relation to the bad spate of blackouts, EnergyAustralia issued a media release entitled "\$14 million power upgrade for Galston". Obviously EnergyAustralia is panicking because of the outcry about the substandard power supply to the area. EnergyAustralia has promised to provide Galston with a substation, but unfortunately the work is not due to be completed until 2008-09. Therefore I call on the Minister to provide that funding in the next budget and to start work immediately. Rick Forbes, a local resident of the Galston area, has sent me numerous emails, one of which stated:

Our problem here in Galston is that we are at the end of the line and there is insufficient redundancy built into the system to switch power in from other segments of the grid. This means every small event results in a power outage. I am sick of Energy Australia's excuses. Explanations over the past three or four years for the repetitive failures include: Environmental Arcing, Road

accident, Storms, Hot days, Cold nights, High winds, Substation fires, Birds, Trees, White ants in a pole, Rain, Switch gear, System failure, Bushfire.

We have continuing brownouts which damage and shorten the life of electrical equipment. In one surge incident I lost my air-conditioning control, my telephone system, a computer and the data card in my laser printer. My insurance company has warned that if I have any more fusion claims they may apply a special excess to my policy. I have had two claims to date.

In response I have spent thousands putting power clean and battery backup units on my electrical equipment such as phones, alarms, computers etc. just to survive Energy Australia's service variability. I hope the Opposition can get some focus on this issue. I am fairly sure we are not alone with this.

In another email Mr Forbes described the case of a restaurant owned by Vince Madocca, who had to throw out food because of the blackout. He also said that petrol was not available because the pumps were not working. During the same week the *Hornsby and North Shore Advocate* ran two full-page advertisements for EnergyAustralia under the headline "We're on to it". I emailed Rick, asking him whether he had noticed the two advertisements in the local paper. He asked me, "What are they advertising—candles?" That shows the frustration of people in the Galston area. I urge the Government to put serious money into the Galston area and to build the substation now. [*Time expired.*]

Mr BRYCE GAUDRY (Newcastle—Parliamentary Secretary) [6.10 p.m.]: I have listened very carefully to what had been said by the honourable member for Hornsby. I understand the frustration of people when the electricity supply fails. I am also very aware of the enormous investment that EnergyAustralia is putting into the expansion and extension of its capacity across all areas of its distribution. I am sure it has taken into account the level of concern that has been expressed today. I am sure that what has been said by the honourable member for Hornsby will be listened to very carefully by the Minister.

LOCAL GOVERNMENT COUNCILLORS DISQUALIFICATION FROM HOLDING OFFICE

Mr MICHAEL DALEY (Maroubra) [6.11 p.m.]: Section 275 (1) (c) of the Local Government Act provides that a person is disqualified from holding civic office "while serving a sentence (whether or not by way of periodic detention) for a serious indictable offence or any other offence, except a sentence imposed for a failure to pay a fine". If a person while holding civic office becomes subject to disqualification under section 275, the office becomes vacant under section 234. The effect of these provisions, which is probably more a result of inaccurate drafting than poor public policy, leads to a certain anomaly which needs rectification.

Under section 275, a councillor is subject to disqualification not for being convicted of a serious indictable offence but by virtue of being incarcerated. This leads to a curious position that allows a serious criminal who somehow eludes a custodial sentence to continue sitting as an elected representative of a council. I do not need to imagine or enumerate the offences which would constitute a serious indictable offence, but let me just list some that would: sexual offences, sexual assault, paedophilia, serious assaults and thefts, and drug and firearm offences.

In formulating a policy position designed to protect and give comfort to constituents in a local government area, this Legislature should not need to rely on the likelihood that courts would more probably than not impose a custodial sentence on a person who has been convicted of a serious indictable offence because it is possible—though, I concede, unlikely—that a non-custodial sentence would be imposed. In a situation in which this is not the case, a convicted criminal—a person convicted not in respect of a trifling offence or misdemeanour but a serious criminal offence—could continue to be a representative on a New South Wales council, and this should not be allowed to continue.

Constituents of local councils are entitled to require that confidence should rest in a person elected to represent them on a local council. I suggest, and I do not think I would be met with too much argument in so doing, that confidence would not abide in the circumstances I have just outlined. I note that members of this Parliament are subject to more stringent requirements in respect of disqualification than those applying under the Local Government Act. Section 13A (1) (e) of the Constitution Act 1902 provides that if a member of either House of Parliament is convicted of an infamous crime or an offence punishable—and the key term is "punishable"—by imprisonment for life or a term of five years or more, and is the subject of the operation of subsection (2) which provides for certain technicalities in respect of appeals, he or she is disqualified from holding office as a parliamentarian.

In that instance, the disqualification results from the conviction of certain classes of offence, not the actual incarceration. The policy behind the disqualification is not therefore potentially rendered nugatory by the

discretion of a judge or a magistrate, and this should be the situation with respect to local councillors. Otherwise, it could lead to a different result for one of more councillors appearing before different judges or magistrates. As I have said, residents and ratepayers deserve to have confidence in their elected representative. I believe that this drafting anomaly needs to be rectified forthwith. I have had conversations with the Minister for Local Government and will be having more conversations with him and corresponding with him in relation to this matter. I will be asking him to rectify that drafting error forthwith.

HOMELESSNESS

Ms CLOVER MOORE (Bligh) [6.16 p.m.]: Sydney could be described as the homelessness capital of Australia. As in all big cities, central Sydney is home for a large number of homeless people, perhaps 500, and homelessness services have been set up where they gather. More than 90 per cent of homeless people have a mental illness, drug or alcohol dependence, physical illness and/or other disability. Their problems are much more than the lack of a house, or even an affordable house: It is lack of family, lack of connectedness, and lack of support. Our response needs to be based on respect and compassion, and help for them to reconnect and to build relationships. We should provide accessible support services and treatment programs so that homeless people can get their lives back together.

The city of Sydney has identified that keeping homeless people homeless by failing to provide long-term help could cost \$34,000 of public money per person each year, as Felicity Reynolds, the City of Sydney council's homelessness unit manager reported to last week's National Homelessness Conference. For example, over a two-year period, 20 people used 68 different services, such as temporary accommodation, outreach services, refuge accommodation and legal and detoxification services on 2,491 occasions. We should invest in long-term help instead of leaving people who have problems on this treadmill.

Short-term options do not break the homelessness cycle, and do not help individuals in the long term. Long-term treatment and stabilisation of mental illness and drug problems, rehabilitation and living skills, supported stable housing, and meaningful education or work are essential. I repeat my call for the New South Wales Government to invest in our social infrastructure by increasing funds for mental health support services and for alcohol and drug programs. The Government committed to upgrade the St Vincent's Hospital Caritas inpatient psychiatric facility in 1999, but we are still waiting for funds. The Premier tells me the funds will be allocated soon. While the new psychiatric emergency care centre has taken up some of the crisis load, the inner city is in dire need of comprehensive mental health services that help people live in the community. We need to break the cycle from the streets to crisis in Caritas, and then back on the streets again.

Short-changing health and welfare services is false economy. The social and financial benefits of investing in prevention and early intervention programs are well known, with significant cost savings to government by avoiding, deferring or reducing the need for expensive intensive crisis interventions. The Government has recognised this with its Families First Program, but has not applied the same principles to provide prevention and early intervention for mental illness and alcohol and drugs. The City of Sydney council's homeless persons information centre provides telephone information and referral for people who are homeless. The council's homelessness brokerage program uses case management, providing up to 14 days accommodation and help to secure long-term accommodation and links to other support.

The inner city street outreach and support service provides help to get accommodation for people sleeping rough on the streets with support for up to 12 months. I was pleased to jointly launch this new \$1.5 million service last week with the Minister for Housing. It is evidence of positive partnership between the city of Sydney and the New South Wales Government. This service will help homeless people across the inner city find accommodation or get health and other support services. It will arrange needs assessments, health care, counselling, transport, referrals, and sustainable housing. Outreach services can only achieve so much, and they need back up services in order to provide pathways out of homelessness. However, the Supported Accommodation Assistance Program [SAAP] hostels and refuges are overwhelmed, and they are struggling because Commonwealth funds have stalled. The Erebus Consulting analysis of SAAP concluded that funding needed to be increased by 15 per cent just to keep existing services, but the new SAAP five-year agreement will result in reduced services in New South Wales.

Homelessness New South Wales-ACT, the Women's Refuge Resource Centre and the Youth Accommodation Association raised these concerns late last year. They say that the 386 SAAP services in New South Wales cannot continue to operate at existing levels with this inadequate funding, and services will be reduced or closed. Many of those services are located in the inner city, where homeless people have historically

lived—and some of them live between Parliament House and the State Library. I am very concerned that the result will be more people sleeping rough in our streets and parks, and there will be no exit for people who have taken their first steps off the street. In this situation, the New South Wales Government should commit funds above the SAAP agreement.

There is an urgent need for adequate and affordable accommodation, expanded disability support, drug and alcohol treatment and rehabilitation programs, and mental health services to help homeless people get back on their feet. If we abandon our most vulnerable citizens, our whole community will be impoverished through anti-social behaviour, alienation of public space, and costs for health care, policing, and prisons. We undermine core values like tolerance and diversity and community participation. It is so important that we address this issue if we are to be a civil and compassionate society.

Mr BRYCE GAUDRY (Newcastle—Parliamentary Secretary) [6.21 p.m.]: I thank the honourable member for Bligh for her compassionate statements and her practical leads on how to deal with homelessness. There is a huge need. I am glad she highlighted the program launch by the Minister for Housing. The Minister also visited Newcastle in the past week and provided \$625,000 to Mission Australia and to the Signpost Program, a program dealing with homelessness and assisting homeless people through directly accessing accommodation and also accessing services that are required. As the honourable member pointed out, this is a great service for those people but it cannot deal with the underlying issue of a large number of homeless people for whom long-term secure accommodation is the issue. Once again, we might refer to the Federal Government and the need for further funding; perhaps even the issue of the disparity in the GST and the need to send more of that fund back to New South Wales for investment in those essential services.

MENTAL HEALTH SERVICES

Mr RICHARD TORBAY (Northern Tablelands) [6.23 p.m.]: It is pleasing to see that Federal and State governments have agreed to work together to provide more resources for mental health. The \$1.1 billion in extra funding announced at the recent Council of Australian Governments [COAG] meeting specially targets mental health initiatives as part of the package. This will focus on prevention, early detection and intervention as well as lowering the impact of the abuse of illicit drugs such as cannabis and amphetamines. Mental health specialists will be more involved in providing primary care, and voluntary agencies, such as Lifeline, will be given help in providing counselling and other support services. The aim will also be to provide improved community care and more effective assessment of the accommodation needs of those with mental illness.

However, it is disturbing to hear this week that the State Government has refused to provide extra funding requested by Lifeline for the telephone counselling service at the front line for mental health intervention. We heard recently from the local co-ordinator that calls to Lifeline on mental health issues have increased by 30 per cent in the past 12 months. Since the counsellors are all trained volunteers and give their time at no cost to government, it would seem very short-sighted to reduce funding or not provide adequate funding at this time. I hope the Government will reconsider its position and fund this excellent organisation at an appropriate level so it can continue its vital work.

As we are all aware, the extra funding for mental health agreed to at the COAG meeting will be only a drop in the bucket when we look at the magnitude of the problem. The exodus of people from mental institutions into the mainstream community some years ago was badly managed. Many of the people dependent on special care ended up on the street—and we have just heard the honourable member for Bligh touch on some of those issues—in inadequate housing, in gaols and in hospitals. That continues to this day. The statistics are sobering. It is estimated that 20 per cent of Australians have a mental illness. In New South Wales alone around 850,000 people suffer from mental illness at any one time, most commonly depression and anxiety. Around 2.5 per cent suffer from severe illnesses such as schizophrenia. Each year 25,000 people are admitted to New South Wales hospitals for acute mental care and more than 200,000 people use public mental health services in this State each year.

The New South Wales Government, through a number of initiatives, has been working to improve the situation and many of the recommendations of the upper House inquiry into mental health have been implemented. This year the Government has invested \$854 million into improving mental health services. However, a recent forum called by the honourable member for Tamworth, attended by police and local service providers, painted a grim picture of the need for more services in regional areas such as ours. Local statistics from the Anglican Counselling Service, which operates in the New England area and is based at Tamworth, show that the percentage of people presenting with mental health issues has increased from about 7 per cent in

2003-04 to 21.5 per cent between September last year and February this year. Distance, isolation, lower incomes, fear of stigma and less access to mental health services in the country are all cited as factors affecting the people who seek help—often when their illnesses are well advanced. Depression, anxiety, personality disorders, self-harm and suicidal behaviour are the most common disorders and most people are referred for assistance by health practitioners.

Last month I was very pleased to attend a meeting in Glen Innes convened by John White from the Hunter New England Health Mental Health Service. This meeting was one of several he has held in the area to establish local mental health networks involving government agencies, community groups, carers, service clubs, local government, consumers, sporting groups, welfare organisations, employment agencies and other interested individuals. The networks have been established in Armidale, Gunnedah, Inverell, Narrabri and Tenterfield to work on safeguards to avoid duplication of services, achieve closer collaboration and offer more flexible services. Each community network is being encouraged to develop local models to meet specific community needs.

Each group will carry out its own needs analysis and directory of local resources. They will develop education, training and employment activities; promote better community awareness; improve access and options for those with mental illnesses; establish standard referral procedures for agencies and local services; develop local support groups and share information, expertise and resources. The aim of the services involved in mental health is to help people to help themselves, I recommend that the State Government work closely not only on a strategy with the Commonwealth but to widen the net to include local area health services and service providers.

Mr BRYCE GAUDRY (Newcastle—Parliamentary Secretary) [6.28 p.m.]: I thank the honourable member for New England once again. He is the second member tonight to highlight the need to improve mental health services. He described the enormity of the issue and the fact that the Federal and State governments are coming together to provide a more comprehensive service, which is an important aspect, and the fact that the State Government is spending \$854 million in this area. He mentioned more particularly the difficulties in rural and regional New South Wales, the issue of isolation and the work done by John White of the Hunter New England Health Service to get a structure working in the community so that all of us are involved in ensuring the most effective mental health service to members of the community who are suffering. There is a need to avoid duplication, to co-operate and to bring together all agencies and the community to deal with this issue. I thank the honourable member for bringing this matter before the House tonight.

Private members' statements noted.

[Mr Acting Speaker (Mr John Mills) left the chair at 6.30 p.m. The House resumed at 7.30 p.m.]

LAND TAX MANAGEMENT AMENDMENT (TAX THRESHOLD) BILL

Second Reading

Debate resumed from 28 February 2006.

Ms PETA SEATON (Southern Highlands) [7.30 p.m.]: The Land Tax Management Amendment (Tax Threshold) Bill raises the land tax threshold from \$330,000 to \$352,000 with effect from the 2006 tax year, which the Government claims will return \$53 million in tax relief to taxpayers. The bill is just a token effort on tax reform by a government that is addicted to tax. Since the new Premier has taken up that role, 14 new taxes have been levied on the people of New South Wales, totalling about \$700 million. The \$53 million in tax relief is just a token effort; it is nothing like the extent and scope of tax reform that is needed to make New South Wales competitive and get it back on its feet. Land tax impacts on almost everyone in the community: it impacts on business; it impacts on mum and dad investors, the sorts of people we ought to encourage to make provision for security of their future; and it impacts on renters because when investors pay land tax they try to pass the tax on to the renters of their properties. They all pay land tax to the Iemma Government.

This bill is a political gesture. The Iemma Government is trying to claw back some of the support it lost in a backlash against it. Literally thousands of people were made first-time land tax payers when the Carr Government removed the threshold in the 2004-05 budget and created 400,000 new land tax payers. The Carr Government raised the land tax rate to 1.7 per cent and, suddenly, investment was a no-go zone in New South Wales. Investment dollars flew to Queensland and Victoria. Jobs flew out of New South Wales, and that loss is

continuing. New South Wales now has the highest mainland unemployment rate. Premier Iemma has presided over a fairly consistent increase in the rate of unemployment since he was installed as Premier.

New South Wales has rated last, or near to last, on a range of economic indicators. Most recently New South Wales posted the lowest national growth rate, on an annualised basis, of 2 per cent—way below the forecasts on which the Government's budget was based. More risks to the budget are emerging as a result of the impact of punishing taxes on families and businesses in New South Wales, all of which have driven New South Wales to last or second last on most key economic indicators. After the voter backlash and the concerns of worried backbenchers—including the honourable member for Londonderry, who was probably the only Government member brave enough to speak up and tell the truth—the Government reinstated the threshold of \$330,000, again at 1.7 per cent, in the 2005-06 budget.

Not long after that the Ombudsman delivered a scathing report in which the entire valuation system of New South Wales was slammed. The Ombudsman made 36 recommendations as to how the system should be fixed. Alarming, despite the constituents of almost every member of this House receiving extraordinary increases in their land valuation that bear no relation to reality, many objections to those valuations have been rejected by the Valuer General. Extreme cases of overvaluation have produced great hardship for many people. The Ombudsman said that he has identified chronic systemic undervaluation. The Government has allowed the valuation system to run rampantly out of control while at the same time the Ombudsman has made 36 recommendations in regard to fixing the system. The Government has admitted that implementing those recommendations will result in an across-the-board increase in valuations, which, perversely, will result in an increase in government revenue. That is the result of fixing and repairing the system that the Government broke in the first place!

This is a completely and utterly unfair situation: the Government broke the system and it is now being forced, as it should, to fix it. However, that will give the Government an increase in revenue on top of the significant windfalls it has received in recent times. Among the issues raised by the Ombudsman about the valuation system is the need to review and update all baseline land values across the State in the next five to six years, some of which have not been reviewed for 16 years, an appalling situation. Other recommendations include improving the analysis used to set benchmark property values, including non-compliance with value ranges and failure to meet standards, and improving the accuracy of the valuation system by increasing the number of independent check valuations for the Valuer General to refer to. The current level of check valuations is approximately 40, which equates to about one for every four local government areas. That simply is not enough.

I have engaged in discussions about this with the Real Estate Institute, the Property Council and other bodies, who say that methodologically the system is entirely flawed. No wonder we are getting incredibly inaccurate and disturbing valuation results that are causing immense hardship to investors and families. Another recommendation is to create a simple and inexpensive objection process at arm's length from the Valuer General to ensure fairness, transparency and objectivity. Currently if someone makes a genuine objection to a valuation, the Valuer General decides whether that objection is valid. There is a long way to go to make that process transparent.

In addition, we need to implement a uniform methodology for valuation contractors to use in valuing improvements to property and we need to improve the accuracy of land valuations in areas where there are few or no comparable vacant land valuations. That has been a problem, particularly in established areas such as the eastern and northern suburbs of Sydney where there is no vacant land on which to make an objective comparison. There is also a need to update training standards to ensure contractors are competent and they can comply with all technical requirements. The entire valuation system is recognised to be flawed, to be broken. The Government is set to receive a windfall from repairing the situation that it has created in the first place.

In February 2006 valuations went up across the board by an average of 2 per cent for residential properties and 4 per cent across the State, including commercial properties, at a time when property sale prices were falling. That is bad enough but the situation is worse for investors who are liable for land tax: valuations for them went up by an average of 6.7 per cent. That sent shock waves across the investment community. We are talking about not just large businesses but mums and dads who have gathered a nest egg and bought a property as security for when they retire so that they are not a burden on the system. Now they are finding it more and more difficult to afford that investment property because they simply cannot pass on the cost of the land tax to tenants who could not afford to pay another \$1,000 or \$2,000 a year on top of their present rent.

In an effort to manage the anger that has been produced by these changes the Government has announced a lift in the threshold to \$352,000 indexed. Land tax revenues in 2004-05 were \$1.58 billion, \$188 million more than forecast according to the Office of State Revenue annual report for 2004-05. On the one hand, the Government has a \$188 million revenue windfall in 2004-05 but, on the other hand, Government members are lining up tonight expecting to be congratulated for a token gesture in tax reform that delivers only \$53 million to land tax payers. It simply does not stack up. The Government is not even giving back the windfall revenue that it has received from this tax. The 2005-06 budget forecast for land tax revenue was \$1.633 billion, due primarily to the increased rate of land tax, but estimates from the industry are that revenue will exceed that figure. This again confirms what a paltry concession the \$53 million is to land tax payers.

In the last couple of years Morris Iemma has engaged 400 additional land tax collectors. He is prepared to cut police numbers, he is not prepared to back community organisations such as Lifeline, but in the last couple of years he has been prepared to spend \$18.5 million to fund an additional 400 land tax collectors. That demonstrates the priorities of the Government. They are certainly not front-line services, although one would have to say that under this definition land tax collectors are front-line services to the Iemma Government. Two weeks ago I was invited by the Federal member for Greenway, Louise Markus, to meet with a group of people in our area concerned about land tax. A small meeting of about 50 very concerned landowners in the Marsden Park area met under the gum trees in the backyard of one of the properties affected.

All the residents were concerned about enormous increases in their valuation notices. In some cases the valuation had doubled inexplicably from last year. They complained firstly that all their properties are on a floodplain and so are not able to be developed in the foreseeable future and, presumably, because it is a floodplain they will never be developed. The valuations were based on the valuations of land not far away in a commercial and retail area. The valuation of individual private properties was being distorted by exactly what the Ombudsman recognised—insufficient check valuations, insufficient accuracy and not understanding the nuances of a particular area. The residents were concerned firstly that the increases would have an impact on council rates, making them unaffordable. Because of the valuation grab some of the people there had to consider selling their investment properties because they could not afford to keep them.

Following the meeting I wrote to the Valuer General setting out the concerns and the Valuer General has agreed to undertake a review of the valuations in the area. I am pleased about that but it should not have had to take a public meeting and all this distress to achieve this. We await the outcome of the review. Not all the residents spoke English as a first language; many came from other places such as Malta. They were having difficulty dealing with the documentation for objecting to the valuations. I was successful in requesting the Valuer General to provide additional advice on site. That is being arranged courtesy of Louise Markus, who has been pleased to be able to help. Such is the anxiety about the issue in the area that people have asked for a future meeting when more people will be able to get together to express outrage at the Iemma Government's land tax. They are very upset about Labor's approach to land tax. On 25 March at 3.00 p.m. a rally, which will be attended by the Leader the Opposition, Peter Debnam, will be held at the Riverstone Bowling Club. I am pleased that we have been able to help to provide a facility to give an avenue for people to express their concern to the Iemma Government about incredibly high property taxes. These are ordinary families who are simply trying to get ahead, to make an investment to secure their future and to make a home for their families.

Mr Kim Yeadon: Their property value is going up and they are making money.

Mr Matt Brown: They are good investors.

Ms PETA SEATON: These people are now facing a drop in their property values. If they sold their property today or next year they would not get anything like what they paid for it. They are saying to the Valuer General that if the Government thinks that their property is worth the amount claimed it should write the cheque then and there to settle the matter. But the truth is that the valuations are way beyond any commercial reality. The Opposition will not oppose the bill but we say to the Government that \$53 million is a token gesture when the windfall revenues in the 2004-05 year were \$188 million. By the end of this financial year the figure will probably be much higher. In a briefing I was given earlier this week—I thank Mr Russell Agnew for his advice—I inquired from Treasury what modelling it had done to understand the likely revenue increase for the Government as a result of the implementation of the Ombudsman's recommendations to fix the valuation system. As I noted earlier, it is expected that over the next five years the recommendations will correct an undervaluation across the system, which of course will result in more revenues to the Government.

Treasury told me that this was really not something it had factored into the modelling; it had largely worked on the basis of the 6.7 per cent increase in valuation to arrive at this threshold. It seems to me that the

work has only just begun. I look forward to speaking to the Valuer General about what he estimates will be the correction to valuations, the increase in valuations, across the system, and what extra revenues that might be expected to produce for the Government. I asked Treasury what progress had been made in relation to the Premier's comment at the time of the announcement of the new threshold it was looking into some sort of averaging or capping arrangement.

I was told that feasibility and other studies were continuing and that Treasury was not sure whether it would be feasible or desirable to proceed. So there is a big question mark over whether or not what the Premier announced will ever happen and whether we will see investors, families and renters in New South Wales given any hope of decent relief from land tax. The Coalition will not oppose this bill but it says to the Government that this is barely even a start. Until New South Wales is competitive, not only in respect of land tax but payroll tax and a range of other taxes, we will continue to come second or last on key economic indicators in New South Wales.

Mrs KARYN PALUZZANO (Penrith) [7.51 p.m.]: I support the Land Tax Management Amendment (Tax Threshold) Bill. I commend those opposite who indicated that they would support the bill and I indicate there is a parliamentary process whereby amendments can be moved to the legislation. If they are concerned they should use that process instead of waiving the right to do so. This bill implements the Government's announcement in January in Penrith that the land tax threshold for the 2006 land tax year would be increased to \$352,000. I was pleased to accompany the Premier when he made that announcement. On 3 February the *Penrith News* published an article dealing with land tax changes under the headline "Simpler 'fairer' system". Journalist Louise Attard outlined the impacts and the benefits on the electorate of Penrith of this exemption from land tax.

This measure will make land tax fairer and simpler and provide relief for thousands of mum and dad investors in property. In particular, it will provide significant land tax relief for mum and dad investors in the electorate of Penrith. For the benefit of those who may not know, in 2005 in the Penrith local government area a total of 14,825 properties were liable for land tax. That included 3,067 non-residential properties and 11,758 residential properties. The introduction by the Government of the land tax threshold in the 2005-06 budget massively reduced the number of liable properties in Penrith. The number of liable properties was reduced by 9,157, or 62 per cent, to 5,668 properties. In 2006, 1,797 non-residential properties and only 2,607 residential properties in Penrith are expected to be liable for land tax,

Increasing the threshold will provide an additional \$53 million in tax relief to land taxpayers across the State. The increase in the tax-free threshold of 6.7 per cent matches the average increase in the value of land subject to land tax, as determined by the independent Valuer General. However, the benefit to owners of residential investment property in Penrith will be significantly greater as average values of residential land in Penrith liable for land tax fell by 6 per cent in 2005. The increase in the land tax threshold is the latest of four tax cuts by the Iemma Government since August 2005. The other tax cuts were: the abolition of vendor duty; the reduction in workers compensation premiums by 5 per cent; and the payroll tax concession for employees establishing operations in areas of high unemployment announced in the February economic statement.

These tax cuts all contribute to improving the environment in New South Wales for business investment and economic growth. New South Wales is leading Australia in the area of business investment, which is dependent on business climate, opportunity and entrepreneurship. In 2005 private business investment rose by 16.2 per cent. As I have stated in this House on a previous occasion, I visited a number of private businesses in Penrith together with the Minister for Small Business—one of them being the newly established Pilates Studio—which add to that 16.2 growth. Those opposite probably do not want to hear this, but that is 2.3 per cent higher than Victoria, 4.8 per cent higher than Queensland and 1.8 per cent higher than the national average. I commend those businesses, including the Pilates Studio, which was established in 2005 and is operating successfully in the private business market.

In 2005 business spending on equipment rose by 19.1 per cent. Honourable members who have been to a Pilates studio would know that the equipment that is provided is quite interesting. One piece of equipment is called a Cadillac. It has levers, pulleys and exercise equipment all in a bed-shape arrangement. Obviously the Penrith Pilates Studio has contributed to business spending by adding to the 19.1 per cent growth in New South Wales. Once again honourable members opposite undoubtedly do not want to hear that the growth figure is 3.4 per cent higher than Victoria, 7 per cent higher than Queensland and 2.8 per cent higher than the national average.

Mr Thomas George: You are talking about taxes I presume?

Mrs KARYN PALUZZANO: I am saying that New South Wales is leading Australia in the area of business investment, which is dependent on business climate, opportunity and entrepreneurship. The labour market has been strong in New South Wales. In the first seven months of the 2005-06 financial year annual growth in employment in New South Wales was 2 per cent and the average unemployment rate was 5.3 per cent. The economy is forecast to strengthen in 2005-06, supported by improved net exports and good business investment. It is pleasing to note that land tax will be fairer and simpler in the electorate of Penrith because it is an area where many generations can invest and purchase dwellings. It is an area where first home owners as well as older people get a good deal. It is certainly an area where families can invest and provide for their communities. As I said, it is a multigenerational area. People can afford to purchase investment properties in the Penrith electorate. I commend those property investors and I also commend this bill to the House.

Mr STEVEN PRINGLE (Hawkesbury) [7.57 p.m.]: This Government's management of its taxes on land is nothing short of scandalous. Uncertainty, backflips and poorly researched decisions are the hallmark of Labor's management of what is such a vital part of our economy. It is only two years since April 2004 when the infamous Michael Egan delivered his mini budget, which made significant and bad changes to land taxes. In one fell swoop he destroyed the certainty that investors in this State had had for so long. I know that even investors opposite me tonight—

Mr Matt Brown: I still invest. I love land tax.

Mr STEVEN PRINGLE: Do you indeed? Even investors opposite have had a lot of their confidence destroyed. Investors head off to Queensland and to other States. This tax has made New South Wales uncompetitive and the honourable member for Southern Highlands has well and truly identified how uncompetitive we have become. The abolition of the threshold tax created by Michael Egan added some 400,000 mum and dad investors to the tax base and, to say the least—as outlined in the parliamentary research article about it:

... resulted in considerable disquiet amongst investors, particularly those who are liable for the very first time to pay tax, perhaps on that small home unit or the holiday cottage that had been in the family for decades.

On an average strata title land price of \$101,000 people in New South Wales paid a hefty \$404 in land tax, compared to no tax in Victoria, no tax in Queensland and a huge \$3 in South Australia. Michael Egan's argument for vendor and land taxes was that some of the heat had to be taken out of the frenzied residential property market, which has been the major factor driving up house prices in New South Wales. Every honourable member in this Chamber knows what a brilliant decision that was. We now have the lowest building approval levels for many years and a depressed construction industry. Even the home renovation industry is being affected, and that has a flow-on effect for hardware stores and other trade stores. It took former Leader of the Opposition John Brogden and honourable members on this side of the House to convince the Government to take action on the infamous vendor duty and on land tax thresholds.

Land tax for average investors is out of control. I will relate the stories of just two of the many hundreds of people who wrote letters and emails and who telephoned me about the land tax regime. One married resident complained that her valuation increased by some 300 per cent and her land tax bill is now \$8,000. That is a lot of money for someone who does not have large amounts of disposable income, who is on a fixed income and who has tried all her life to save and provide for her retirement and not be a burden on our society and economy. She asks why the Government is encouraging the destruction of her 40-year-plus marriage. She believes that the only way she can meet this evil tax burden is to separate from her husband and for one of them to take up permanent residence in their second home. She states that they will be organising resident meetings to complain about this ridiculous situation.

The second resident states that his land tax bill has increased from a manageable \$525 in 2004 to \$1,760 in 2005, and is now estimated to be \$3,497 for 2006. He is very distressed about being unable to meet that payment and will probably end up selling his property. That is not good for the New South Wales economy. Is it any wonder that investors are fleeing the investment property market, and as a result vacancy rates for rental properties are at an all-time low? That is disadvantaging the very people members opposite should be protecting. This Government has much to answer for.

My office has received considerable correspondence from people who are extremely stressed by these increases in taxation. In some cases it has been detrimental to their health. One resident recently had a heart

attack and his wife attributes that in part to the stress caused by their large land tax bill. Labor's total mismanagement of land tax has clearly contributed to this State, which should be the premier State, now having one of this country's worst economic records. This bill is long overdue. Honourable members opposite would not have had to introduce this legislation if their management of the vendor and land tax systems had been fair, reasonable and sensible. The bill should have been introduced long ago.

Mr KIM YEADON (Granville) [8.03 p.m.]: I will respond to some of the views put by the honourable member for Southern Highlands about the valuation process and the Valuer General's Office. The honourable member seems to believe that the Valuer General and the Executive are conspiring to ensure that the people of New South Wales are ripped off through land tax valuations. It is important to make it clear that no such conspiracy exists. Indeed, how could it? The Valuer General is a statutory officer and, as such, it would require the concurrence of both Houses of Parliament to remove him. How could such an officer be open to collusion with the Executive arbitrarily or in some other inappropriate way to inflate land values to generate additional revenue? That is simply ludicrous.

How could a member of the Executive walk into State Parliament and suggest that that statutory officer must be removed from office because he or she would not collude with the Executive in ripping off the people of New South Wales? There is no reason for the Valuer General to do such a thing. That might give the honourable member for Southern Highlands some indication of the reason that the Valuer General has been made a statutory officer. A statutory officer is removed from and has protection from the Executive. Therefore, the occupant of such a position has no motivation whatsoever to collude in any way with the Executive in ripping off the people of New South Wales.

Land valuations in New South Wales were contracted out a number of years ago. The Valuer General's major role is to call for tenders from contractors to undertake land valuations, to oversee the system and to conduct valuation reviews. Is the honourable member seriously suggesting that this web of corruption that she alludes to has spread to contractors who are tendering to undertake this task in New South Wales? The proposition is ludicrous. It is true that on occasion valuations can be slightly out of sync with prevailing land values. Like all of these processes, there is a time lag. A valuation covers two years and it might be undertaken just prior to a slump in the market. As a result, the valuation will reflect the peak of the boom rather than the current value. That is a swings-and-roundabouts situation. When the market rises, those people whose land was valued just prior to a boom or during a boom will retain that valuation for one or two years and, in a sense, gain a windfall as the market continues to rise. Of course, an adjustment will be made with the next valuation.

The people in Greenway to whom the honourable member for Southern Highlands referred seem to be in that precise situation. Blaming the Valuer General for that is ludicrous. Perhaps they did not make the best investment decision. If investors buy at the top of the boom and then the market corrects itself a couple of percentage points, the only explanation is that they bought into that market a little too late. It is the same as the stock market. People buying equities hope to get in and out at the right time and make a profit. However, everyone knows that if they hold on to those shares and there is a correction in the market they will lose paper value relative to the value immediately prior to the market correction. It is called basic business. It is drawing a long bow to blame the Valuer General for those decisions.

The honourable member seems unhappy with the Valuer General's review process. The Valuer General's Office went to great lengths to establish precisely what the honourable member asked for: a cheap, straightforward and uncomplicated review of land valuations. The honourable member does not need to have a public meeting in Greenway to get the valuation she has requested. She can simply contact the Valuer General and ask that the valuation be reviewed. The Valuer General's Office includes information with land valuations detailing how a review can be undertaken without any problem. That review is designed to establish whether a mistake has been made or an anomaly exists in the land valuation, and it is carried out by the Valuer General's Office. There is no need to have an extraordinary distance between the Valuer General and that review, because doing it differently would make it a more complicated, convoluted and expensive process. We do not need that because the Valuer General is not connected to the tax-raising process.

The Office of State Revenue [OSR] raises tax. The Valuer General simply values land and puts valuations on the table for other players in government—the OSR, for example—to use to levy taxes. The Valuer General has no brief to increase taxes for the Executive. Why would he? Therefore, there is no need for some checking process that is extraordinarily removed from the Valuer General. We need a quick, straightforward review process that enables people to check that mistakes have not been made with their valuation. The Valuer General's office will do that in a straightforward manner. Indeed, the company that wins

the contract in a particular region does the valuations, not the Valuer General. So in that sense the review is completely external in that it is conducted not by the original contractor but by the Valuer General's office.

People should abandon all the conspiracy theories about the Valuer General being in bed with the Treasurer and ripping off the taxpayers of New South Wales. That is a ludicrous proposition. Yes, property values can move rapidly during a housing boom and it can be difficult to keep up with price movements. But the Valuer General simply takes a snapshot of a particular market at a particular time and bases his valuations on that. Land tax is then levied accordingly. People who do not like that process should not attack the Valuer General; they should come up with an alternative system. That is the way in which valuations have been done from time immemorial in New South Wales and in every other State. From the Valuer General's perspective, valuations can be done no other way. Let us move away from the conspiracy theories and get back to reality.

Mr Matt Brown: Good contribution.

Mr ANDREW FRASER (Coffs Harbour) [8.11 p.m.]: The Parliamentary Secretary, the honourable member for Kiama, who is at the table, thinks the honourable member for Granville made a good contribution to the debate on the Land Tax Management Amendment (Tax Threshold) Bill. It is amazing. Labor is in government but I would love to hear the honourable member for Granville and the honourable member for Kiama speak to this bill from the Opposition benches. The thought makes me smile. The Parliamentary Secretary owns a great number of properties so he probably pays more land tax than most. But perhaps he does not as his investments are mostly interstate.

The honourable member for Granville failed to recognise that many of the baby boomers who have left Sydney have moved to the North Coast and purchased properties. They either borrow against their superannuation or use the equity they received when they sold their homes in Sydney at inflated prices. That has jacked up the market on the North Coast to such an extent that many local residents have been affected adversely by land valuations. I will return to that point later. In the past two years this Government has employed 400 additional land tax collectors at a cost of \$18.5 million. In the past few years the baby boomers have been buying property in populous areas and prices in the Sydney market have risen. That tells me—and it is common knowledge in the marketplace—that the Government has benefited from a huge tax windfall to the extent that it has increased the base land tax threshold from \$330,000 to \$352,000.

The other day I received a telephone call from a constituent who is aged in her late eighties. She and her husband built a home on a double block of land near the racecourse in Coffs Harbour, where they have lived for more than 60 years. They derive no income from the property. They are pensioners. The area has never been popular. However, Victoria Street, which is one street behind them, has terrific sea views and blocks there are in great demand. As a consequence, my constituent's land valuation has increased from \$84,000 to \$377,000.

Mr Matt Brown: Good investment; good returns.

Mr ANDREW FRASER: Tell that to my constituent, who is almost 90 years old and who just wants to live out her days with her husband on their property. They are on the pension.

Mr Matt Brown: You don't pay tax on your principal residence.

Mr ANDREW FRASER: Let us give the Parliamentary Secretary a little lesson on country life. My constituents' home is built across the boundary of two blocks. They must now find a huge land tax payment from a pension. The honourable member for Granville got it right when he said that we must have a good, hard look at the land valuation system. Simply increasing the land tax threshold will not resolve the existing problems. The Valuer General bases many valuations on the value of properties sold in the area. My constituents' property revaluation is based on the value of properties that are located 800 or 900 metres or perhaps even one kilometre away that have magnificent ocean views.

Mr Matt Brown: You can't change the values to suit personal circumstances.

Mr ANDREW FRASER: Their block is not worth the amount that the Valuer General has put on it. Their property does not have magnificent ocean views, yet it is being compared to houses sold in the vicinity that do. The land at the top of Victoria Street is worth a good deal of money but the land at the bottom of Howard Street is not.

Mr Matt Brown: Get your constituent to go through the appeals process.

Mr ANDREW FRASER: They are doing that but they keep receiving letters from the Valuer General that say, "There is a home three streets over that has sold for X amount so that means your property is also worth X." Some properties in Woolgoolga are three or four streets behind Beach Street, which is probably about one kilometre from the water. But many other places on the water in Woolgoolga have sold for exorbitant amounts of money. The Valuer General's excuse is that land in the area has been sold for \$3 million, \$4 million or even \$5 million so he must increase also the value of the blocks that are located a couple of streets from the water. Some home owners have received \$500,000 valuations. This also affects the rating.

Mr Matt Brown: If that's the value, that's the value.

Mr ANDREW FRASER: It is not the value. That is my point. It is a nominal value arrived at by someone who says, "Because a block of land in the vicinity has sold for \$1 million—"

Mr Matt Brown: Are you saying that the Valuer General should alter the market?

Mr ANDREW FRASER: No, the Valuer General should get off his backside and conduct individual inspections. The honourable member for Granville said that there must be a better system. I agree. It is nonsense to say that all land in Coffs Harbour is worth X amount because waterfront blocks have sold for extremely high prices. Let me tell honourable members about a couple from Bellingen. The fellow works in a sawmill and his wife works in a laundry. They raised a family and money was tight in the early days but they decided to fund their retirement by purchasing a small cottage at Urunga as an investment. It is not close to the water. They got in a tenant and the rent just covered the mortgage. This couple's combined income would not be \$50,000 gross—they are fairly poorly paid—but they took this big step. The bloke rang me and said, "I've been a member of the Labor Party all my life but now I've invested in a block of land and the Valuer General has come into Urunga"—it is a popular spot where not a lot of land is released—"and increased my valuation". They cannot afford to keep the cottage so they will lose their investment. In fact, they will lose money after they repay the bank.

Mr Matt Brown: How?

Mr ANDREW FRASER: It is because the property is not worth what the Valuer General says it is worth.

Mr Matt Brown: Is it worth more than what they paid for it?

Mr ANDREW FRASER: Only just—and the legal fees, stamp duty and so on will swallow the difference. I will send him a copy of the *Hansard* and let him see what the Labor Party today stands for. The Labor Party does not give tuppence for these battlers who live up there, who have lived fairly meagrely all their lives, and who are now forced into selling the one investment they have made because they have borrowed to the hilt to buy it and now cannot afford to pay the land tax on it. Surely the honourable member for Kiama must see similar cases in his electorate, or is he so high and mighty in his Parliamentary Secretary job these days that he does not get out and talk to these battlers? There are plenty of them out there, and this is going to bite the Government.

Mr Matt Brown: Move an amendment. What is your policy?

Mr ANDREW FRASER: Amend it? I will put it up or, alternatively, get in a system that is going to work. Councils look at the value of land and, depending on the way they want to rate, the land tax threshold will mean that some people—and it happened in Sawtell in the last rating period—will pay more than \$80 a week in rates. The attitude of one of our councillors, and I would guess the attitude of the honourable member for Kiama, is "Well, you have got equity in your home. Borrow against your equity to pay your rates". Tell a pensioner who has lived in a fibro house two streets back from the main street of Sawtell—once again, with no water views—that because someone has bought land near them on which to build units the value of their land has now gone up, and they have lived there for 60 years. They will sell the property because they are going to end up with a \$4,000 rate bill because of the valuation that has been put on the land by the Valuer General.

Mr Matt Brown: It is not put on by him, it is the market.

Mr ANDREW FRASER: What they are not doing is looking at a system that is fair and equitable. These are the people who have slaved all their lives. These are the battlers.

[Interruption]

As the honourable member for Lismore says, these people are asset rich and cash poor, and the increasing valuation has meant that—

Mr Matt Brown: You just said that they were asset poor. You just said they will lose money. That is not asset rich. Make up your mind.

Mr ANDREW FRASER: Jump on it, mate. Why don't you listen? The problem with this Government is it does not want to listen. The person I was talking about before was from Bellingen; this person is from Sawtell. Each case is different, and that is the problem with the valuation system at the moment. Because each case is different people are affected differently. I am now talking about the way an increased valuation on a block of land means that rates from Coffs Harbour City Council and other councils skyrocket in these areas.

We are talking about small, three-bedroom fibro places that have been there for the past 60 years or more. These people have lived all their lives there. One lady came to me last year. I think she had to pay \$87 a week in rates. The house was a fibro house, it was a smallish block of land, but because blocks have been bought and town houses and units have been built on them the value of her land went up substantially. The council did not have a rating system in place that would allow her relief.

Mr Matt Brown: This is not a new phenomenon.

Mr ANDREW FRASER: We know it is not a new phenomenon. I am only commenting on the fact that the honourable member for Granville identified this evening that there should be a better system in place. I am not saying that the Valuer General is corrupt. I am saying that the way the Valuer General decides on valuations does not represent the problems that have been created on the North Coast or the South Coast. I would love to see the honourable member for Kiama go down there and tell these people they may have a double block. People may have been left a weekender or may have had a weekender for years and get no income out of it. Perhaps it has been left to them by a relative they have looked after for years; it may be near water. The sea changers want the land and they knock the house down. In the Port Stephens-Salamander Bay area that is rife.

In a situation like that, those people suddenly find that even if they lease the property continually the value is so high that with rates and land taxes they cannot afford to keep it. A relative of mine sold a property because of the combined impact of rates and taxes: they were more than \$20,000 a year. He said to me, "I can take my whole family overseas every year with the money I spend on holding costs for this block." It is high time this tired, lazy Government that does not go out and listen to the people, as the honourable member for Kiama has clearly shown tonight, has a good look at this.

Rather than increasing the threshold by \$22,000 in a knee-jerk reaction, the Government should talk to the people who are affected. It should put some exemptions in place if it has to. It should exempt the person who has the weekender that has been willed to them who can prove hardship. It should exempt the little battler from Bellingen who has made an investment as superannuation for the future. It should exempt the person who is three or four streets back from the high-value properties so that if there is not a recent sale of property in that person's street the value of the property is not reflected by the value of the waterfront property. Government members should have a look at some exemptions. They should not be lazy and just introduce this bill as a quick fix. They should admit the fact that the Government is going to have a huge windfall.

I would like to see the honourable member for Kiama stand up in six months' time and deny that the Government has not had a huge windfall from land tax in New South Wales. It is there and the people know it is there. The Government is just blowing the money on employees—\$18.5 million on 400 land tax collectors. The honourable member for Monaro and the honourable member for Kiama should tell that to the battlers in their electorates and see how well they are received.

Mrs JUDY HOPWOOD (Hornsby) [8.25 p.m.]: The object of the Land Tax Management Amendment (Tax Threshold) Bill is to amend the Land Tax Management Act 1956 to increase the threshold at which land tax becomes payable from \$330,000 to \$352,000 with effect from the 2006 land tax year. The background to

this change is as follows. The Carr Government removed the threshold in the 2004-05 budget and created 44,000 new land tax payers. The Government also raised the rate to 1.7 per cent. In the Ombudsman's report in October 2005 the valuation system was slammed, but the report also said that correction of undervaluation would be recommended and that would increase revenue. After a voter backlash the Government reinstated the land tax threshold to \$330,000 at 1.7 per cent in the 2005-06 budget. In February 2006 valuations went up by 6.7 per cent, an average 2 per cent for residential and 4 per cent across the State, at a time when property sale prices were falling. In an effort to manage the anger the Government announced an increase in the threshold to \$352,000.

Land tax revenues in the 2004-05 period were \$1.58 billion, \$188 million more than forecast by the Government, making a \$53 million tax cut a token gesture that does not restore fairness to the system. The 2005-06 budget forecast land tax revenue of \$1.633 billion, due primarily to the increased rate of the land tax, and it is likely to exceed that figure despite the concession. The Premier spent \$18.5 million to fund 400 additional tax collectors in the past two years, which is an appalling expenditure of taxpayers' money.

I would like to read onto the record some letters from my constituents in relation to land tax generally, bearing in mind that last year the owners of investment properties paid the full freight as there was no threshold. This letter is from a Mrs T. H. Plunkett relating to the New South Wales vendor tax and her son Paul Plunkett. On 21 April 2005 her son paid \$8,122.50 in vendor tax and \$254.80 in land tax on his home in Linda Street, Hornsby. She wrote:

On behalf of my son Paul Martin Plunkett, I request that you instigate the necessary action to have the above mentioned taxes refunded as soon as possible.

The mother is concerned because her son's principal place of residence is unoccupied whilst he was seconded on an overseas job. She requests the following:

1. I wish to emphasise that this was my son's home "the only property he has ever owned" & was not an investment property.
2. He purchased the property new in January 2001 & lived there until October 2002. During this time he was retrenched.
3. As he could not find work here, he went to America where he found employment & has subsequently married.
4. As a necessity, he had to rent his home for a period of time to help pay the mortgage & now finds himself unable to sustain this property & manage financially overseas.
5. My son & his wife are both keen to live permanently in Australia & the only reason they are not here already is because they both have stable full time employment that is not available here.
6. Many Australians own multiple properties during their lifetimes without paying any tax—Paul's one & only property has been taxed unfairly.

The Government did not grant an exemption in that matter. On 27 February 2006 G. Kaye wrote:

On the subject of land tax and valuation I consider that this is major market price rising of the domestic properties.

Recent price valuation my property went up \$64,000 and it is only small 512.5 sq.m. dual occupancy house. Valuation (Council) does not take into account effect of recent rail extension noise from construction and increase of goods trains. Noise also reflected from high-rise flats along College Crs. This reflects itself in the market value reduction.

The land tax valuation went up by 27-30% to previous value and no notice is posted ...you get punished by land tax, capital gains tax if you sell and income tax.

I have a letter from Mr Walter Smith from Norman Avenue, Thornleigh, dated 11 February 2005 who talked about the unfair land tax year of 2005. He stated:

I wish on the following grounds to object to your assessing for Land Tax land at 32 Norman Avenue Thornleigh ...

At the time of my purchase of the property I was advised that because of the rocky terrain of the land I would need to purchase two blocks for access and drainage purposes. These two blocks then became my principal and ONLY home i.e. Nos. 30/32 Norman Avenue Thornleigh as can be seen from the Building Plans submitted and approved by the Hornsby Shire Council on 21.9.1951. The Plan substantiated the need for two building blocks and shows Driveway, Garage, Sullage Pit, Septic Tank and Absorption Pit on Lot 118 (No.32). To gain access from Norman Avenue the pathway needed to start on No. 31 and ascended fifty seven steps through a crevice in the rocks. No. 32 together with No. 30 has always been considered as our home and garden and there is no fencing defining the two blocks. The Clothes Line is on Lot 118 and the Letterbox is on the driveway to the stone garage.

As I own no other land I ask you to reconsider the imposition of Land Tax on my principal home as it appears others are allowed larger areas of land to be classified as "their principal property" without being taxed.

He did not receive a reply so he wrote again in April and then in May, when he said it was three months since he wrote his objection to Treasury. Finally, on 1 August 2005 he was exempted from land tax, and was refunded

the amount he had paid, but after waiting such a long time he lost the interest he could have earned on that money. On 22 February 2005 Mr Kevin Ryan, a 77-year-old widower, wrote:

Three years ago I sold my house in Eastern Rd, Wahrenonga & bought a unit at Wahrenonga. I don't own any other property, land etc just this 32 year old unit. Last year sometime I received some papers about land tax. What's going on I say. However I completed a form and returned it. One stupid question I recall—How long do you anticipate staying at this address—my reply Until death do us part!!!

Now I receive all of this rubbish. Assessment NIL, Total amount NIL. Then enclosed forms—ways you can pay your land tax? Variation return? Your land value? Who pays for all this? No wonder people are disinterested in politics and red tape.

Although he did not qualify for land tax he received a lot of bureaucratic material advising him about something he already knew. On 23 February 2006 Trevor Davis wrote:

I am writing in relation to a land tax problem. I recently sold a Property in the Nelson Bay area and was required to pay \$1041:55 Land Tax, prior to settlement. This sum being a portion of the total of \$5408:55 payable for the year 2006. The property was settled on the 16th Jan., 2006. I would have thought that 16/365th would apply. Rates, Water and Council are calculated in this way.

He asks for repayment. In conclusion, I state that a Liberal/Nationals Coalition Government will deliver a land tax system that is fairer than the current one and will improve the accuracy of valuations and limit cash windfalls to government that may occur as a result of procedural reform. That will encourage investors to meet demand for commercial and rental accommodation on fairer terms and help keep the cost of renting a home or unit as low as possible for tenants, which is in keeping with affordable housing. The Opposition does not oppose this bill but believes the Government should not benefit from a cash bonanza at the expense of investors for fixing a methodological problem it created.

Mr BRAD HAZZARD (Wakehurst) [8.36 p.m.]: I wish to speak to the Land Tax Management Amendment (Tax Threshold) Bill and generally in relation to land tax matters or, as the Government says, "and other matters". Land tax represents approximately 10 per cent of the State Government's revenues, but the Government has shown a remarkable lack of capacity to handle the whole land tax issue. I remind the House that approximately 18 months ago the Government removed the threshold for land tax liability. In other words, as soon as a person owned an additional property, other than their residence, they became liable for land tax.

For years the Government had in place a threshold that was normally indexed each year. However, with the assistance of the incredible brainpower it has operating for it, it then determined that it would remove the threshold and thereby bring approximately another 400,000 land taxpayers into the land tax net. At the time the Carr Labor Government just would not listen to community concern about the impact of that land tax change. Unfortunately, that is not a unique approach of this Government, because shortly thereafter it also raised the public ire by imposing an exit tax—the only State in the country to have an exit tax on vendor properties.

The value of property in New South Wales was under pressure, as it was in most of the country at that time. Our tired old Labor Government imposed an exit tax and removed the threshold to grab those extra 400,000 land tax holders. That really was the nail in the coffin of the property market in New South Wales. Some might say that driving down property prices is not such a bad thing, but of course it often also presents major problems for the most vulnerable. Young couples who had entered the property market suddenly found they had massive mortgages and not much equity in their property.

Land tax was then in the spotlight as part of that horrific scenario of driving down property values, and the Labor Government decided in response to pressure that it would reinstate a threshold. I think that when the threshold was removed the first time it was about \$317,000. Morris Iemma, the new Premier, reversed the decision. The exit tax was dumped and the land tax threshold was reinstated at \$330,000. The bill seeks to raise it to \$352,000. The problem with the Government's approach to land tax is that it is not co-ordinated and sensible.

Land tax represents roughly 10 per cent of the State's entire income, so one would think the Government might have asked its best minds to consider these issues rather than introducing policy on the run, with knee-jerk reactions, removing and reintroducing thresholds and getting thresholds wrong. Perhaps the Government should have looked at a more comprehensive overview of land tax. Land tax can be extremely unfair, and it raises its head regularly in my area. The people who come into my office and talk to me about land tax issues are often very vulnerable. I am not being critical of individual officers within the department. They are doing their job and following the State Labor Government's policy, which is not as flexible as it should be in allowing the Commissioner of State Revenue a reasonable level of discretion to determine what is fair and what is not.

I will refer to some of the cases I have had in recent years. The biggest aspiration of many people is to own property, particularly migrants, because they know it provides security for their families. They have come from countries where perhaps those opportunities were not available. In my area I regularly see immigrant families who have managed to buy their own home. Usually all the family kicks in and pools the money to buy it. Then they start buying properties for other family members, who may or may not live in those properties straight away. If they are lucky they might even get an investment property or two.

Recently people came to see me who have had investment properties while they waited for their children to grow older and move into them. When they purchased the properties they approached the land tax office and disclosed the details but were told the properties were under the threshold, and, of course, it went off their radar. But out of the blue they received a land tax bill, possibly because the Government has now employed an additional 400 inspectors at a massive cost of \$15 million, as a number of members have pointed out. There are a lot more inspectors, effectively tax police, chasing these people.

As a result, more people are being caught in the net. I have had people sit in my office and say, "Mr Hazzard, we actually disclosed this to the land tax office some years ago. We had completely forgotten that it was an issue because we were cleared of any land tax responsibility. Suddenly we got a letter stating, 'Do you own this property?' and now they have imposed all this back land tax plus penalties and they won't consider our situation. It's going to cause a massive impost on us." If this Labor Government were fair dinkum about being decent to people, it would provide the commissioner with discretion, which he could exercise in favour of what was obviously an innocent non-payment.

People have told me that they have had to go overseas and rent their properties. Although they were allowed some margin, if they were away for any length of time their properties became liable for land tax. Ladies have told me about being left property in their husband's will. I remember one elderly lady who was given one investment property that was in her husband's name. Suddenly the land tax bills arrived. She did not realise she had a land tax liability because the property had been in her name for a few years. Suddenly she started receiving what effectively was threatening correspondence from the land tax office stating, "You owe this amount of land tax. Here are the penalties. Pay up or else."

At present land tax may be a necessary revenue source for this Government because it manages the State so poorly. I put on record my concern that the land tax system should be a lot fairer. It is not fair. Many people are being unfairly caught up in it. The reinstatement of the threshold removed some of the inequities, which the Government did not seem to understand would be created. I remember Labor Party Ministers in this place talking about silvertails who owned property. What a lot of rubbish!

A couple of young immigrant men in their early twenties were sitting on my driveway talking to me about their concern with land tax. They were doing some work around my house and when they realised I was a member of Parliament they asked me what my thoughts were on land tax. Then they told me they were really concerned about this Labor Government, which apparently they had supported until then. Each of these young men was living at home with his family and had purchased one property. The idea was that they would eventually move into those properties when they got married. Of course, once this Government instigated the zero threshold they were caught up in land tax. When the Government backflipped on the tax threshold, those men still had to fork out the land tax for that year. At the time they were concerned that a Labor Government had so little understanding of and so little empathy with people who were trying to make their way in life.

As I said, I understand that the Government is dependent upon this tax; it provides roughly 10 per cent of its total revenue. However, this tired old Labor Government really needs to have a major review of land tax, take on board some of the issues the Coalition has been talking about, and try to make it a fairer system. If that does not happen I assure honourable members that many people on the Coalition side will make sure after March next year, when they are in Government, that the land tax system is a lot fairer for the people of New South Wales.

Mr DONALD PAGE (Ballina—Deputy Leader of The Nationals) [8.46 p.m.]: Land tax is a huge issue in my electorate. I welcome this opportunity to say a few words about it because we have been living with it for quite a few years. This bill raises the land tax threshold from \$330,000 to \$352,000 with effect from the 2006 land tax year, which we are now in. The Government claims this will return \$53 million in tax relief to land tax payers. Land tax revenues in 2004-05 were \$1.58 billion, \$188 million more than this Government forecast in the Office of State Revenue annual report. This \$53 million land tax relief is a token gesture that does not restore fairness to the system.

We should not have to debate the reintroduction of the land tax threshold, because it should never have been removed in the first place. The Government is congratulating itself on restoring a threshold that should not have been removed and that last year caused 400,000 people in this State to pay land tax for the first time. In the meantime the property market has become more sluggish than it needed to be, thanks to the Government's property tax policies. I refer not just to the removal of the threshold but also to the introduction of the vendor tax, which had a huge negative impact on property investment.

A lot of people on the North Coast were interested in buying property a year or two ago, but they have now forsaken New South Wales and bought property in Queensland. Land tax is a huge disincentive to people who are trying to become self-sufficient in their retirement by having an investment property as a nest egg so they do not have to rely on taxpayers in their later years. We should be encouraging independence in retirement, given the population profile of Australia. We have a huge number of baby boomers reaching retirement age.

Australia's social security bill is already \$63 billion—that is, 30 per cent of the entire Federal Government budget. This nation cannot afford to have everyone on government pensions in the future. We must try to ensure that as many people as possible are financially independent, and buying an investment property is a good way to ensure they will not be dependent upon government. There are 5,000 people in the Ballina electorate who own an investment property. These are mum and dad investors who are trying to provide for their own retirement and do not want to be a burden on government. They are not rich people; they have worked hard and saved for their retirement. In many cases they are asset rich and income poor.

Escalating property values over the past few years and an unsympathetic land tax regime mean that those people are finding their land tax bills have skyrocketed, and in many cases they do not have the money to pay their land tax bills. What do they do? Some try putting up the rent, if they can, to help recover some of the huge land tax increase. Of course, the extra rent that they will receive will be only a fraction of the land tax bill. Others have told me that they have sold their property, or that they are contemplating selling their property, because they cannot meet their land tax bill. That is a shame, because this country needs to encourage people to be self-sufficient in their retirement.

On the flip side of the coin, there are 8,000 people in my electorate who rent. These renters are in for higher rents because of land tax increases. Most of these renters cannot afford to pay any more in rent because of the generally low incomes of people in the Ballina electorate. So everyone is a loser: property owners who cannot afford to pay their land tax bills, renters who cannot afford to pay an increase in rents, and people who are being discouraged from buying property to provide a future income in their retirement and thereby not be dependent on government.

Of course, many small businesses rent their premises, so they pay higher rent because of land tax. If they own the property they pay land tax, unless the lease says otherwise. Either way, business costs go up, and when that happens that is bad for business, bad for investment, and bad for employment. In my electorate property values have gone up astronomically in the past four or five years. This has caused land tax bills to increase. In some cases, this year's land tax bill is double last year's. It is not uncommon for ordinary mum and dad investors who own investment property to be paying \$10,000, \$15,000, or \$20,000-plus in land tax each year. This is a huge amount to find, and it is creating hardship for many people whose ability to pay land tax has not increased. Just because one's property value has increased does not mean one has any greater capacity to pay for an increase in land tax—because revenue streams from that property are not increasing by anything like the amount by which land tax is increasing.

There is also the impact of large land tax bills on the availability of affordable housing. We have a shortage of affordable housing across Australia, and it is a problem in my electorate as well. As fewer people see rental property as a desirable investment because of land tax, there will be less stock available to rent. This drives up rentals in available rental accommodation, further exacerbating the affordable housing crisis. The Affordable Housing National Research Consortium believes \$27 billion needs to be invested in affordable housing to avert a crisis. Yet here in New South Wales we have a Government that has a land tax of 1.7 per cent on land value beyond the threshold—a tax that is driving people away from residential property investment. And residential property investment, of course, is the very thing we need to address the affordable housing crisis.

So, whilst I welcome the reintroduction of a threshold for land tax, it should never have been removed in the first place. Moreover, land tax continues to be an issue that this Government refuses to address in any significant way. As I have said, this is a vital issue because it affects how people invest their money. If we want people to invest so that they can be independent of government in their retirement, and not add to the

Commonwealth pensions bill—which, as I indicated, is already \$63 billion—land tax needs to be cut. If we want people to invest in rental accommodation so it will be easier for renters to obtain affordable housing, land tax needs to be cut. If we want businesses to be viable, to be able to manage their costs, invest in their businesses and employ people, land tax needs to be cut.

This legislation does not go anywhere near far enough because it does not cut land tax. It only takes us back to the situation before this Government's ill-conceived removal of the threshold. In the meantime, property values have escalated, and so too have land tax bills. The need for land tax reform is urgent, and I urge the Government to do much more about land tax because of its direct adverse effect on property investors and the longer-term implications for our community, especially our ability to encourage independent retirement and make housing more affordable.

Mr ADRIAN PICCOLI (Murrumbidgee) [8.55 p.m.]: The Opposition will not oppose the Land Tax Management Amendment (Tax Threshold) Bill 2006. Of course, we will not oppose any increase in the tax-free threshold. In fact, the Coalition parties were among the main opponents of the New South Wales Labor Government's action a couple of years ago in abolishing the tax-free threshold, because we understood the impact that land tax was having on property investors and those who rely on them, particularly renters. So, when the Government made its decision back then to remove the tax-free threshold, adding an additional 400,000 people to those paying land tax, we understood the anger that that would provoke. Of course, that anger did eventuate.

The Government has now relented and reintroduced the tax-free threshold. The Government was caught out in its attempt to rake in even more funds from the pockets of the hard-working taxpayers of New South Wales. In a vain attempt to save its political hide, the Government has reversed its decision. In the circumstances, of course the New South Wales Opposition will not be opposing the bill. However, this debate is an opportunity for members of The Nationals and the Liberal Party to comment on land tax in New South Wales and the impact that particularly significant increases in land valuations is having on the amount of land tax that people must pay.

I note the presence in the public gallery of a number of people. Some of those people too will be paying significant amounts of land tax, and they will have seen substantial increases in the land tax bills that they have probably received in the past month or so. That tax is having a serious negative effect on investment in real estate, particularly in the rental market. We are all aware of the price of housing and rent levels in Sydney. But I listened to the honourable member for Ballina talk about the North Coast, as well as some country and western areas of New South Wales, including Griffith. When we drive people away from investing in residential property, we reduce the pool of available rental accommodation. When that pool diminishes, supply and demand ordinarily dictates that rents go up.

I am aware that plenty of people in my electorate have property in Sydney, and I know that a diminishing pool of rental accommodation has had an impact in Sydney, because that is where land values are highest. Those people have been telling me that they are forced to increase the amounts that they charge their tenants for rent. I was told just a week ago by people who have a property in Sydney that it is costing them \$50 a week in land tax, and as a result they have had to increase the rent payable by tenants by \$50 a week to offset that land tax increase. It is having a significant impact right across New South Wales.

I understand the need for the New South Wales Labor Government to raise additional land tax. We have all heard about the budget crisis in New South Wales and the Government's bungles over the last few years, the cross-city tunnel being the latest and most apparent. Public sector costs are spiralling out of control, so I understand why the Government needs additional revenue. However, there comes a time when the business community and investors can no longer afford these taxes and the increases affect the economy. Statistics from the past 12 months show that the policies of this Government have had an impact on our economy. New South Wales is the slowest growing State in Australia and housing approvals are at the lowest levels they have been for some time. The way that the New South Wales Government has been running the State is having a significant negative impact on our economy.

This is not surprising because businesses have to pass on some of the costs incurred through additional payroll tax and workers compensation premiums, while landlords pass on to tenants additional costs incurred in land tax and stamp duty. I can give examples of how these increased taxes have affected my electorate of Murrumbidgee, which borders Victoria. Only a month ago the Manildra Pasture factory in Leeton closed down and will move to Victoria where the business climate is more appropriate. Victoria has lower taxes and a more

business-friendly environment. Only yesterday full-page advertisements appeared in Sydney newspapers from the Queensland Government enticing businesses to move from New South Wales to Queensland, promoting Queensland as a much more friendly business environment in which to operate. I am ashamed to say that as a New South Welshman they are probably right; there is more incentive to do business in Queensland.

The Government must address these matters before it is too late. We cannot afford to lose more businesses such as this factory from Leeton; that move alone cost 55 jobs. Large towns on the Victorian side of the Murray River—Swan Hill, Mildura, Echuca, Yarrawonga, Cobram—are all doing well and enticing businesses, particularly food-processing businesses, into those towns and cities. Business and industry have moved to Echuca and even though housing has increased in Moama to accommodate the workers in Echuca, towns on the New South Wales side of the border have difficulty attracting business and investment to the same extent as towns on the Victorian side.

These are the real life consequences of land tax and other business taxes. It is incumbent upon the New South Wales Labor Government to rectify the situation in the 12 months before the next election. The budget will be brought down in May and that will provide an opportunity for the Government to turn the tide in favour of making New South Wales a place where people can do business and where jobs can be created for young people. I urge the Government to do just that.

Ms GLADYS BEREJIKLIAN (Willoughby) [9.05 p.m.]: As previous speakers on this side of the House have said, the Coalition will not oppose the Land Tax Management Amendment (Tax Threshold) Bill. However, it is worth noting that the State Labor Government has an appalling record when it comes to managing the land tax system in this State, particularly in the last two years. The former Carr Government and the Iemma Government removed the threshold in the 2005-05 budget, thereby creating 400,000 new land tax payers. At the time we were told this would not concern the community; it would only impact on a small number of people. Those predictions were incorrect from the outset. The burden being borne by many people who had never paid land tax before was not sustainable and, in an embarrassing backflip, the Government finally came to its senses and reinstated the threshold in the 2005-06 budget.

Given the Government's history of mismanagement of the land tax system in New South Wales, it is interesting to note that the Ombudsman handed down a report in October 2005 that was highly critical of the valuation system. I can attest to concerns in the community about the way properties are valued in New South Wales. Technically, land tax on New South Wales property is based on unimproved capital value but on many occasions my constituents have sought clarification on how the valuation system works with respect to their investment properties. In many instances I have been presented with examples of contradictions and major fluctuations from one year to another, which have thereby resulted in uncertainty for those who have to pay the land tax. Due to enormous public pressure and after acknowledging the mess that it had created in abolishing the threshold in the 2004-05 budget, the Government reinstated the threshold.

In February this year valuations went up on average by 6.7 per cent for investors liable under the land tax regime, at a time when property sales are falling. Many of my constituents are quite rightly asking why, when the market is experiencing a decline, or at least plateauing in some areas, and when market prices are decreasing, land tax valuations are increasing. This anomaly is causing enormous uncertainty and angst. Many of those who have raised concerns about land tax and valuation issues are older members of the community who have a fixed income. They cannot afford to absorb massive fluctuations from one year to the next just because the State Government has failed to properly manage the valuation system in this State.

A properly managed valuation system would not result in the current inconsistencies and it would not result in people being uncertain about the increased amount they might have to pay in land tax the following year. It would provide greater comfort to those who, understandably, feel they have done the right thing in saving for their retirement. When I refer to fluctuations in the valuation system from one year to the next I am talking about major fluctuations, not minor fluctuations. Last week alone three constituents gave me examples of major increases in valuations. Yesterday morning my office received a call from an elderly couple whose land tax on their investment property increased in valuation by more than 100 per cent in 12 months and the land tax they have to pay has increased from \$7,000 to \$15,000.

We are talking about a couple on a fixed income who paid \$7,000 last year and who have now received a bill for \$15,000. Anyone in this Chamber who can say that reflects a well-run valuation system in this State is really kidding himself or herself. This one example alone highlights the level of fluctuation and uncertainty in the community because the State Government has done an appalling job on introducing equity to the land tax

valuation process and then putting some type of cap on fluctuations. A 100 per cent increase from one year to the next is unacceptable. Another example is a self-funded retiree who purchased his property in 1983 for a considerably smaller sum than what it is worth today. In very carefully handwritten text he showed me how his property had increased from 1983 through the mid-1990s, but in the last two years the property had experienced massive fluctuations and in the last 12 months his land tax bill had increased by more than 50 per cent.

My constituent explained to me his very difficult circumstances—how he relies on a fixed income and how he has expenses in maintaining the property—yet because of the valuation system he was extremely stressed and wondering how he would pay his land tax bill. A couple who live in Castlecrag told me that in the last 12 months their valuation had increased by 43 per cent, a major fluctuation that cannot be sustained. Many people in the community accept that land tax is now a part of owning investment properties, although some would argue that a tax on such an asset is not appropriate. But the vast majority of the community agree that land tax is a tax paid on investment properties. However, the community is well and truly justified in expressing its concern at the lack of transparency and the volatility that exists in the current valuation process. People suffer enormous angst and stress when they do not know the extent to which their tax bill will increase in the next 12-month period.

The current valuation process demonstrates either the State Government's inability to provide a transparent and fair valuation system or its total lack of care for the stress it causes vast sections of the community. As I mentioned earlier, land tax valuation in New South Wales is supposed to be based on unimproved capital value. Yet many residents give me examples of a lack of transparency in the application of the formula. In some instances there are examples of market forces and different criteria being applied to the formula, which does not allow them to predict the type or size of land tax they will have to pay in the following year. The Opposition does not oppose the bill. I again place on record my disappointment at the State Government's utter failure to manage the land tax system, the past failings of the Government in abolishing the threshold and reintroducing it, and its continuing failure to implement a transparent and fair valuation system that provides certainty and does away with volatility in the system.

Mr DAVID BARR (Manly) [9.13 p.m.]: I echo some of the comments made by the honourable member for Willoughby. When people invest and organise their financial affairs they need a degree of certainty and predictability. The volatility of the land tax system has not enabled that to happen. Recently people have been hit with increases of up to 100 per cent, and they have not factored that into their financial circumstances. The galling thing is that as a system for raising revenue it is not as transparent, as predictable, or as credible as it should be. The whole system needs to be tightened considerably and improved so that people have some idea of their liability, because it can come as a shock. Recently I wrote quite a few letters to the Valuer General on behalf of constituents.

One elderly migrant man and his daughter came to see me. He lived in a block of company title units and rented out units. He was hit with a massive increase. He was told in the documents given to him by the department that the justification for it was the comparable values of other similar properties. He lived in a part of Balgowlah that was not as affluent as other parts of the area. One of the land holdings to which his property was compared was located in North Steyne, which is millionaires row. That is an example of relativities and how value is determined in relation to other properties. Recently I had 14 people from Seaforth in my office. Mr George Citer of No. 1 Bligh Crescent organised the meeting. The residents were very unhappy about the quantum of the increase and also about relativities. I wrote to the Valuer General on their behalf, as did Mr Citer.

The Valuer General advised that there will be a general review of the 1 July land values for the Seaforth locality. He expected the review to be completed in March 2006. Landowners have the opportunity to object to the valuations, but they should not be put through it in the first place. They are hit with a massive slug that is totally unexpected. For some the unexpectedness came about because the market has softened considerably over the past year compared to what it was in the previous two years. The valuations do not seem to bear any relationship to what is happening in a much softer real estate market. I know that Treasury is looking at some sort of rolling averaging over three or five years, which is one way to avoid short-term spikes and volatility. We need a better, fairer, more equitable, more accountable, more transparent and more predictable system than we currently have. It is entirely unsatisfactory that the Government is relying on land tax for 10 per cent or so of its revenue when the system is so imperfect. There are definitely injustices in the system, which the Government should fix.

Mrs JILLIAN SKINNER (North Shore) [9.17 p.m.]: The Coalition does not oppose the Land Tax Management Amendment (Tax Threshold) Bill because it raises the tax threshold from \$330,000 to \$352,000

with effect from the 2006 land tax year. However, I am concerned, as are my colleagues, for my constituents. Over the years I have received many letters about land tax. Many people become very alarmed and distressed about the uncertainty, the lack of transparency, the unfairness in the valuation process and not knowing their liability. The Carr Labor Government, now the Lemma Labor Government, removed the threshold in the 2004-05 budget and created 400,000 new land tax payers. It also raised the rate to 1.7 per cent.

The Ombudsman's report in October 2005 slammed the valuation system, but also said that fixing it would correct undervaluation and increase revenue. After a voter backlash the Government reinstated the threshold of \$330,000 and the 1.7 per cent rate in the 2005-06 budget. In February this year valuations increased by 6.7 per cent—an average 2 per cent for residential and 4 per cent across the State, including commercial—when property sale prices were falling. In an effort to manage the anger the Government announced this lift in the threshold to \$352,000 indexed, and that is where we are now.

Land tax revenues in 2004-05 raised \$1.58 billion—\$188 million more than the Government forecast, making a \$53 million tax cut a token gesture that does not restore fairness to the system. I shall refer to a couple of letters I have received from constituents, one of which I replied to today. I have permission to say that this letter is written by Margery and Noel Leeder, who are joint owners of a property in Esther Road, Mosman. They have written to the Valuer General with objections about the valuation of their property. They make the following points:

1. The valuation increase since 01/07/2002 is **greater than 94%—up from \$855000** (already up from \$531000 on 01/07/1999) **to \$1660000** on 01/07/2005—for one of two 75-year-old semi-detached homes on similar land ...

They point out that their land is slightly larger than that of the other property. They also point out:

2. We realise that land values in Balmoral have markedly increased since last valued in 2002, but it seems grossly inequitable that the differential is so great between these two small tied properties ...
3. We do not have definitive information from the owners of other properties in our street, but we understand that none have experienced an increase in valuation of such magnitude ...

The Leeders are not the only people to raise concerns about valuations. Valuations on the Skinner's property, which we bought in 1975, have increased enormously and bear no relationship to any properties in the street, simply because people are not selling their houses.

[Interruption]

We are not paying land tax, which means that we are under a certain threshold. I want to know how the Valuer General has come to this conclusion when no properties have been sold. Another constituent, whose name I will not mention, has raised an interesting issue with me. This resident of McMahon's Point received a letter from the Office of State Revenue about a land tax audit being conducted. He wrote:

Upon inquiry I discovered the reason for the letter was they had detected on 18 December 2001 I had purchased a new principal place of residence and in 17 January 2002 less than a month later I sold my previous place of residence. At the time I did not believe such transactions would attract land tax. This is a highly normal transaction as people generally buy first and then sell their houses.

He is absolutely correct. He does not understand how this came about. I ask the Minister for Gaming and Racing, and Minister for the Central Coast, or the Minister who responds to this debate on behalf of the Government—I do not mind getting the information outside the parliamentary sitting—to explain how such a thing could happen. I do not know how to respond to my constituent. I told him that I would raise the matter in Parliament and see whether I could get an answer. Otherwise he, like all my constituents, will believe that it is just a money grab by the Labor Government for more taxes because it cannot manage the State's economy.

Mr ANDREW CONSTANCE (Bega) [9.23 p.m.]: I will not oppose the Land Tax Management Amendment (Tax Threshold) Bill, the purpose of which is to raise the land tax threshold from \$330,000 to \$352,000, with effect from the 2006 land tax year. I have been inundated with letters from local residents who have done the right thing and saved for their future by investing in property, only to be penalised and taxed to the hilt by the Government, which has a philosophical bent against people who might want to invest in property. That is simply outrageous. People on the far South Coast have paid relatively lower property prices than those elsewhere in the State, but at the time they have been subjected to land valuations which, in some cases, have tripled. Earlier this year I was contacted by a constituent who had requested a valuation from the Valuer General's Department in June last year. The valuation, which was dated 21 June 2005, was \$200,000. When the current valuation arrived nine days later it had almost tripled to \$585,000.

The fact that the valuation tripled from one valuation determination to the next highlights the fact that property valuations on the far South Coast have increased dramatically and many people will not longer benefit from the land tax threshold. In the 2004-05 budget the land tax threshold disappeared. Then in a populist move on the Government's part the land tax threshold was reinstated in the 2005-06 budget. The valuation system continues to be of concern to people on the far South Coast, but the Government will not rectify the problem. Indeed, it has ignored the report handed down by the Ombudsman in October 2005 about the component method used for determining valuations.

It is nice to have a significant tax take on the back of land tax. Obviously the Government attempted to introduce one big property tax in New South Wales, which would be a bonanza for its coffers. That shows that the Government is out of touch with everyday people. People on the far South Coast saved for their retirement. Some people have been there for 30 or 35 years; they bought their property when it was incredibly cheap, and some also own an investment property. Now they are being penalised with land tax rates far in excess of their capacity or ability to pay. These people, some of whom are in their mid-eighties, saved all their lives and kept a parcel of land on the back of an investment, and they simply cannot find the money to pay such an enormous tax bill.

Land tax revenue has increased. The Government cannot continue to ignore the fact that it is making a motser of the forecast about land tax. Hard-earned dollars are being taken from New South Wales taxpayers and given to back office bureaucrats based in Sydney in the form of wages. As I said, I will not oppose the bill because some landholders on the far South Coast will benefit from an increase in the threshold. However, until the Government starts to clean up the valuation method used, the component method, people will increasingly be disadvantaged. Over the past 12 months hundreds of people have contacted my office about objections they have lodged with the Valuer General. I hope the Government sees fit to respond to many of the concerns raised.

Mr THOMAS GEORGE (Lismore) [9.28 p.m.]: I shall make three or four points about the Land Tax Management Amendment (Tax Threshold) Bill. In this bill the Government is complementing and praising itself for reinstating the land tax threshold to the previous level. This Government should be reimbursing approximately 400,000 mum and dad investors who were caught when this Government abolished the threshold, yet the Government is now reintroducing it. That is a disgrace. To many people land tax is part of their lifestyle, and the Minister is probably wondering why so many members of the Opposition want to participate in this debate.

Five or six years ago, land tax was unheard of in many country areas. Because many people are asset rich but cash poor, they are concerned about the valuation process. This Government should realise that land tax affects a great number of people, not just landholders. Many people who live in the Northern Rivers area have been introduced to land tax over the past few years. I know a couple, Warren and Joy Nicholls, who have worked hard all their lives. They moved to the small town of Evans Head and purchased two blocks of units comprising a total of 10 units. When they first purchased the property, the cost per unit, leaving aside rates and water charges—

Mr Grant McBride: The purchase price?

Mr THOMAS GEORGE: No, the cost of land tax was \$50 a unit in 2002. Today the cost of land tax per unit is \$1,100 per unit. That may not sound like a lot to the Minister, but when rates, water and sewerage charges are added, the owners have to recoup \$1,600 or \$1,700 from each tenant. Many tenants in small towns are aged pensioners and people who are in receipt of some type of government support.

Mr Grant McBride: But this is a holiday destination.

Mr THOMAS GEORGE: The type of dwellings to which I refer would accommodate only permanent residents and probably are not be suitable for holidaymakers. Apart from the fact that some of the tenants have other forms of income, the owners have to recoup \$30 a week from aged tenants and people who receive government support. The point I make is that everyone thinks land tax affects only landlords or owners of land, but land tax affects a lot of people indirectly. The abolition of the tax threshold adversely affected mum and dad investors who invested out of a desire to be able to look after themselves in the future instead of depending on government support. How will small investors recoup expenses that double over a period as short as 12 months? Increases of that magnitude cause a great deal of heartache and concern. As Opposition members have pointed out, the Opposition will not vote against the bill.

Mr GRANT McBRIDE (The Entrance—Minister for Gaming and Racing, and Minister for the Central Coast) [9.32 p.m.], in reply: I thank all honourable members for their contribution to the debate, in particular the honourable member for Lismore, who continually stands up for his constituents. I also thank the Opposition for its support for the bill. This bill is designed to implement the Government's announcement in January that the threshold for exemption from land tax will be increased from \$330,000 to \$352,000. The 6.7 per cent rise in the tax-free threshold matches the average statewide increase in the value of land that is subject to land tax. It means that thousands of property investors at the lower end of the scale will be exempt from paying land tax this year. Approximately 12,700 additional investment property owners will not pay any land tax this year. That brings the number of investment property owners who paid land tax last year but will not pay any land tax this year to 390,000.

By raising the threshold the Government is providing a tax cut worth \$53 million. The measure is one of four tax cuts that have been delivered by the Government in the past seven months. In addition to the threshold change, the Government abolished the vendor duty in August 2005, saving New South Wales taxpayers \$358 million in 2005-06, reduced works compensation premiums by 5 per cent and introduced a new payroll tax concession in February 2006, targeting areas of above average unemployment. This measure is expected to boost business in New South Wales to the tune of \$90 million over the next five years.

That is what the Government has been doing to strengthen the New South Wales economy. That begs the question: What has the Opposition been doing in the meantime? Disturbingly for the people of New South Wales, the Opposition has been doing what it normally does—talking down New South Wales, failing to produce any sensible policies and wildly committing to a reckless \$22 billion spending spree. People should be under no illusions. The greatest risk faced by the New South Wales economy is the Leader of the Opposition and his mates on the Opposition benches. While Premier Iemma is outlining a series of sound, sensible and deliverable economic measures, the Opposition is spending like Paris Hilton on Rodeo Drive.

Since Peter Debnam became Leader of the Opposition, he has committed to spending and tax measures worth \$8.63 million. The Opposition's overcommitments have climbed to an astronomical \$22 billion, which represents half the total State budget. That is over 50 per cent of the annual State budget, and it shows the value of the Opposition's increased commitment and promises to the community. The current Opposition is totally fiscally dangerous. Its crazy spending proposals will rip New South Wales' triple-A rating to pieces, sending the State bankrupt overnight. The people of New South Wales are asking the question: Where is all this money going to come from? While this fiscally irresponsible gaggle on the Opposition side is continuing on its dangerous path, the Iemma Government is making sound, responsible policy decisions. This bill is an example of the Government's contribution to sound financial management and continuing economic growth in this State. I commend the bill to the House.

Motion agreed to.

Bill read a second time and passed through remaining stages.

FINES AMENDMENT (PAYMENT OF VICTIMS COMPENSATION LEVIES) BILL

Second Reading

Debate resumed from 28 February 2006.

Mr ANDREW TINK (Epping) [9.37 p.m.]: The object of the Fines Amendment (Payment of Victims Compensation Levies) Bill is to provide for the payment of victims compensation levies under the Act as if the levies were fines imposed by a court, and to provide that payment of certain levies that are payable by persons in prison may be enforced by means of the attachment of the person's prison earnings. The Subordinate Legislation Act passed in 1989 may have operated to create a lapse in the Victims Compensation Regulation 1997. Compensation levies have continued to be deducted from inmates' prison earnings but there is a question mark over whether that is valid. Everyone wants to see prisoners continue to pay an appropriate amount into a fund to compensate victims, so this bill is designed to regularise what has gone on—which might be open to question on a technicality—and to ensure there is a proper basis for payments in the future. For that reason the Coalition does not oppose the bill.

Mr NEVILLE NEWELL (Tweed—Parliamentary Secretary) [9.39 p.m.], in reply: I thank the honourable member for Epping for his contribution to the debate. The Fines Amendment (Payment of Victims

Compensation Levies) Bill will ensure that compensation levies can continue to be deducted from inmates' earnings and be collected by the State Debt Recovery Office under the Fines Act 1996. Compensation levies are paid to the Victims Compensation Fund. In that way people committing criminal offences are required to make a personal contribution to the compensation of victims of crime. The Fines Amendment (Payment of Victims Compensation Levies) Bill facilitates the collection of compensation levies from offenders and is both in the public interest and in the interest of victims. I commend the bill to the House.

Motion agreed to.

Bill read a second time and passed through remaining stages.

The House adjourned at 9.41 p.m. until Thursday 9 March 2006 at 10.00 a.m.
