

LEGISLATIVE ASSEMBLY

Wednesday, 14 September 1994

Mr Speaker (The Hon. Kevin Richard Rozzoli) took the chair at 2.15 p.m.

Mr Speaker offered the Prayer.

ASSENT TO BILLS

Royal assent to the following bills of the previous session reported:

Anti-Discrimination (Amendment) Bill
Board of Vocational Education and Training Bill
Bush Fires (Amendment) Bill
Bush Fires (Further Amendment) Bill
Crimes Legislation (Dangerous Articles) Amendment Bill
Crimes Legislation (Unsworn Evidence) Amendment Bill
Electricity (Broken Hill) Amendment Bill
Electricity Commission (Amendment) Bill
Environmental Planning and Assessment (Amendment) Bill
Film and Video Tape Classification (Amendment) Bill
Fire Brigades (Amendment) Bill
Fish Marketing Bill
Fisheries Management Bill
Gaming and Betting (Race-meetings) Amendment Bill
Gaming and Betting (Telephone Betting) Amendment Bill
Health Legislation (Miscellaneous Amendments) Bill
Industrial Relations (Contracts of Carriage) Amendment Bill
Irrigation Corporations Bill
Justices (Fine Default) Amendment Bill
Liquor (Amendment) Bill
Local Government Legislation (Miscellaneous Amendments) Bill
Mental Health (Amendment) Bill
Motor Accidents (Amendment) Bill
Native Title (New South Wales) Bill
Property, Stock and Business Agents (Amendment) Bill
Registered Clubs (Amendment) Bill
Retail Leases Bill
State Bank of South Australia (Transfer of Undertaking) Bill
State Emergency and Rescue Management (Amendment) Bill
State Revenue Legislation (Amendment) Bill
Statute Law (Miscellaneous Provisions) Bill
Timber Industry (Interim Protection) Amendment Bill

BILL RETURNED

The following bill was returned from the Legislative Council without amendment:

Retail Leases Bill

ANTI-DISCRIMINATION (AMENDMENT) BILL

Message

Message received from the Legislative Council agreeing to the Legislative Assembly's amendments.

MINISTRY

Mr FAHEY: I desire to inform the House that on 27 June 1994 His Excellency the Governor accepted the resignation of the Hon. Terence Allan Griffiths MP as Minister for Police, and Minister for Emergency Services, and as a member of the Executive Council; and the resignation of the Hon. Garry Bruce West MP as Minister for Energy, and Minister for Local Government and Co-operatives. His Excellency the Governor then appointed the Hon. Garry Bruce West MP as Minister for Police, and Minister for Emergency Services; and the Hon. Edward Phillip Pickering MLC as a member of the Executive Council and as Minister for Energy, Minister for Local Government and Co-operatives.

Mr SPEAKER: Order! I call the honourable member for Bulli to order. I call the Leader of the Opposition to order.

Mr FAHEY: I also wish to inform the House of the appointment on 11 July 1994 of Andrew Arnold Tink MP as Parliamentary Secretary Assisting the Premier, and Minister for Economic Development, following the resignation of the Hon. Edward Phillip Pickering MLC as Parliamentary Secretary. The Attorney General will be represented in this House by the Minister for the Environment. The Minister for Justice will be represented in this House by the Minister for Multicultural and Ethnic Affairs, and Minister Assisting the Minister for Justice. The Minister for Planning, and Minister for Housing will be represented in this House by the Minister for Land and Water Conservation. The Minister for Education, Training and Youth Affairs will be represented in this House by the Minister for Industrial Relations and Employment, and Minister for the Status of Women. The Minister for Tourism will be represented in this House by the Minister for Transport, and Minister for Roads. The Minister for Energy, and Minister for Local Government and Co-operatives will be represented in this House by the Minister for Police, and Minister for Emergency Services.

LEAVE OF ABSENCE

Motion by Mr Beckroge agreed to:

That leave of absence for the present session be granted to Westby James Davoren, member for Lakemba, on account of absence from the State.

QUESTIONS WITHOUT NOTICE

BUDGET STRATEGY

Mr CARR: My question is directed to the Premier. Did the Government's budget briefing document released last week say, "A balanced budget is not necessarily a sign of good management or good government. The means used to balance a budget can have a disastrous effect on the economy". What was Treasury's advice on yesterday's announcement?

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

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Mr FAHEY: I am delighted that at long last the Leader of the Opposition, after 35 questions in a row in the last session on matters that have little to do with the welfare of the people of New South Wales, jobs, the economy or anything else -

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

Mr FAHEY: - has addressed the question of economics in this State, has addressed the question of budgets and questions that most people are interested in and which this Government has made sure have been dealt with in the most appropriate manner.

Mr SPEAKER: Order! I call the Leader of the Opposition to order for the second time. I call the honourable member for Burrinjuck to order. I would like to think that after a reasonable break members are sufficiently refreshed from the recess to not be under the tension which can cause unruly behaviour in this House. I hope that from now on they will allow question time to be conducted with some dignity so that all who wish to hear can.

Mr FAHEY: The one thing that everyone in New South Wales knows is that this man is an economic vandal with absolutely no idea of what is happening in this State so far as the economy is concerned. He makes false, fraudulent, hollow promises about what the Opposition will do if ever it is given the chance.

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

Mr FAHEY: Do not take my word when it comes to fraud.

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

Mr FAHEY: Just ask the member for Liverpool about hollow promises -

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

Mr FAHEY: - because, whether you believe the Leader of the Opposition or not, he knows damn well that you cannot -

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

Mr FAHEY: This is the man who two years ago said that we should double the deficit. He wrote to me and said, "Double the deficit. Add a further \$1.2 billion to the deficit". This is the man who said, "We are going to pull down the tollways on the M4 and the M5". The cost - \$615 million. That is what it would cost the State.

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

Mr FAHEY: This is the man who today authorised the man sitting next to him - the honourable member for Kogarah, who is also actually a good friend of the honourable member for Liverpool, so I think he is next on

the hit list and should be a bit careful - to go out to say, "We are going to run the Eastern Distributor, we are going to pay for it ourselves", at a cost of \$180 million. No trouble at all. Make promises, put it on Bankcard, and do not care or worry about it.

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

Mr FAHEY: The Leader of the Opposition is running scared about a balanced budget.

[Interruption]

Mr SPEAKER: Order! It is very early in question time and I do not wish to resort to placing members who have been called to order so far on three calls to order. However, I warn honourable members that the Chair will not tolerate outbursts of that nature, and that I will deal severely with those who similarly offend in the future.

Mr FAHEY: You know when the economic illiterate is in trouble, because the organ-grinder sends out the monkey, and that is exactly what he did yesterday: he sent out the Hon. M. R. Egan.

Mr SPEAKER: I call the honourable member for Burrinjuck to order for the second time.

Mr FAHEY: When you are in trouble you call Egan in. The Leader of the Opposition has not got much of a reputation, but the Hon. Michael Egan has absolutely no reputation. The Leader of the Opposition should read the entire document he is referring to. The document was produced two years ago, and it, as has the Treasury, made it abundantly clear that we, like States in America - States, I stress - can bring in a balanced budget.

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

Mr FAHEY: We will bring in a balanced budget, and we will make sure that with governments in the future - long after all members of this House who are here at the present time are gone - there will be an accountability, a transparency and a responsibility.

Mr Carr: When was the last balanced budget?

Mr FAHEY: When was the last balanced budget? When did Labor ever bring out a balanced budget, or even aim for it? We know exactly what Labor is about. You only have to read today's papers to see how you settle strikes these days. Splashing out \$18 million for a problem with a strike, which you could not even address over the weekend, despite the damage it is doing to our State and to our nation. Just bring out the cheque book, roll it out, pay them off, and, of course, when you are in Labor you forget about what is happening in the rest of the State.

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

Mr FAHEY: The fact is that document, when read in its entirety, is well within exactly what this Government intends to do, and that is to show economic responsibility that has teeth.

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CAHILL EXPRESSWAY DEMOLITION

Mrs SKINNER: Has the Premier, and Minister for Economic Development assessed the Commonwealth's offer to contribute funds for the demolition of the Cahill Expressway? If so, what action does the Government propose in relation to the expressway?

Mr FAHEY: Today the Minister for Transport, and Minister for Roads and I announced that the Government will proceed with construction of the Eastern Distributor. This is a \$180 million project that will provide huge benefits to inner Sydney. It will improve traffic safety and remove bottlenecks, improve public transport services to the eastern and south-eastern suburbs, and improve transport links to the airport. Construction of the Eastern Distributor will complete two important projects that Labor neglected. Labor built a tunnel under the harbour but neglected to complete the roadworks at either end. Once again the coalition Government is filling the gaps caused by Labor neglect. We built the Gore Hill Expressway and now we are building the Eastern Distributor.

The Prime Minister and the New South Wales Leader of the Opposition, being men of great unfulfilled visions, both have pulling down the Cahill Expressway at the top of their list of priorities. Given the current devastating drought, and the other major road, rail and health projects needed in New South Wales, removing the Cahill Expressway is well down the list of priorities of my Government. I have today written to the Prime Minister to tell him that New South Wales is not prepared to commit \$130 million for roadworks associated with pulling down the Cahill Expressway. My Government must give priority to the more urgent needs of the people in New South Wales.

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

Mr FAHEY: The Cahill Expressway is used by 38,000 motorists each day, and is an important safety valve in case of problems with the harbour tunnel. We experienced that only two weeks ago when there was an accident in the tunnel; the chaos that occurs when that tunnel is not in use. The effects of the drought on this State are incalculable. The winter cereal crop has been devastated, and irrigators in the north of the State face zero water allocations this year. Farmers now face a long, hot summer with no spring growth, low fodder supplies, and dwindling stock water supplies. We have to be prepared for this drought to get a lot worse in the coming months.

In these circumstances the Government cannot justify expenditure to pull down a useable roadway simply for the purposes of beautification. New South Wales has many other priorities. The Government has a record \$1.8 billion hospital rebuilding program under way - necessary because of the shameful neglect of the previous Labor Government. Twenty-eight major hospital developments are under way, or have been completed in the last six years. Labor built two hospitals in 12 years. The \$600 million new southern railway line to Sydney airport and the \$400 million Parramatta to Hornsby rail link are the priorities of this Government.

Mr SPEAKER: Order! I call the honourable member for Smithfield to order for the third time.

Mr FAHEY: There will be an additional 500 police out on the streets. The first of those recruits are in the academy now. There will be 1,500 more teachers in areas of need and concern for the first term of 1995. They will be employed where they are needed. This Government will slash \$54 million each year off the payroll tax bill for small business. These are my Government's priorities, and the priorities of the people of New South Wales. I am not prepared to pull down an existing roadway when there are so many other pressing needs in this State.

DROUGHT RELIEF

Mr MARTIN: My question without notice is addressed to the Premier, and Minister for Economic Development. Why are less than 50 per cent of drought relief applications in New South Wales approved by the Government? Does this compare with approval rates of between 67 per cent and 87 per cent in every other mainland State of Australia?

Mr SPEAKER: Order! I call the honourable member for Ku-ring-gai to order.

Mr MARTIN: Will he support a Public Accounts Committee inquiry into the Rural Assistance

Authority?

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

Mr FAHEY: Recently I visited the west of the State to see at first-hand the impact of this devastating drought - the worst drought in living memory - on so many farmers, so many people, and so many communities in that region. Today 83 per cent of New South Wales is drought declared. The Government is concerned about this disaster, which is of such proportions that we will probably never come to grips with it. The Government has already announced that an additional \$22 million will be made available to support farmers. The best the Federal Government could do at the time was to allocate \$4.2 million after the Minister for Primary Industries and Energy - the man from the Northern Territory - visited drought areas in Queensland. When the Prime Minister was asked about the drought he simply said, "These things happen from time to time. They are always going to occur. Let us not get too excited about it".

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

Mr FAHEY: Until today the Prime Minister - a New South Wales Prime Minister - had not gone near drought areas. When he decided to he did not choose areas in his own State; he went to Queensland, where
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Senator Collins had gone about six weeks ago. When I visited the west of the State with the Deputy Premier, we were accompanied by the head of the Rural Assistance Authority.

[*Interruption*]

The honourable member for Port Stephens should listen to the answer. He never asks questions about rural New South Wales; he knows nothing about it. He spends all his time on the coast and does not want to listen to what I have to say. Mr Maslin, the head of the Rural Assistance Authority, spoke to many farmers about the help that is available to them. The rules are made in Canberra.

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

Mr FAHEY: It is very convenient for Senator Collins to appear on television's *Lateline* and *Sunday* programs and splash around figures. The fact is the other States are not even accepting applications.

[*Interruption*]

That is what the honourable member would find if he conducted an inquiry. People are being told not to bother applying because they cannot jump over the rules set by the Commonwealth.

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

Mr FAHEY: On the other hand, in New South Wales the Rural Assistance Authority is accepting every application and is endeavouring to help every person who applies. Sadly, because of the criteria established in Canberra only about 50 per cent of applicants are successful. Very little support is forthcoming. The other States say, "Forget it, take it away, do not bother us. We will not even record it, we do not want the applications. You will not get through the door. Do not bother cluttering our desks with it."

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

Mr FAHEY: The Government will continue to try to help. It will continue to call on the Commonwealth for support in respect of the drought. It will continue to ask the Prime Minister personally and in writing to keep the farm workers on their properties; not to give them unemployment benefits after they leave

their jobs but to pay them unemployment benefits to stay on the properties to continue to look after the starving stock, to continue to do all the work that has doubled and trebled as a result of the conditions being experienced. The Government will continue to ask the Prime Minister to abolish the assets test for these farmers, who will never qualify for any welfare benefits because they have useless assets - assets that they would love to walk away from but cannot; assets that mean nothing because they do not produce revenue; assets that result in negative revenue year after year during drought periods. The Government will continue to ask for simple, helpful suggestions for adjustments to the Taxation Act to allow depreciation for conservation of fodder and water.

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

Mr FAHEY: It is farcical that in this country 150 per cent tax deductibility can be obtained for an investment in films, whereas a tax deductibility of only 5 per cent is available for a new silo or a new dam. Where is the incentive for our farmers to conserve for the tough times? A government committee is constantly monitoring the impact of the drought. The Government has the will to act sensibly and to provide support, including support from the Rural Assistance Authority. It will do all it can to get somebody through the door in Canberra, even if that means playing by the rules of the Federal Government. People seeking support in this State will not be rejected for the purpose of improving figures, as applicants for support are rejected in other States.

ROAD SAFETY

Mr HAZZARD: My question without notice is addressed to the Minister for Transport, and Minister for Roads. Is it a fact that in certain areas accident and fatality rates have been dramatically reduced following the provision of new divided roads? Can the Minister advise the House of the benefits flowing from projects such as the Eastern Distributor?

Mr BAIRD: I thank the honourable member for Wakehurst for his contribution, together with other honourable members, to the Staysafe committee of this Parliament and for the real benefits that have flowed from that committee. When the coalition came to office it had a clear priority to build roads, and it makes no apologies for that. The Government has spent 30 per cent more in real terms on roads during its time in office than was spent in the last six years of the previous Labor Government. When the Labor Party was in government its members said they would cancel all freeway plans and put people back on to public transport. Patronage of public transport barely moved. The number of cars on the road doubled when the Labor Party was in government. The Leader of the Opposition constantly refers to pollution from freeways and says he is totally against freeways. He changes his tune when he goes to the country. He puts on his environmental hat in the city but in the country he promises roads.

At Port Macquarie last month he promised \$8 billion in the first five years of a Labor government. Heaven help the State if the Labor Party is elected. He plays one tune in the city about being anti-freeway, but in the country he plays another tune saying that he is for roads. He changes his tune all the time - but the Government has delivered. In the late 1970s, when the previous Labor Government was in office, this State - in comparison with other States - had the highest level of road fatalities. With the improvements that are being made and other benefits

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that have flowed from recommendations to the Government the number of road fatalities have decreased by half.

A key factor that has contributed to a difference in the fatality level is the number of freeways that have been built. Most honourable members would agree that the Eastern Distributor, which is a great project, will solve the traffic problems through Taylor Square. I am sure the honourable member for Bligh would agree that it is a much needed project. The honourable member for Kogarah changes his mind daily. He does not know which way to go, whether to agree with Mr Brereton, upon whose agenda was the Eastern Distributor - or

whether to put on his environmental cap. The honourable member for Kogarah says, "We are in favour of the environment. We will take the tolls off the roads" - which represents revenue of \$615 million. If one wants to reduce the number of cars on the roads, the last thing one would do is take away the tolls.

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

Mr BAIRD: As night follows day, there can be no doubt that if tolls are taken off the roads more motorists will be encouraged to travel on those roads. The honourable member for Rockdale and the Deputy Leader of the Opposition, who both have heavy traffic in the streets of their electorates, know what effect traffic has on pollution in their local environments. Though they see it every day, they are not willing to support the building of new freeways in this city. Recent studies from Canberra show that 30 per cent of pollution occurs as a result of cars waiting at traffic lights. One-third of all petroleum used in this country is consumed at traffic lights. It would be much more environmentally responsible for us to look at the way in which freeways, without getting out of control, can assist us. What was the accident rate before freeways were built? In Mittagong, over a three-year period before the freeway was opened, there were a total of 148 crashes around the bypass area. Since the freeway opened in August 1992 there have been 30 crashes and no fatalities.

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

Mr BAIRD: The Premier would be aware that in the three years before the Goulburn bypass was completed there were 198 crashes.

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

Mr BAIRD: Since the end of 1992 there have been only 20 accidents and no fatalities. The honourable member for Kiama would know that much more money is being spent on roads by this Government.

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

Mr BAIRD: Twice as much money has been spent on roads by this Government in the electorate of the honourable member for Kiama than was spent by the previous Labor Government, so the honourable member for Kiama should be the last person to complain about this Government's record on roads.

Mr SPEAKER: Order! I call the Minister for Health to order. I call the honourable member for Kiama to order for the third time.

Mr BAIRD: What was the track record of the previous Labor Government? During that period electorates in the western suburbs did not receive much funding. The lion's share of the money was spent in electorates such as Maroubra and Heffron. Electorates in the west did not see too much funding. Overall figures for the State show that there are 44 accidents per 100 million vehicle kilometres. On a four-lane divided road that figure drops to 33 accidents per 100 million vehicle kilometres. On a four-lane divided freeway the figure is only 11 accidents. Countless lives are being saved because of the changes being made by this Government. The Eastern Distributor has been long awaited by the people in this State, by those who live in the inner city areas and by those who travel across the city. They welcome this initiative. It took this Government to make it happen.

DROUGHT RELIEF

Mr BECKROGE: My question without notice is directed to the Premier. Is he aware that drought stricken farmers who have no income have received council rates? Will the Premier advise me and other members what the Government plans to do to subsidise people on farms who have no income?

Mr FAHEY: Mr Speaker -

Mr SPEAKER: Order! I will hear the answer in silence.

Mr FAHEY: When the honourable member for Broken Hill makes his rare visits to his electorate he should stop off in Canberra on the way to see and speak with the Prime Minister.

Mr SPEAKER: Order! I call the honourable member for Eastwood to order. I call the Minister for Multicultural and Ethnic Affairs to order. I call the honourable member for Broken Hill to order.

Mr FAHEY: One of the disgraces of public administration in the past decade has been the total neglect of rural New South Wales and rural Australia by the Commonwealth Labor Government. At the next Council of Australian Governments in February the New South Wales Government will attempt to get Commonwealth Government support. All honourable members should support the New South Wales Government's attempt to get some form of relief for rural Australia from the Federal Government to alleviate the devastation that has occurred and is occurring far too frequently. This is the worst drought in living memory. The subject of council

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rates was raised with me by representatives of Bourke Council when I visited the Bourke area. At that stage the shire president was overseas, but I spoke to councillors who indicated to me that they would like to see council rates subsidised.

Mr SPEAKER: Order! I call the Minister for Agriculture and Fisheries to order.

Mr FAHEY: Transport subsidies of \$30 million have been ongoing for the past three years, and they cover the costs of transporting fodder into drought areas and cattle into areas where there is grass and pasture. In addition to that \$30 million subsidy the Government has announced that it will provide \$22 million to assist farmers. I have indicated that this situation is ongoing and we are monitoring it. All of us sincerely hope that the rain will come. After the low commodity prices of the past few years, the fact that the stock are now depleted, and the fact that it takes some years before the cheques to come in, even when the weather and the conditions improve and the rain comes it will be a long time before we get away from this drought.

Councils have an obligation to do what they can. When it comes to western lands lease fees, the Government has done something: it has given subsidies in respect of leases fees. That is our responsibility, and we accept it. When it comes to council rates, councils have to pull their weight. It is entirely appropriate that councils consider how they might hold over farmers' rates. Councils should not turn to the New South Wales Government, which has given significantly and will continue to do so as and where it can - hopefully with the support of the Prime Minister, but that is yet to be seen. The Government will do its bit and the councils should do their bit.

NATIONAL MARITIME STRIKE

Mr D. L. PAGE: My question without notice is addressed to the Deputy Premier, Minister for Public Works, and Minister for Ports. What has been the impact on trade, through New South Wales ports, of this week's national maritime strike? Have vital export orders been thrown into chaos because of the strike?

Mr ARMSTRONG: Of all the strikes in the sorry history of industrial disputes on Australia's waterfronts, this strike must rank as one of the most serious that this country has seen. The damage caused is incalculable, and I will explain why. I guess, though, a cynic might say that it was well orchestrated for the Prime Minister.

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

Mr ARMSTRONG: The strike has savaged Australia's reputation as a reliable trading nation, at a time when that reputation was recovering from decades of trade union lawlessness and indifference to our export potential. What hypocrisy for the Prime Minister to be lauding himself in Asia in recent weeks, talking about improving the export performance of Australia, talking about new pacts to improve the export of agricultural products into Asia, and talking about new cooperation, when at the very same time he is not prepared to support the method of delivering those products. It is typical Labor Party sham politics. Sham politics is what the Prime Minister is all about. The final cost of this totally unnecessary strike will be measured not only in the millions of dollars of lost trade but in the loss of confidence our international trading partners will have in our ability to deliver the goods they want to buy.

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

Mr ARMSTRONG: It is worth while putting on the record the position as it is today. For example, 25 vessels are still anchored off Newcastle port because of the strike, and 1.4 million tonnes of coal destined for Japan, Taiwan, Europe and Korea have been put at risk as our competitors seek to plug the delivery gap caused by the strike. It is notable that since 1988, under this Government, Newcastle has become not only the largest coal exporting port in the world but also the cheapest. That is what this Government has achieved in cooperation with the industry: the largest and cheapest port in the world for exporting coal. Yet the Labor contribution has been to cause an industrial action that prevents 25 ships being used to service Taiwan, Europe and Korea getting into that port - because Labor cannot manage the industrial relations area of its responsibility.

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

Mr ARMSTRONG: The strike caused seven vessels to be delayed for up to five days off Botany, three vessels to wait off Sydney heads, and 13 to be delayed at the wharves, involving 12,500 containers. At Port Kembla four ships were delayed in port and nine were forced to wait at sea.

Mr SPEAKER: Order! I call the honourable member for Newcastle to order. I call the Minister for the Environment to order.

Mr ARMSTRONG: BHP's international competitors are rubbing their hands with glee as 33,000 tonnes of good Australian steel -

Mr SPEAKER: Order! I call the Minister for Multicultural and Ethnic Affairs to order for the second time.

Mr ARMSTRONG: - ordered by the United States fails to meet its delivery date, 17,000 tonnes of steel exports to Canada suffer the same fate and 18,000 tonnes of steel ordered by Japan are now at risk of being replaced by our competitors. On its own, that is a disgrace, but the waterfront workers should know that their totally irresponsible action caused even greater damage to our major rural exports. It might give waterfront workers and the Labor Party satisfaction to know that their strike cost \$28 million in lost wool exports. While Australia is in the midst of possibly the greatest drought this country has ever seen - at a time when the Labor

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Party in this House today, for the first time I can remember in seven years, is asking questions on a drought - the Labor Party is prepared to support an industrial action that has cost the wool industry a conservative \$28 million. What about the industry's reputation!

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

Mr ARMSTRONG: Just as the industry is struggling to regain textile markets in the developing areas of China in particular, the industry cannot deliver because of Labor's sham industrial policies. Cotton exports have suffered a loss of \$10 million - and this is from one of our best managed primary industries. Though industry management is fine, with good research, good development, good marketing and good overseas relations, who lets industry down? The Labor Party and its industrial policies. There has been a \$16 million

loss in wheat exports. It is unlikely, at this stage, according to the Australian Wheat Board, that this country will have exports of wheat next season, in net terms, yet here we are struggling to try to keep some of our very valuable overseas export orders. At the moment \$16 million worth of wheat is ready for export. What has happened to it? It cannot be exported because the Labor Party - which could not run a pie stall at a grand final - cannot deliver it. Opposition members who are seeking to interject might not like this, but it is a fact of life. They have been party -

[*Interruption*]

Even the mouth with a pair of legs is having a go now. They have been party to a great industrial disgrace: \$35 million in meat exports lost; \$1 million in sugar exports lost; and in round figures more than 60 ships stranded at New South Wales ports because of the strike, costing shipowners an average of \$20,000 per day. More than \$200 million worth of cargo sat on New South Wales wharves simply because 1,000 overpampered waterfront workers wanted to guarantee their privileged lifestyle without threat, under the privileges offered by the Labor Party.

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

Mr ARMSTRONG: What other worker gets a day off for every day that he works?

Mr SPEAKER: Order! I call the honourable member for Kogarah to order for the third time. I call the honourable member for Port Jackson to order.

Mr ARMSTRONG: What other industry suffers overcrewing to the extent enjoyed by Australian maritime workers?

Mr SPEAKER: Order! I call the Minister for the Environment to order for the second time.

Mr ARMSTRONG: And what other section of the trade union movement receives such favoured treatment from the Prime Minister? Is the Labor Party going to extend that right across the trade union movement? Is Labor going to extend the benefits of no taxation to all members of the trade union movement? No taxation was the sop. Members opposite might not like it but it is their party that has brought it in. I ask them whether they will approach Canberra now and ask about the people who got insurance money after their houses were burnt down last summer and invested that money. The Federal Labor Government is going to tax them on the earnings from their invested insurance money. Are members opposite going to ask that that taxation be waived, or are they going to keep that only for their union mates so that they can hand out a few papers for them on election day?

Mr SPEAKER: Order! There are too many interjections from members on both sides of the House. The Deputy Premier will conclude his answer as soon as possible.

Mr ARMSTRONG: I am enjoying this. The News Limited economics editor, Alan Wood, writing in today's *Australian*, poses the question: What is the difference between a seaman and a pilot? Answer: The seaman doorknocked for the Labor Party during the election campaign. Mr Wood goes on to suggest how this explains the extraordinary difference between the way the pilots' union and the seamen's union have been treated by Labor governments. The Hawke Labor Government crushed the pilots' strike in 1989 by using the air force as a strikebreaker and bringing pilots from overseas. The response by the Keating Government to the maritime unions has been to meet the ransom demand by offering them a generous package of subsidies and tax concessions to look after their jobs and wages. How many hardworking Australians, or students struggling to put themselves through their tertiary education by taking on a couple of jobs, would like to be in the position of not having to pay tax on their earnings?

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

Mr ARMSTRONG: How many people? The honourable member for Londonderry would not know, because all he cares about is his union mates. He does not consider the people to whom I have referred. One of the economic writers in today's *Bulletin* says that Labor may welcome indeed this constraint on trade, because it may help to contain exports and therefore to contain inflation, and it helps Labor's policies of restricting the development of this country. That is the comment in today's *Bulletin*. It is clear that Labor governments, State and Federal, have been able to demonstrate repeatedly over the years that they do not have a management capacity. By any benchmark ANL is an absolute disgrace, and a monument to the incapacity and lack of ability of Labor to run a business.

The only way that Labor can see now to get itself out of trouble is to offer the greatest sweetheart deal in the history of this country to a group of workers, at a time when much of this country - namely, the rural sector - is at its lowest ebb. It is a

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Labor disgrace. May members opposite wear it, because I am quite sure that the people of New South Wales and Australia will quickly realise that Labor's mismanagement has brought this about. It is the party of members opposite, with its mismanagement, that has developed a whole new system of looking after its mates at the expense of the ordinary decent taxpayer.

CAHILL EXPRESSWAY DEMOLITION

Mr LANGTON: My question without notice is directed to the Premier, and Minister for Economic Development. In view of his announcement today that he is now opposed to the demolition of the Cahill Expressway, why, on 27 March last year, did he announce the removal of this "longstanding eyesore" as his personal initiative?

Mr FAHEY: I was just speaking to my colleagues on this side of the House about the Cahill Expressway and the Minister for Transport said to me, "What is the difference between the Cahill Expressway and the drought? Answer: You can't see the drought from Kirribilli. That is what this is all about. It is about the view from Kirribilli". I think it will probably sink in with the honourable member for Kogarah in a couple of days that what I announced today is that we will not spend any money on pulling down a road. We prefer to spend money on building roads in areas of priority and concern, not simply pulling down a road - as desirable as that might be, even for those who live on the north side of the harbour. I do not deny them their view. I do not deny that this birthplace of our nation, the Circular Quay area, could be better after a facelift than it is currently. But not at a cost of \$130 million at this point of our history when there are other matters with priority. We will certainly not do it just to make the view from Kirribilli that much better.

LABOR PARTY ECONOMIC DIRECTIONS STATEMENT

Mr ZAMMIT: My question without notice is addressed to the Treasurer, and Minister for the Arts. Is he aware of a document released last week by the Leader of the Opposition entitled "New South Wales - Labor's Economic Directions Statement"? What information can the Treasurer provide about the impact of initiatives outlined in the document on the State's financial situation?

Mr COLLINS: I am aware of the existence of the document to which the honourable member refers. I am pleased to note that the Opposition is so committed to recycling, because the document is simply a regurgitation of a similar document which was released by the Leader of the Opposition in May - that is, May 1991. Let me put this matter into context. The Opposition is trying to trot out some of the same tired old policies that were rejected at the last State election.

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

Mr COLLINS: I am surprised that someone who promotes himself as the alternative economic manager

of this State cannot produce more than 11 flimsy pages of large type on economic directions. And it is not 11 pages of detail; it should have come with instructions. For example, "Just add water" would have been of help because that at least would have given the document some substance. This document is 11 pages of fiscal confectionery. Unlike the Leader of the Opposition, I shall be specific. I will deal with the first economic initiative of the Leader of the Opposition, which we stumble across halfway through this piece of fairy floss. It says, "Balance the budget in 1995-1996". Let us look at this initiative. I might add that overnight the Opposition has run away from balancing the budget permanently; it has abandoned that completely - but this was last week's speech.

So what was in last week's speech? For a start, if the Leader of the Opposition ever had a chance to balance the budget in 1995-96, it would cost this State hundreds of millions of dollars in core services: health, education, roads, law and order, and community services. Of course, the Leader of the Opposition, Bob Carr, cannot say where the money would come from. On page 9 of his statement he states, "From Opposition I cannot and will not give precise quantum and timing commitments"; not "I will not" but "I cannot". That surprised me because in the May 1991 document to which I have referred - which contains many of the initiatives the Leader of the Opposition has dressed up as new ideas - the Leader of the Opposition did actually provide costings. A few figures are attached to the old 1991 document but, of course, the document of last week is a figure-free economic document.

All the tables in the 1991 document are missing from this document; they are all gone. When Bob Carr says he cannot give details, it really means that he does not want to give details because the figures just do not add up. I shall give an example. The Leader of the Opposition says that he will halve the size of the senior executive service. In 1994 he cannot give a costing, but in 1991 he could; so he seems to be going backwards. He claimed in 1991 a figure of \$23 million, and the budget sector component of that would have been about \$15 million. The Government does not agree with that figure; in fact, its assessment is about half that. However, for argument's sake we will give him the benefit of the doubt. After all, he needs all the help he can get with these figures. Better still, we shall allow for inflation over the past three years and assume that Bob Carr's promise in this area would amount to around \$16 million in the budget sector. That is being very generous with Mr Carr's own figures.

The Leader of the Opposition then refers to streamlining administration and scrapping departments in such areas as education and youth affairs, and cutting back on others such as local government, mineral resources and public transport. What the Leader of the Opposition really means is that he will change a few letterheads, sign a few new office leases

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and shuffle a few jobs around. These moves, apart from being highly irresponsible, would have minimal impact on the State budget. In today's dollars, such moves would be worth around \$7 million to the budget sector. That means that the Opposition would have wrought havoc on the public sector for a \$23 million saving on a \$20 billion budget. I could go on at length - and, indeed, on a subsequent occasion I will. I want to finish with a joke - all right, you guessed it: it is from his speech. The Leader of the Opposition is known for his one liners, but how is this one: "Economic responsibility has always been the hallmark of New South Wales State Labor Governments". What a comedian!

Mr SPEAKER: Order! That type of response from some members was entirely unwarranted. I ask them to observe decorum in the Chamber so that the Treasurer can conclude his answer.

Mr COLLINS: Former Labor governments in this State have reigned over poor quality service in both government trading enterprises and government departments. When the Opposition was in office, government trading enterprises were riddled with debt and waste that has only become apparent since this Government came to office. Those same State Labor governments abided by accounting standards from the 1950s as the framework for their budgets. They tried to dress up the results of the day while leaving a legacy for future administrations to deal with in areas such as unfunded superannuation. Those same State Labor governments had absolutely no regard for financial discipline. It has taken the Government six years to repair the damage left by them. The people of New South Wales have a choice. It is between the concrete, deliverable initiatives

of this Government and the flaky promises of the Opposition - a choice between substance and fairy floss.

COMPANY TITLE DISPUTE PROCEDURES

Ms MOORE: My question without notice is directed to the Minister for the Environment, representing the Attorney General. As residents of company title home units have no suitable forum for resolving disputes occurring within the company, what efforts have been made to establish a commissioner for company title following my request in Parliament on 17 March?

Mr HARTCHER: I thank the honourable member for her ongoing interest in this matter. I shall refer the question to the Attorney General in another place and I shall supply the honourable member with an answer.

[Interruption]

The honourable member for Mount Druitt interjects about things he does not know about. If he were to write a book about himself, it would be a very big book. The honourable member for Mount Druitt sits next to the honourable member for limbo in this place, the one person for whom nobody could find a seat, be it in this House or the upper House, and says nothing about his partner, the Leader of the Opposition, who is engaged in the most vicious and vindictive campaign ever seen in this Parliament against one of his own colleagues. This is the sort of treatment he metes out to anyone who dares challenge him for the leadership. I am pleased to give the honourable member for Liverpool an endorsement because he will not be standing for any seat at the next State election.

DROUGHT RELIEF

Mr SMALL: I address my question without notice to the Minister for Agriculture and Fisheries, and Minister for Mines. Will the Minister advise the House what steps the State Government is taking to assist drought affected areas? Is it true that the Leader of the Opposition, Bob Carr, has told his Labor colleagues in Canberra to delay Federal assistance until after the March State election?

Mr CAUSLEY: I thank the honourable member for his pertinent question. It is clear that at long last the Federal Government has realised that the drought in New South Wales and in Australia has reached crisis point. I notice that the Prime Minister has deigned to come back from Tokyo to visit western Queensland. That is the first time he has visited the area in a long time, and it might be noted that he has not come anywhere near New South Wales. Last week the Federal Minister for Primary Industries and Energy, Senator Collins, made a great announcement that he was going to visit Grafton in my electorate and have a look at drought affected properties. Yesterday he said, "Oh, I can't make it". But he can get to Nimbin.

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

Mr CAUSLEY: We know what the cash crop is at Nimbin. We all should be focusing on the devastating effects of this drought, one of the worst droughts this century, which unfortunately does not show any sign of breaking. In 1992 the Commonwealth Government walked away from drought when it said that drought was not a natural disaster. The drought started in 1991, but this Government did not walk away from its responsibilities. Since that time this Government has continued to pay freight subsidies for grain - for fodder for agistment purposes, where stock have to be shifted - and for water. To this stage this Government has paid \$34 million on relief to farmers. What did we get from the Commonwealth Government in that time?

I will speak about a couple of the plans the Federal Government put forward. Under the national drought strategy that is in place provision is made for exceptional circumstances. One exceptional circumstance was the turndown in the wool industry when the wool price collapsed in that raging period when farmers were paying 23 per cent interest during the recession that our great Prime Minister said we had to have. Farmers

paying such interest rates were weakened in their capacity to see through the present

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drought. Exceptional circumstances were invoked for the wool industry. The Federal Government made a great announcement of \$15 million for the wool industry to try to help it through this period. As usual, we have to look at the fine print of anything that comes from Canberra. On reading the fine print we find that the criteria set were so strict that the money could not be distributed because the people did not meet the criteria. That was an absolute sham. We have the same circumstances at the present time.

A couple of weeks ago the Leader of the Opposition said he was going to visit drought affected areas in New South Wales. The only place he was seen preening himself in front of the cameras was in Dubbo. Dubbo is not the worst drought affected area in New South Wales. In fact, Dubbo, Orange and areas around Molong have been fortunate. They have had a little bit of rain and have had reasonably seasonable conditions until now. I was out west at the time and I was rather amused because one of the wags said to me, "Fancy the Leader of the Opposition going across the ranges to have a look. He would not know which end of a sheep eats grass". That would be right because it is about the first time he has been across the ranges. He has offered no support at all. The Premier came out and asked that the exceptional circumstances provision be triggered.

Mr SPEAKER: Order! There is too much audible conversation in the Chamber. I call the honourable member for Port Stephens to order for the third time.

Mr CAUSLEY: He called for \$10 million to help drought affected farmers. Under the agreed formula, that would be \$3 million from the State and \$7 million from the Federal Government. The Prime Minister offered \$5 million. That was all he could muster to help us in that situation. Again he reneged, but while he was in Tokyo he had time to grandstand on national television. That was despicable. An appeal - a good one - was started by Channel 9 to try to help people in the west. The Prime Minister is not able to give money for legitimate schemes that have been set in place by State governments but he can grandstand on national television and say, "I will match every dollar that is donated here tonight". How about him putting his money where his mouth is? The farmers need support out there.

I turn to the assets tests and the crippling effects of interest rates. Farmers went into the 1980s drought with reserves because the 1970s were relatively good times. That drought was a bad one, but they managed to get through it. This time, because of a commodity prices downturn and exorbitant interest rates, farmers went into the drought with no reserves at all. There are people out there - good farmers, on farms that have been in the same family for generations - who have lost almost all their equity. This is an absolute crisis for Australia. The Prime Minister forgets, and the Leader of the Opposition does not understand, that 30 per cent of Australia's export income still comes from agriculture. To enjoy the benefits and luxuries available in this country we have to earn income; if we do not earn that income, we cannot enjoy those benefits and luxuries.

It might be thought that farmers are being helped and that others are being ignored. That is not the case. Australia depends entirely upon these industries. If we do not protect core flocks and herds in this country we will not be able to take advantage when the drought breaks. Hawke was elected in 1983, and the great bonanza that helped him was the drought breaking in 1984. We had supported core flocks and herds across New South Wales and could take advantage when that drought broke. That has to happen again. To this date the Prime Minister has not really addressed the drought. He can throw money at the Cahill Expressway and say, "Improve the view from Kirribilli". He can throw money at waterside workers - about \$118 million. They were bought off for \$100 million. A telling statistic is that to export a tonne of beef from New Zealand costs \$50, but costs \$150 from Australia. The Prime Minister is still throwing money at these pampered workers and telling them, "We will not tax you on your earnings".

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

Mr CAUSLEY: The Prime Minister has to open his eyes to the real priorities in this country. He should be giving assets test relief to farmers so that they can put food on their tables. He should be looking at the subsidies that can be provided to get fodder out to starving flocks and herds. He should be looking very closely

at these things, because he is offering nothing at the present time. It is about time he opened his mouth and put up something realistic. This State is doing something about it. It is about time the Federal Government did something in return.

OMBUDSMAN

Discussion Paper: Race Relations and Our Police

Mr Speaker, pursuant to section 31 of the Ombudsman Act 1974, announced receipt from the Office of the Ombudsman of a discussion paper entitled "Race Relations and Our Police", dated July 1994.

INDEPENDENT COMMISSION AGAINST CORRUPTION

Report: Investigation into Matters Relating to Police and Confidential Information

Mr Speaker, pursuant to section 74 of the Independent Commission Against Corruption Act 1988, announced receipt of the report of the Independent Commission Against Corruption entitled "Investigation into Matters Relating to Police and Confidential Information", dated June 1994.

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DEPARTMENT OF SPORT AND RECREATION CAPITAL ASSISTANCE PROGRAM

Tabling of Papers

The Clerk, pursuant to the resolution of the House of 10 May 1994, announced receipt of all documents relating to the approval of grants under the capital assistance program, Department of Sport and Recreation for the financial years 1984-85 up to and including 1993-94, and all papers relating to the approval for improvements to the Goulburn racetrack under the Racecourse Development Fund, administered by the Racecourse Development Committee.

SELECT COMMITTEE UPON MOTOR VEHICLE EMISSIONS

Issues Paper

The Clerk, pursuant to the resolution of the House of 14 April 1994, announced receipt of the Select Committee upon Motor Vehicle Omissions issues paper dated May 1994.

AUDITOR-GENERAL'S REPORT

The Clerk, pursuant to the Public Finance and Audit Act 1983, announced receipt of the following reports: Auditor-General's Report for 1994, Volume One; and performance audit reports entitled "Statutory Investments and Business Enterprises", New South Wales Aboriginal Land Council and "Aboriginal Land Claims", Aboriginal Land Rights Act 1983.

PUBLIC ACCOUNTS COMMITTEE

Reports - Evidence

The Clerk, pursuant to the Public Finance and Audit Act 1983, announced receipt of the following reports and papers of the Public Accounts Committee:

Report concerning public defenders, dated June 1994; and minutes of evidence and submissions taken before the Committee concerning the public defenders, dated June 1994

Report concerning matters arising from the Auditor-General's Reports, dated June 1994.

Report concerning preparation for peer review of the Auditor-General's Office, dated June 1994.

PETITIONS

Retail Price of Fuel in Country Areas

Petitions praying that the House ensure that the Industry Commission recommends that the retail price of fuel in country areas be limited to the average Sydney price plus real freight, received from **Mr Beckroge** and **Mr Schultz**.

Gwynneville-Keiraville Traffic Safety

Petition praying that action be taken to alleviate traffic and parking problems in the vicinity of the University of Wollongong, received from **Mr Markham**.

Main Road 215

Petition praying that Main Road 215 be sealed with bitumen, received from **Mr Souris**.

Pacific Highway Bypass

Petition praying that the Roads and Traffic Authority consider an alternative to the proposed corridor for the Pacific Highway bypass between Chinderah and Billinudgel, received from **Mr Beck**.

Violence against Women and Children

Petition praying that an Aboriginal Women's Legal and Advocacy Centre be established, that sexual assault services be upgraded, that the legal system assist survivors of sexual assault, and that women be assisted to live without fear of sexual violence, received from **Mr Peacocke**.

Warilla Police Station

Petition praying that more police be allocated to Warilla Police Station, received from **Mr Rumble**.

Camp Mackay

Petition praying that Camp Mackay not be sold, received from **Mr Face**.

Dubbo Policing

Petition praying that additional police and police vehicles be provided for the City of Dubbo, received from **Mr Peacocke**.

Queen Victoria Memorial Hospital, Picton

Petition praying that Queen Victoria Memorial Hospital not be closed or privatised, and that services be reopened, received from **Dr Refshauge**.

Bulli, Coledale and Port Kembla District Hospitals

Petition praying that the present level of services be retained at Coledale, Bulli and Port Kembla district hospitals, received from **Mr Sullivan**.

Coffs Harbour Base Hospital

Petition praying that additional finance be provided for the Oncology Unit at the Coffs Harbour Base Hospital, received from **Mr Fraser**.

Abortion Procedures and Conscientious Objectors

Petition praying that the Government legislate to grant doctors and nurses exemption from penalty consequent upon refusal on grounds of conscience to cooperate in abortion procedures, received from **Mr Petch**.

Nepean Hospital

Petition praying that a unit for the treatment of pain be established at Nepean Hospital, received from **Dr Refshauge**.

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Shellharbour Public Hospital Children's Ward

Petition praying that the children's ward of Shellharbour Public Hospital be reopened, received from **Mr Rumble**.

Wyang Hospital

Petition praying that Wyang Hospital be provided with a fully functioning obstetric and childbirthing facility, received from **Mr Crittenden**.

Milton-Ulladulla Hospital

Petition praying that services at Milton-Ulladulla Hospital be expanded, received from **Mr Hatton**.

Canterbury Hospital

Petition praying that the House take action to ensure that Canterbury Hospital is upgraded to allow it to satisfy the present and future health needs of the Canterbury area, received from **Dr Refshauge**.

Home and Community Care Program

Petition praying that the Home and Community Care program be allocated growth funding in the 1993-94 period consistent with increasing community need, received from **Mr Bowman**.

Sydney Casino

Petition praying that the Sydney casino proposal be abandoned, received from **Mr Hatton**.

ST GEORGE HOSPITAL HYDROTHERAPY FACILITIES

Withdrawal of Motion

Order of the day for resumption of the adjourned debate discharged on motion by Mr Thompson.

Motion ordered to be withdrawn.

BUSINESS OF THE HOUSE

Bills: Suspension of Standing and Sessional Orders

Motion by Mr West, by leave, agreed to:

That certain standing orders be suspended to allow the following bills:

Appropriation Bill
Parliamentary Appropriation Bill
Business Franchise Licences (Petroleum Products) Amendment Bill
Motor Vehicles Taxation (Amendment) Bill
Road Improvement (Special Funding) Amendment Bill
Credit (Amendment) Bill
Rural Adjustment Scheme Agreement Bill

notice of which was given this day for tomorrow, being brought in and proceeded with up to and including the Minister's second reading speech.

Provided that any business before the House shall be interrupted at 4.15 p.m. for the introduction of the Appropriation Bill and cognate bills.

RURAL ASSISTANCE AUTHORITY OPERATIONS

Consideration of Urgent Motion

Mr MARTIN (Port Stephens) [3.37]: I move:

That this House refers to the Public Accounts Committee the performance of the Rural Assistance Authority of New South Wales.

The State is suffering a serious drought. A massive political charade is being played by a State government which has been in power for seven long years and which is proving itself to be dishonest. The 1993 Auditor-General's Report, volume 3, stated that the suspense account included several large amounts that remained unidentified and uncleared for long periods, some in excess of 12 months. These accounts are Rural Assistance Authority accounts. Every citizen in New South Wales is expecting assistance to be provided for drought relief. Governments have a moral obligation to help those who are in need. I was horrified by the information contained in the Auditor-General's report and the budget papers.

The situation in country New South Wales is intolerable. Families are going hungry; they have problems paying for health services; they are not educating their children; they are in need. Those citizens of New South Wales deserve to be provided with a roof over their heads, reasonable health standards, food in their stomachs and education for their children. People are being forced from the land. Rather than accept its responsibilities,

the Government is trying to blame someone else.

Nothing other than rain will fix the drought. In the meantime we, as politicians, have a moral obligation to cooperate with all authorities to ensure that the burden on country people in New South Wales is eased. Opposition members who have travelled extensively around rural New South Wales know why members of the National Party are on the nose. They have walked away from their own people. Their supporters are being neglected. Honourable members will have read in the budget papers that for 1993-94 \$75 million was the total estimate for rural assistance and \$73.661 million was the net cost of services. Honourable members will also have read the following statement on page 73, "Decrease in agency cash balances, \$39.411 million". In other words, half the money has been syphoned into consolidated revenue. That is creative accounting or hollow logging, for which this Government is renowned.

Government members have the hide to stand in this Parliament today and make mealy-mouthed comments about the problems of the citizens of New South Wales. If they cannot govern, they should get off the Treasury benches and put someone there who can. Opposition members care for the people. They will govern properly and with pride. The people of

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Parramatta received \$1.5 billion while people in country New South Wales cannot get a few million dollars from this Government. Where is this Government's priorities? After seven long years in office, all that can be said of this Government is that it is dishonest. The people of Parramatta took the money and members of the National Party stood by and watched it happen.

What has happened in rural New South Wales? Family and community affairs offices have been closed. Rural counsellors are saying, "We do not know what to offer them next". I will tell the Government what it has to offer the people in rural New South Wales. It has to offer them a fair go so they can sleep at night in the knowledge that they have a future. Let us compare what is happening in Queensland with what is happening in New South Wales. At least there is cooperation in that State. I will seek, under freedom of information legislation, the dates on which the Minister applied for Commonwealth funding. I am sure I will find that it was only in the last few days that the Minister applied for Commonwealth funding. That is an indictment of this penny-pinching Government - a Government that has spent \$1.5 billion in Parramatta but does not care about people in rural New South Wales.

Seventy-seven people work in the Rural Assistance Authority. This Government is going to shoot the bearer of bad news. The permanent head of that authority is under threat. Why is this Government putting him on two months' notice in an attempt to get rid of him? Has he not fixed the drought? What is going on in the Rural Assistance Authority? Why does this Government not come clean and let us know what it is up to? Why does it not look at what is going on around New South Wales? What rail schemes does the Minister have in place to move fodder and animals? There is nothing. Treasury has stopped publishing figures in the *Government Gazette*. The Government fiddles while Rome burns.

This matter will be referred to the Public Accounts Committee. We will ask that committee to look seriously at what is happening because only 47 per cent of people in New South Wales get the drought relief for which they apply - a scandalous situation, given the percentages in other States. Sixty-eight per cent of applicants in Queensland get the drought relief for which they apply. The Public Accounts Committee will be able to compare the figures of other States - which range from 68 per cent in Queensland to 90 per cent in other States - with the figure of 47 per cent in New South Wales. Today one Government Minister had the hide to say that people in rural New South Wales are told not to apply. Government members are a bunch of wimps.

Mr Causley: It was the Premier.

Mr MARTIN: The Minister interjects and says that it was the Premier. It shows what a wimp the Premier is. And this Minister stands behind him! We must look seriously at this problem. The Commonwealth Government has been putting out press releases. I have gained the clear impression that it has issued the same set of guidelines for every State. Today the Minister spoke in a mealy-mouthed fashion about

the Commonwealth Government opting out of drought relief. The Minister and others were part of a group that wanted drought taken off the natural disaster list. The Opposition has proof of that and I will present those facts to the Parliament. What will be done to help the people of New South Wales, those who are starving, those who are not able to educate their children? What will be done about rural suicides and about farmers who are being forced off their properties?

This Government will not do anything unless it is bludgeoned into it, because it has no feelings for country people. And Government members claim to represent country people. They are nothing but a disgrace. They have been cheating the people of New South Wales and Australia. They have been standing on quicksand making rhetorical statements and, in the end, providing no relief. These people must be provided with relief. If we do not provide relief, we will not have a rural industry in a few years' time. This Government will then be held responsible. Members of the National Party are supposed to represent the interests of country people. They are nothing short of hypocrites. The Government must immediately provide an additional \$10 million in drought relief. The people of New South Wales will willingly contribute and the Commonwealth Government will match that amount under its agreement. The trouble with Government members is that they will not play by the rules. They are dishonest, as they have been for the last seven years. [*Time expired.*]

Mr CAUSLEY (Clarence - Minister for Agriculture and Fisheries, and Minister for Mines) [3.47]: It is fairly obvious to everyone why Opposition members do not hold any rural seats. The honourable member for Bathurst is the biggest apology for a rural member that they have. I notice that the honourable member for Broken Hill is not even in the Chamber. Those are the sorts of people who are supporting this motion. I will not oppose this motion. The Rural Assistance Authority and I have nothing to hide. Government members will demonstrate how stupid members of the Opposition really are. This is an attempt by a lame duck Minister in Canberra to get out of his problems. The Federal Government is not making any effort to support farmers. We remember when Senator Collins was Minister for Transport and Communications. We remember the tender system. I think the same company had the first six or eight tenders. The Government knocked each one off until it got to the right one. What a Minister for Transport and Communications Senator Collins was. He has demonstrated his competency in rural matters. He is trying to make excuses for the Commonwealth Government as it is not doing its bit to alleviate the suffering of farmers because of the drought in this nation.

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I do not disagree with any of the comments made by the honourable member for Port Stephens about the plight of rural farmers. But what has caused it? Earlier in question time I made mention of some of the issues that were involved. One was the crash in wool prices. I dare say that farmers can take some responsibility for that, but they do not have to take responsibility for the 23 per cent interest rate which was lumped on them and on small businesses across this nation by Keating during the recession that we had to have. They had to pay that interest rate for two or three years. Some farmers in this State went into this drought with total equity in their properties and are now down to 20 per cent equity. Opposition members can blame their colleagues in Canberra for some of that.

I listened with interest to comments made by members of the Opposition about so-called funds that are not available. Opposition members do not understand how the system works. I am sure that the Public Accounts Committee could explain the system to them. When the Leader of the Opposition crossed the mountains recently for the first time - like Blaxland, Wentworth and Lawson - he had to be taken, because he cannot drive. On that occasion he said, "Oh well, the Premier should double the \$10 million he has offered for assistance to the farmers". The Leader of the Opposition does not understand the system; he does not understand even the formula. Under the national drought strategy, the Federal Government has to contribute to the \$10 million that has been mentioned. The ratio is 7 to 3, so if the State contributes \$3 million, the Commonwealth contributes \$7 million.

But what did Mr Keating offer? All he could offer was \$5 million. In the same breath he offered Queensland, which is in desperate trouble, \$2.4 million. That was all. The Commonwealth has done nothing to support farmers in this drought. When the Prime Minister goes to Queensland he will, no doubt, make some

grand statement. I am sure the cameras will be there. The Prime Minister is like the Leader of the Opposition in this State, all he is interested in is the cameras, he is not interested in helping the real people. The farmers are in trouble - no doubt about that - they cannot put food on their tables. It is true that they have assets, but they are diminishing quickly. The assets test is one of the biggest single issues the Prime Minister can deal with to allow people to get their hands on some cash.

This Government has already acted. Rural counsellors are out there doing their best in the country. I concede that they are funded in part by the Federal Government. They have done and are doing an enormously good job in this situation. Counsellors are talking to the people who are very isolated and in extraordinary circumstances that probably have not been experienced in this country since the turn of the century, when things were pretty rough in the bush. Conditions are rough in the bush now. Counsellors are out in country areas supporting the farmers. This Government gave \$250,000 for cash handouts to those who could be identified by the counsellors as being unable to put food on their tables. Counsellors can immediately allocate money for that purpose. The Government gave \$50,000 to the Sisters of Charity and \$50,000 to Lifeline for similar purposes. The honourable member for Port Stephens has not praised the Government for taking that action. He has come into this House today carping, trying to play politics. I do not think the honourable member has an ounce of compassion in his body.

The Rural Assistance Authority in New South Wales is a well-run organisation. Of necessity the Government is handling applications through that authority as quickly as possible. The honourable member for Port Stephens referred to the situations in other States and compared them with the situation in New South Wales. But he is comparing apples with oranges. The Government knows how the other States operate. They have a filtering system whereby applications are processed on a regional basis. The applications are not counted until they come through to the central system. There is no use talking about that; it is one of Senator Collins' flimsy excuses to try to excuse himself.

After the screening of the *Sunday* television program that featured Senator Collins a person from the media said to me that Senator Collins did not know what he was talking about. That is true. When the Senator was asked what he was going to take to Cabinet, he blustered: he had no idea. Senator Collins was trying to lean on this Government to furnish him with information. This Government will give him that information, it will help him out. Under the national drought strategy the Commonwealth said that it would put some incentives in place. But that is down the track and the crisis is at hand.

The Rural Assistance Authority in New South Wales receives all the applications into a central area. Of course some applicants miss out because of the strict criteria imposed by the Federal Government. In similar circumstances with regard to the wool industry applicants for assistance were told by the Federal Government, "You have to earn 65 per cent of your income over a three-year period from sheep that are dedicated to wool". People could not meet that criterion. The Federal Government does not understand that in a crisis people have to leave their properties to try to find some money. They have no other way of putting food on the table; they have to get money from somewhere else.

On any examination it has been shown that in special circumstances - drought being one of those occasions - all funds provided to the New South Wales Rural Assistance Authority have been allocated. Let members not play around with the figure of 47 per cent. The fact is that the money has been made available and has been allocated. It is nonsense to suggest otherwise. This is a petty political exercise by an Opposition that is absolutely bereft of knowledge so far as the rural community is concerned and, what is more, the rural community knows it.

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The honourable member for Broken Hill is scrambling around at present trying to convince farmers not to vote for the National Party candidate as he used to be a union organiser. He is trying to appeal to the farmers, but they all know he never visits the place any way. Obviously the Opposition is desperate. In some way it is trying to make a scapegoat of the Rural Assistance Authority. Well, it can try as hard as it likes, it will not succeed.

The biggest mistake the Opposition could make would be to take this issue to the Public Accounts Committee. That Public Accounts Committee will prove that the authority is absolutely accountable. The authority has been audited by the Federal Government and by State institutions, and it has passed all tests. Senator Collins wants to play games. I say to Senator Collins that if the Government can prove through the Public Accounts Committee inquiry that Queensland, Victoria, or any other State, is breaching the rules and handing money out contrary to the criteria set by the Commonwealth, this Government will do the same thing.

This Government has been playing the game; playing by the rules set by Canberra. If others want to break the rules, this Government will too. The Rural Assistance Authority has allocated the money that is available. But what is needed at the moment is more money, not loans. Farmers need cash. They do not have the ability to borrow any more money. The Government needs cash to enable farmers to put food on the table; cash to support subsidies on freight for fodder and for grain; cash to support the core herds and flocks of Australia. Let us throw some money at the farmers for a change instead of at waterside workers or the Cahill Expressway - which is all we seem to hear from the Prime Minister. Let us give some money to the farmers, because they belong to the productive sector of this country. This House might have to remind the Prime Minister of that fact. [*Time expired.*]

Mr NEILLY (Cessnock) [3.57]: I support the motion. The problem of drought should be addressed on an apolitical basis. This is an issue of great concern, and, as summer approaches, it will become of even greater concern. The aim of this motion is to ascertain whether there is a problem, as suggested by the Government, with criteria associated with the rural assistance scheme. If the Public Accounts Committee determines that there are problems with the eligibility criteria, the Opposition would be prepared to support the Government in any approach to the Federal Government to have it review the situation.

It would be appropriate for the Government to give some indication of support for the Opposition's proposed bank mediation legislation, which will place an obligation upon banks to mediate with affected landowners and rural producers before proceeding to foreclosure. A few ideas have been discussed to improve the lot of the farmers. Much of what has been said impacts on specific farmers. By way of illustration, in this House today reference was made to assistance with regard to the cartage of water. That assistance is fairly limited, where it is applicable. I have made representations on past occasions for assistance for chicken farmers. In the Hunter-central coast area there are more than 200 chicken farmers. They are not eligible under the criteria established in 1989 for drought relief assistance.

Similarly, orchardists and the owners of intensive operations such as piggeries are not eligible. Last Friday I received a call from a winegrower who has planted new slips, seeking to ascertain whether he would be eligible for assistance for the cartage of water. The district horticulturist advised me that such assistance was not available under the criteria. At a recent meeting Hunter region councils raised their concerns about the current drought. They advocated a number of measures for consideration at a further meeting.

At the conclusion of my contribution to the debate I will provide the Minister for Agriculture and Fisheries with a copy of this material. Some of the proposals it contains are worthy of further consideration. Many of them are more relevant to be considered by the Federal Government, but the State Government potentially could assist with some of them. Those with the principal concerns in the Hunter region are chicken farmers and vignerons. According to the Hunter Valley Research Foundation the Hunter region has an annual rural production worth \$377 million, of which \$129 million comes from the poultry industry, \$85 million from beef, and surprisingly, wine is down near the bottom of that list. An article in the *Western Magazine* published the week commencing 5 September reported the presentation by the Minister for Agriculture and Fisheries of \$50,000 to the Sisters of Charity. Referring to the Minister, the article continued:

He said large-scale state government relief was dependent on federal government funds and called on the commonwealth to reassess drought as a natural disaster, until a national drought strategy could be fully developed.

It will be a shame if the Federal Government does not give funding for drought assistance, but the New South Wales Government should be a little ashamed also. It keeps on complaining about the paltriness of the Federal

Government, but does nothing extra to assist. That is an obligation that this State must meet. The *Muswellbrook Chronicle* of 2 September contained an article which included a paragraph referring to the district agronomist, who said that the local beef producers were the hardest hit and were now faced with either culling stock during the breeding season or toughing it out, hoping against hope for rain. The article continued:

Even if it rains tomorrow - and when I say rain I mean good, long soaking rain, not short, violent storms - it's not going to improve the economic situation for farmers.

The problems caused by the drought will continue long after the rains arrive. The General Manager of Scone Council commented as follows:

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Scone Council believes all levels of government must now act with compassion and with a common goal to render all possible assistance to a rural economy on the brink of deep crisis.

I was amused by a comment made by the Mayor of Scone, Barry Rose, in regard to rating relief, a comment that was reported in the *Hunter Valley News*. Barry Rose was formerly connected with the Harness Racing Authority. He said, "We have suffered enough at the hand of the State Government". Someone should speak to Barry Rose and find out why he is so disturbed about what is going on. [*Time expired.*]

Mr CRUICKSHANK (Murrumbidgee) [4.02]: I congratulate the honourable member for Cessnock on a moderate and helpful contribution. As he said at the beginning of it, he believes that this problem should be approached in an apolitical manner. I can do nothing but agree with him. But that is not my attitude to the honourable member for Port Stephens, who moved the motion. As the Minister said, he has not an ounce of moral fibre in his whole body. I have had a little experience of the honourable member for Port Stephens. Before the honourable member for Auburn interjects, I should tell the House that I have asked for help from this bloke on previous occasions. He was too busy and did not want to get involved. He instituted an inquiry into the markets, and I have served on that committee for almost two years. When I asked him for help he would not come near me and said he had better things to do with his time than waste it talking about the markets. When members of that committee went to the Murrumbidgee area to speak to people who were getting hurt, every member of that committee attended - everyone except the honourable member for Port Stephens. He would not even turn up. He did not turn up when the committee went to the north coast either.

Mr Nagle: On a point of order: the honourable member for Murrumbidgee is misleading the House. I did not attend either.

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

Mr CRUICKSHANK: I left the honourable member for Auburn out of consideration because he does not count anyhow. The honourable member for Port Stephens is the bloke with all the concerns. Did he go to the Labor Party conference at Port Macquarie? He made a 15-page speech there, but less than half a page of it was devoted to the drought. He made one suggestion: that Mr Fahey be asked for another \$10 million for drought relief. In 15 pages that was the sum total of what he wanted to do about the drought. He is a charlatan. He has been an agronomist and wandered around the scrub a little bit and he comes in here as an expert. Unfortunately, the only thing in which the member for Port Stephens is expert is political division, seeking to make political capital out of whatever situation he is in. In all situations I have found him to have been intellectually dishonest, whether it has been on the issue of trying to find a solution to problems that prevail as a result of the drought, the markets or the plight of country people and growers.

The honourable member for Port Stephens is a totally immoral character. Unfortunately, the greatest contribution to drought relief must come from the Federal Government. However, from that Government one gets the arrogance and malevolence of the Prime Minister, who was very well captioned in the cartoon in yesterday's *Sydney Morning Herald*. Members will agree that cartoonists such as Moir are even-handed; they

do not favour one side or the other politically. In the cartoon Keating is shown saying, "When we fly over the drought area give them a sympathetic wave for me . . . ". That about sums him up.

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

Mr CRUICKSHANK: That sums up the whole lot so far as the honourable member for Port Stephens, his mates in Canberra and their attitude towards the drought are concerned. Any contribution that comes from the Federal Government has to be dragged out of it. Frankly, pulling teeth out of a wild bull would be easier than trying to get funding for drought relief from the Federal Government. Rural councillors in my electorate have done a tremendous amount, as they have done throughout the whole of New South Wales, in helping people afflicted by an enormous natural disaster.

The problem is that a person living in a \$300,000 house in Sydney who loses his job and tries to get another job can get welfare. The bloke with a farm that had previously been worth about \$300,000, but at present would not be able to be sold, would be forced into a bankruptcy type sale; he cannot get similar welfare. I ask honourable members: where is the morality in singling out farmers and saying their problems result from a natural disaster, it is not our problem so why should we have to give them money? That certainly is done where the votes are - in Sydney, Newcastle and Wollongong. [*Time expired.*]

Mr BECKROGE (Broken Hill) [4.07]: I speak to this motion on a bipartisan basis. The public would consider it absolutely and positively obscene that members would be screaming across the Chamber at one another at a time when the livelihoods and the very lives of people are in tatters. No wonder the Parliament is not held in high regard when members are prepared to make petty party political points about something as important as the drought that is currently being experienced in this country.

All that members of the Labor Party are doing is asking the Government to look for the answers to questions that have been raised. Why are these people not getting the money that has been allocated? If Federal or State guidelines are delaying the funding, let us find out where the real problem lies. Let us get evidence that will demonstrate the problem and determine why the Government considers it has had to react as it has. The Minister for Agriculture

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and Fisheries has made incredibly personal points, as is his wont. That is absolute nonsense. Members on the Government side should support this motion.

Mr Rixon: We do support it.

Mr Causley: Was the honourable member asleep?

Mr BECKROGE: I listened to the debate and all I heard from members on that side of the House was vitriol. It is time the people of New South Wales saw how Government members perform, particularly those who are supposed to represent the bush, members of the National Party. They are a disgrace. It is an obscenity for them to make a political axe about this issue. The Government is aware that many people on farms do not have any income or adequate support from within their families. They are like the soil - crumbling away.

The Minister has the hide to personalise the debate, which is his wont on every occasion. That is his style, and the people of New South Wales will be aware of that. Today I asked a question in question time. As the Labor Party took the view that, today being the first day of this session on which there was question time, it would be appropriate to get on with the big issue of the drought. I put in my pennyworth. I wanted to know what the Government will do to help people pay their rates. These people have assets but no income. The Premier said, in a nutshell: the Government has done its best and is looking to see whether it can do any more, but local government has to pull its weight too and start doing something. The Government refused to give local government autonomy.

Mr Causley: On a point of order: the honourable member for Broken Hill should know that the Premier also said, "Did you ring Paul Keating?"

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

Mr BECKROGE: The Government is turning this matter into a political point scoring exercise while people's livelihoods and lives are going to pot. A well-dressed, well-presented lady from the bush visited my office in this place. She burst into tears because she was upset that she could not get her message across to the Government. She was not interested in the Minister scoring political points.

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

Mr BECKROGE: She was in tears. She had rung the hotline. This is what honourable members opposite do not understand. People out there are crying and hurting from losing their livelihood, yet the Government seeks to score cheap political points. The Minister rose on a point of order, and that proved my point.

Mr MARTIN (Port Stephens) [4.11], in reply: The Opposition moved this urgency motion to highlight the need for drought assistance for the people of New South Wales. It is sad that the Government's negative attitude is to excuse itself or blame others. The people of New South Wales deserve better. At the outset I said that the Auditor-General's Report indicated that there were anomalies, with substantial moneys lying in accounts for more than 12 months. I pointed out also that the budget papers current until this afternoon show that \$39 million of the last budget presented in this Parliament was hollow logged. That is there in black and white. We have heard about equity and explanations.

My colleagues the honourable member for Cessnock and the honourable member for Broken Hill made it plain that the Opposition is seeking positive solutions for those who are drought affected. The State Government can assist with local government programs; it can do more than it is doing at present. The people of rural New South Wales are crying out for assistance, and they are not getting it. They are seeking to be heard, but that is not happening. Some weeks ago the Opposition called for \$10 million for drought relief. That funding was obviously needed and could have assisted many people.

Mr Causley: Where is the Federal money?

Mr MARTIN: The Minister interjects and says, "Where is the Federal money?". This State has a responsibility to its citizens. The New South Wales Government can commit \$1.5 billion to the Parramatta by-election but cannot afford \$10 million to help people in rural New South Wales who are drought stricken. That is the Government's hypocrisy. The Opposition will not tolerate that hypocrisy.

Mr Causley: On a point of order: the honourable member for Port Stephens has said that the Government can allocate \$1.5 billion to Parramatta. He knows that that is not true and I ask him to withdraw it.

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

Mr MARTIN: I wish to respond to a matter raised in debate about cameras being on when senior politicians visit rural areas. I assure the House that our recent trip involved meeting with and listening to the people. However, I heard that on an earlier trip no-one could get near the entourage and were pushed out of the way by camera crews. That was a personal relations disaster and residents were unable to put their case. Cash handouts of \$250,000 are a pittance compared with handouts this dishonest Government has announced for Parramatta - a government that has had seven years to correct the ills. The Government must help the people. As Her Majesty's loyal Opposition, it is our duty to point out that it is not the role of the Government to score political points and neglect rural people. Counsellors in rural areas do not know what to tell those in rural areas because people cannot buy much with advice; they must have assistance. I thank the House for the opportunity to move this motion.

Motion agreed to.

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APPROPRIATION BILL

PARLIAMENTARY APPROPRIATION BILL

BUSINESS FRANCHISE LICENCES (PETROLEUM PRODUCTS) AMENDMENT BILL

MOTOR VEHICLES TAXATION (AMENDMENT) BILL

ROAD IMPROVEMENT (SPECIAL FUNDING) AMENDMENT BILL

Bills introduced and read a first time.

Second Reading

Mr COLLINS (Willoughby - Treasurer, and Minister for the Arts) [4.17]: I move:

That these bills be now read a second time.

INTRODUCTION

Mr Speaker,

For the first time since this Government came to office, we are in a position to bring down a budget which is focused on more than critical financial surgery and reform.

Over the last six years, the coalition Government has worked hard to remove New South Wales' finances from the critical list and nurse them back to health.

This budget delivers the benefits of that reform.

It puts New South Wales well within striking distance of a sustainable balanced budget for the first time in living memory.

It delivers on debt reduction.

It promotes further sustained economic development.

It does not rely on increases in taxes and charges. Indeed, it provides for reductions in some taxes and Government charges.

Most important of all, this budget is built on a commonsense balance between the need for continued strong financial control, and the needs of a community and a State economy, still recovering from recession.

The tough decisions, efficiency gains and restraint of the past have restored flexibility to the budget process.

For the first time in six years, we can afford as a State to extend our priorities list and funding support for services.

The Fahey Government has set three clear objectives for the 1994-95 budget. These objectives have been set in

order to take full advantage of improving revenues not only for the short-term needs of the State, but also to ensure we continue to build a better future for our children.

These are the three objectives -

- to apply funds to quality services that are responsive to the public's needs;
- to further reduce the burden of taxation; and
- to continue to strengthen the State's financial position.

In pursuing these objectives, the Fahey Government has set these commonsense priorities for 1994-95.

CONTINUED IMPROVEMENTS TO CORE SERVICES

We are again providing real increases in funding for health, education, social and community services and law and order.

This Government has had to exercise stringent control on expenditure through driving efficiency reforms into budget sector agencies. At the same time recurrent expenditure on core services has been considerably enhanced. Compared to 1987-88, Labor's last year in office, we have recorded the following increases in current expenditure over and above the rate of inflation, and well in excess of population growth rates-

- around 12 per cent in health;
- 13 per cent in education;
- almost 63 per cent in social and community services;
- and more than 23 per cent in law, order and public safety.

All of this has been achieved while enhancing the financial strength of New South Wales.

Health

In health, we sustain the record spending with which we have systematically rebuilt the New South Wales public hospital system, which was left in a shambles by Labor.

More than \$5.2 billion will be spent on health this year, an increase of 2.6 per cent in real terms on 1993-94. More than \$960 million will be spent in Greater Western Sydney and \$388 million on the central and north coasts.

This year's health budget will include a record capital program of \$460 million, an increase of more than 18 per cent on 1993-94. By the end of this financial year, this Government will have spent more than \$2 billion rebuilding and expanding health infrastructure since it came to office.

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This money has helped build or redevelop 45 hospitals since the coalition took office, marking the biggest reconstruction of any public hospital system in Australia. This is more than double the number achieved by Labor in the last five years of its administration.

We are meeting the growing demands on our public hospitals. Last year, New South Wales hospitals handled

28 per cent more patients in need of critical acute care than in 1988-89.

A key health initiative is in the development and extension of mental health services. The Government will spend \$193 million over the next four years to implement the recommendations of the Burdekin Report. This Government's response to the findings of the Burdekin Report has been swift and tangible. Human Rights Commissioner Brian Burdekin has acknowledged this and in June this year gave our significant funding initiatives a ringing endorsement.

Women's health remains a high priority, with \$93 million allocated to specific women's health initiatives in 1994-95. In addition, construction will begin on the new Royal Hospital for Women on the Randwick campus of the Prince of Wales Hospital.

This hospital will provide the State's, if not the nation's, centre of excellence for women's health.

The early detection of breast cancer program will be accelerated. In addition a breast cancer institute will be established to progress applied research to the best practice in the treatment of breast cancer.

We will spend \$17 million in 1994-95 to drive waiting times down further and more than \$33 million to improve the capacity of key emergency departments.

Education

The Department of School Education is responsible for educating almost 760,000 students across the State and employs a full-time equivalent of more than 52,000 teaching staff and almost 10,000 ancillary staff.

In our TAFE colleges last year there were more than 423,000 new enrolments in more than 1,300 courses offered through more than 100 colleges and campuses.

Approximately one in every 13 New South Wales residents over the age of 15 attends a TAFE course.

Over the past six years the New South Wales Government has transformed the education and training system into a more coordinated network with more options along the path from primary school to the work force.

A record \$5 billion will be spent on education this year, an increase of 4 per cent or \$195 million on 1993-94.

A significant component of that increase is the funding of an additional 1,466 teachers, including 717 primary and secondary schoolteachers to reduce class sizes.

In practical terms this means that no year 1 class need exceed 28 students and no year 2 class need exceed 29. From years 3 to 6, no class need exceed 30 students and in years 11 and 12 class sizes need be no greater than 24.

The balance of the additional teachers will be recruited in the areas of counselling, literacy and numeracy, community languages and special education.

Since 1990 this Government has added 3,500 teachers to the public school system.

Forty-five new projects, including the commencement of six primary schools in growth areas, will be funded under the \$198 million capital program for school education.

New South Wales has an education system of diverse needs. More than 30,000 students will benefit from the \$51 million to be spent on rural education programs. In recognition of the growing multicultural mix in our schools, \$64 million will be spent funding education programs for children from non-English speaking backgrounds.

The budget also targets support for vocational training, with a total of \$886 million to be spent on tertiary and vocational education. TAFE funding will be increased by \$22 million to meet the increasing demand for places in our colleges.

Social and Community Services

Since 1988, the coalition Government has boosted spending on this important area by almost 58 per cent in real terms. This commitment continues this year, with a 6.2 per cent funding increase to \$1.5 billion.

In order to improve its capacity to address core priorities, funding for the Department of Community Services has been enhanced by \$57.3 million in 1994-95.

The Government recognises the recession placed new pressures on families, which have not necessarily dissipated with the onset of recovery. The budget contains a series of measures in this regard.

A total of \$54 million will be provided to assist families with significant social problems or coping with difficulties.

To help families cope with the growing pressures of work on the home environment, \$80 million will be spent on the provision of child-care services. There will also be \$16 million allocated for capital works, including nearly \$6 million for child-care centres. Also in the area of child care, a further \$72 million will be spent on substitute care programs.

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The home and community care program will receive an extra \$8.5 million specifically for expansion of services to assist the frail aged, and people with disabilities who live in their own homes, with the overall program totalling \$231 million.

The Government is committed to providing the most effective social and community support possible. Our social policy seeks to ensure fairness and equity for all members of the community, while stressing the need for community self-help.

To this end, we will establish a community services commission at a cost of \$2.4 million to review complaints and monitor service delivery in this key priority area.

Law and order

The tragic events of last week have brought the need for effective law and order into sharp focus.

There is no simple answer to contain and limit crime and corruption. Government must take whatever action is necessary to make people safer in their homes and on the streets.

The Premier recently announced that the Government would put 500 more police on the streets over the next five years to deter crime. Two hundred of these police officers will enter the force in this budget year, substantially boosting the police presence on New South Wales streets.

This commitment is part of a 3.6 per cent increase in funding for law and order in 1994-95, taking total expenditure to \$1.9 billion.

Another initiative is the appointment of additional judges and magistrates on a temporary basis to reduce the backlog of cases in the State's courts. Three acting judges will be appointed in the Supreme Court, three in the District Court to handle civil matters and three acting magistrates will be appointed in the local courts to reduce

waiting times.

In the prisons system, the Waller report recommendations into suicide and self-harm in prisons will be implemented, as well as initiatives to address access and equity issues for women in custody and inmates with mental illness. This will involve funding of \$2.9 million.

PROVISION OF ESSENTIAL INDUSTRY SUPPORT

Our next priority is the provision of essential industry support.

The Fahey Government recognises that the ongoing strength of the economy and the State depends heavily on providing an environment in which business can thrive.

Rural Sector

While most of the business sector is experiencing the benefits of recovery, there remains one area in desperate need of assistance.

The drought is a major national social and economic problem requiring a joint response by State and Federal governments. Eighty-three per cent of the State is drought declared, yet farmers are in many cases prevented from obtaining welfare assistance because of the Federal Government's assets tests. We are making every effort to persuade the Commonwealth to address this anomaly.

At a State level we have taken urgent action to assist our farmers through this crisis. More than \$73 million will be directed to rural assistance and combating the drought in this budget.

This includes \$10 million to provide exceptional circumstances drought support and an additional \$10 million to continue transport subsidies for drought affected farmers.

The drought transport subsidy scheme is one of the most effective forms of drought relief. It allows farmers to remove stock from drought affected areas and more readily access water and fodder. Since 1991, this Government has provided \$42 million under this scheme, including \$10 million in 1994-95.

The Government is also providing \$1 million for drought support workers to help families cope with the personal impact of the drought and increasing its contribution to the rural financial counsellors program to \$1.4 million.

In addition the departments of agriculture, conservation and land management and water resources will be directing their efforts to assist drought affected farmers.

The Government will maintain a close watch on the impact of the drought so as to be able to respond flexibly and speedily as further needs unfold.

Business Development and Employment

We are in a position this year as the economy grows and revenues improve to target several business initiatives.

Our continuing commitment to the promotion of business growth in New South Wales is underscored by the \$40 million that will be spent by the Department of Business and Regional Development to further assist business development across the State.

Targeted tax relief for business will also enhance employment prospects.

As announced in the Premier's economic development statement, the payroll tax threshold will be increased from \$500,000 to \$600,000 in two stages, commencing from 1 January next year.

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Every New South Wales business currently paying payroll tax will save tax under this initiative. More than 1,000 businesses will stop paying payroll tax altogether. Small businesses will have wider scope for growth before they face payroll tax costs, which will also assist employment prospects.

We have taken steps to ensure that those who have been unemployed, both young and mature, gain work in the improving economy. Funding for employment and training programs in 1994-95 is up by more than 33 per cent for this purpose, to a total of \$95.7 million.

Regional Headquarters

The Fahey Government is committed to encouraging businesses in the Asia-Pacific region to set up their regional headquarters in New South Wales.

Currently, New South Wales must compete with more attractive tax arrangements offered by international competitors such as Singapore and Hong Kong.

To this end all State financial duties will be waived, subject to corresponding initiatives being undertaken by the Commonwealth.

Mining - Discovery 2000

The Department of Mineral Resources has an essential role in mapping, identifying, assessing and providing information on the development potential of the State's mineral resources. There is strong interstate and international competition in attracting exploration investment.

To accelerate the State's mining exploration activity, \$40 million will be spent over the next six years to develop a comprehensive geographical picture and database of the State's mineral potential. Ten million dollars will be spent in 1994-95, with the project to be completed by the year 2000.

Tourism

This is the first Government to give full and adequate recognition to tourism as a vital area for State economic development.

We have increased funding for this area by 72 per cent in the past five years. This year's allocation will total \$38 million. Of this, \$5 million with a matching industry contribution will be spent on marketing initiatives such as extension of the Seven Wonders marketing campaign into Asia.

Other initiatives include: implementing a number of key elements of the tourism master plan, particularly with relation to cultural tourism, economic research, business development, and improving the promotion of Sydney as a holiday destination.

In addition, Tourism New South Wales intends pursuing strategies and initiatives aimed at finalising and implementing the recommendations of the regional tourism strategy.

AFFORDABLE, PRODUCTIVE INFRASTRUCTURE RENEWAL

In my opening remarks I said that this Budget can afford for the first time to look beyond our core services and

financial reform.

Our ability to prioritise some significant and long awaited infrastructure renewal is tangible evidence of the benefits that are beginning to flow from past restraint and reform.

Transport

There will be an additional \$104 million Budget support for roads, bringing total capital spending on road programs during the year to nearly \$1.5 billion. Eighty million dollars is earmarked for critical highway black spots rectification, with \$23.6 million for other road safety initiatives.

Reflecting the Government's coordinated transport strategy, there are significant initiatives in rail transport with the specific objective of relieving road traffic congestion.

Now that the new rolling stock acquisition program is nearing completion, priority has been given to renewal of rolling stock, tracks and rail stations, as well as further development of bus-car-rail interchanges.

A major allocation of \$541 million has been made to progress these works in 1994-95.

In addition, we have allocated \$15 million to development of the new southern railway via Kingsford-Smith Airport to the East Hills line. This vital project is valued at around \$600 million. It will be completed through a joint venture arrangement with private sector companies, so that State funds can be redirected to other community needs. The new southern line will raise Sydney to the standard of other international cities by providing an essential city-airport rail link.

Feasibility studies into the Parramatta to Hornsby rail link will also be completed during the year and an allocation will be made in future budgets to the costs of the project.

Total recurrent and capital funding for budget sector transport works this year will be \$2.65 billion or 12 per cent of total budget outlays.

These priorities can now be met because of strong financial management and reform over the past six years. In this policy area alone, efficiency improvements have generated cumulative savings of \$1.65 billion since the coalition Government came to office.

Water and Sewerage and the Environment

Each year humanity's impact on our own environment becomes a bigger issue in the minds of governments, businesses, families and individuals throughout the world.

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This Government's first priority in this important policy area must be to use regulation, policing and education to stem the tide of environmental degradation.

Next is the remedial action that can be taken.

The coalition Government's commitment to its responsibilities is tangible. It is reflected in the \$720 million in recurrent expenditure that has been committed to environmental management, remediation, education and monitoring programs across all policy areas.

A further \$535 million has been earmarked for capital works and infrastructure which will achieve long-term improvements to the environment.

Funding for the Environment Protection Authority, established in 1992, has been significantly expanded this year to employ over 90 extra staff members.

Other significant priorities include \$50 million for soil conservation programs in rural areas and nearly \$100 million for the country towns water supply and sewerage scheme. Over \$5 million of this will fund upgrades to 10 major sewerage treatment facilities that currently pour damaging effluent into the Murray-Darling Basin.

This puts to rest politically motivated and biased claims which seek to undermine this Government's environmental achievements over the last six years.

Public Housing

Over \$455 million is being provided for community housing in 1994-95. This will permit commencement of more than 3,100 new housing units and includes \$5 million for special housing initiatives stemming from the Burdekin Report.

Recreation and Culture

As we move towards the year 2000 and the Sydney Olympics it is increasingly important to ensure that the State's public recreation and cultural infrastructure is preserved and developed.

The State's improving economy and revenues have arrived at a critical time for New South Wales national parks which were ravaged by last summer's extensive bushfires.

An additional \$17.7 million in current funds has been provided to the National Parks and Wildlife Service, including \$1.8 million for bushfire remediation.

On the capital side, the National Parks and Wildlife Service has been allocated over \$30 million, including additional funding for fire prevention measures and pest species management.

Overall, recreation and sporting facilities current spending has been lifted more than 14 per cent. This year \$51 million will be spent to encourage participation, development of sports coaching and use of facilities.

Olympics' facilities pre-planning and coordination has been allocated \$21.5 million.

The Arts

The Government's commitment to the arts and the cultural life of the State will be further strengthened in this budget.

Arts and cultural facilities and programs will receive around \$215 million in current and capital allocations.

An additional \$1.2 million has been provided for the cultural grants program which supports a diverse range of cultural organisations.

The Sydney Opera House is the most popular tourist destination in Australia. To build on this appeal and provide an educational and entertaining experience for visitors, an interactive performing arts museum, called Theatreworks, will be constructed at a cost of \$5.5 million.

Further funds will be provided for the proposed Aboriginal cultural centre at Walsh Bay.

FURTHER REDUCTIONS IN STATE DEFICITS, LIABILITIES AND TAXES

The extensive funding initiatives I have just outlined have only been made possible by the Government's strict adherence to tight financial controls. It is also abundantly clear that funding increases into the future are dependent on ongoing financial restraint.

While the economy is growing, there is no suggestion of this Government relaxing its commitment to strong financial management.

This budget year, all Ministers will review the costs of administration in their agencies with a view to identifying future savings.

However, the 1.5 per cent productivity savings requirement imposed on all agencies except health and education since 1988-89 will be removed. This program has been successful in achieving significant efficiencies and ensuring better value for the public dollar.

Our ongoing commitment to strong financial management is reflected in our priorities to further reduce the State deficit, liabilities and taxes.

Deficit and Debt Reduction

The projected deficit for 1994-95 is \$353 million. For 1996-97 it is only \$144 million. In effect, our deficit reduction targets will be met two years ahead

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of schedule. This Government remains firmly committed to the ongoing reduction in the State's debt.

Unlike the Commonwealth and certain other States, this Government does not use privatisation proceeds to massage the deficit or fund the Government's day-to-day running expenses.

Liabilities

The Government remains committed to the successful sale of the State Bank of New South Wales. This constitutes the single biggest step we as a parliament can take to reduce liabilities.

Contingent liabilities of the order of \$19 billion will be addressed by a successful sale, further protecting the State's AAA credit rating.

We are also committing an extra \$150 million to the reduction of the State's unfunded superannuation liabilities and full funding of superannuation for the entire State sector is being phased in. We are determined to plug the funding hole left by the previous Labor administration in this area.

Our decision to attack this problem means that in 10 years the State's superannuation liabilities will be more than \$20 billion lower than would have been the case if we had merely let Labor's inaction continue.

Reduce Tax Burden

This budget imposes no new taxes nor increases existing taxes, other than for established indexation provisions.

As well as reducing payroll tax, it contains several other forms of tax relief.

The Government will give land tax concessions for owners of low cost rental accommodation to encourage continued private sector involvement in the provision of this important service.

And, as recently announced, intergenerational transfers of farm property will be exempt from stamp duty.

Small business is also assisted further through changes to the land tax treatment of non-residential strata units.

Liquor license fees on low alcohol beverages will be abolished to further encourage social responsibility.

With these priorities, the Government has struck a balance between strong financial management and the needs of a community emerging from recession. We are a government that is both responsible and responsive.

The balance of these objectives has enabled us to provide ever-improving levels of service while at the same time driving the deficit down.

PHASE IN A SUSTAINABLE BALANCED BUDGET

We are phasing in a sustainable balanced budget without increasing taxes or cutting core services, and it is our intention to achieve this in our next term of government, starting on 25 March next year.

As the Premier announced yesterday, New South Wales will become the first Australian State to introduce legislation to guarantee a balanced budget into the future.

Since 1991-92, the last Greiner budget, the Fahey Government has reduced the deficit by more than \$800 million. The deficit for 1994-95 will mark a further reduction to \$353 million. This is the proof that with good management it is possible to increase funding on core services, reduce taxes and at the same time cut the State's Bankcard bill.

Since 1988, this Government has been a leader in public sector reform. Our financial vigilance has given New South Wales an underlying strength during the recession. We have now emerged a stronger State, while other States battle the legacy of former Labor administrations.

Accordingly we have come out of recession with a financial advantage over other States. We intend to consolidate those gains.

The reforms we initiated when we came to office are paying dividends today. In rugby league terms, an appropriate analogy for this time of the year, and after the magnificent contests of last weekend is:

We have done the hard yards and
created a platform from which to press
home the advantage.

The financial discipline we are now exercising will deliver benefits to our children.

It has given me great pride to deliver this budget to the House today. The people of New South Wales can have every confidence that with this budget the Fahey Government is building a better future for the people of New South Wales.

I commend this bill to the House, together with the cognate bills: the Parliamentary Appropriation Bill, the Business Franchise Licences (Petroleum Products) Amendment Bill, the Motor Vehicles Taxation (Amendment) Bill, and the Road Improvement (Special Funding) Amendment Bill.

Debate adjourned on motion by Mr Whelan.

FINANCIAL STATEMENTS

Copies of the Budget Speech, Budget Information, State Capital Program, Government Finance Statistics and Loan Council Reporting, tabled and ordered to be printed.

VOLUNTARY PUBLIC HOSPITAL PATIENTS

Matter of Public Importance

Mr CLOUGH (Bathurst) [4.51]: I move:

That this House notes as a matter of public importance the findings of the coronial inquiry held on 11 and 12 May 1994 by the Westmead Coroner into the death of Diane Burke and the need to review the powers and procedures of public hospitals with regard to restraint of voluntary patients.

On 2 December 1993 a woman walked out of Westmead Hospital in her nightgown and with blood running from her arm where a drip was in place. She walked through the grounds of the hospital, across the street and into Westmead railway station and threw herself under a train. This woman, Diane Burke, had been in hospital for neurosurgery to relieve pressure on the brain. She was wearing a surgical gown, the drip apparatus was still in place, and stained bandages were around her head, but no-one stopped her when she left the hospital, made her way across the car park, across the street and onto the railway platform. Her husband, John Burke, my constituent, cannot understand why his wife is dead, despite the fact that she was observed by four security guards on her way to the station. Mr Burke came to see me about the matter and on 18 April 1994 I wrote the following letter to the Chief Executive Officer at Westmead Hospital:

I write to you concerning the death of Diane Burke who literally walked out of Westmead Hospital, walked up to the Railway Station and threw herself under a train.

Whilst she was doing this four security officers from Westmead Hospital followed her and attempted to speak to her but no-one made a positive attempt to restrain her and bring her back to the hospital.

From reading the reports it appears that they had reached the limit of their responsibility and from that point onwards it became a matter for the police.

By the time the police had arrived the woman was dead under a train.

I did not receive a reply to the letter I wrote to Westmead Hospital. On 18 May I directed another letter to that hospital forwarding a copy of my letter of 18 April for its attention. I ask honourable members to bear in mind that the coronial inquiry into the death of Diane Burke took place on 11 and 12 May. I have no doubt whatsoever that hospital staff were upset and, probably as a matter of procedure, decided that a reply to my letter would not be forthcoming until the coroner had conducted his inquiry. I received a reply from Westmead Hospital and Community Health Services dated 24 May and signed by J. A. Alexander, General Superintendent. The letter is as follows:

I refer to your letter of 18 April 1994, concerning the death of Diane Burke. As you are aware this matter was the subject of a Coronal Enquiry from 11 May 1994 till 12 May 1994.

The Hospital deeply regretted Mrs Burke's tragic death and offered their sincere condolences to her family.

I draw attention to the following statement:

It is indeed unfortunate that nothing could have been done to prevent her death. The security officers operated within the guidelines of the law and if they had done otherwise they would have been in breach of the law.

I have no argument whatsoever with that comment. I am not blaming the hospital for adhering to the letter of the law. The thing that worries me is that this lady was obviously in a distressed condition. I would say that

she was not in possession of her entire faculties. The letter from Mr Alexander continues:

In hindsight the Hospital may wish that the security officers had pursued a different course but at the time there was no indication that Mrs Burke intended to take her life.

That is another point I accept. Mrs Burke had a history of epilepsy but had not shown any indication that she would take her life. Mr Alexander continues:

A transcript of the Coronial Enquiry is not yet available. The Coroner, however, in his closing statement commented that Mrs Burke's death resulted from a sad and unusual set of circumstances. He made no criticism of the Hospital's actions and went on to say that although the incident will cause community concern, the community has not yet reached the stage where it wishes people to be forcibly restrained in hospitals.

Mr Alexander finishes by stating that the hospital extended its deepest sympathy to Mrs Burke's family. I am pleased that the Minister for Health is in the Chamber. I assure him that what I am doing today has nothing to do with party politics. I am not adopting a critical attitude in regard to the hospital, the Department of Health or anyone else involved in this unfortunate matter. My only concern is that it should have been apparent to anyone that this lady was in a confused state. She was obviously in a condition where she did not fully appreciate what she was doing. I am not critical of the four security guards, because they had a job to do within the law of the land. But the fact remains that that law should be looked at and changed. People must use their discretion to determine whether a patient leaving a hospital under the tragic and unfortunate circumstances in which Mrs Burke left can be quickly assessed to determine whether he or she is in a state of trauma. The fact that Mrs Burke was allowed to continue on her way was injurious to her health. In hindsight it caused her death.

I will not detail the difficulties Mr Burke had at the coroner's office, because my constituent was probably as much at fault as the officers concerned in relation to some of the exchanges that took place. Mr Burke had a great deal of difficulty obtaining information from the coroner's office. The local paper, the *Lithgow Mercury*, published an article under the following headline, "Startling evidence of legal constraints in woman's death". Minister, in hindsight it is possible to say that the death of this woman probably could have been avoided. One must also concede that the law, as outlined by the coroner, suggests that the stage has not yet been reached whereby voluntary patients are restrained from voluntarily exiting public hospitals. Consideration must be given to the circumstances of this case. Consideration must be given also to changing the law to allow discretion, as I mentioned earlier, for the protection of persons who, obviously distressed and in danger of injuring themselves, can cause their own death. I commend that idea to the Minister.

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Mr PHILLIPS (Miranda - Minister for Health) [5.01]: I take the honourable member at his word, that this important matter is of genuine concern to him; that this matter transcends all political bounds and should be handled as such. This is an extremely difficult question, to which I do not believe there is any real answer - certainly no clear indication as to how one moves forward. As the honourable member for Bathurst said, Mrs Burke was a voluntary patient at Westmead Hospital for treatment of a medical condition - not a mental condition. Although she did have periods of bizarre behaviour and confusion, she displayed no suicidal tendencies during her admission. She was not restrained in terms of her personal freedom.

At the time she left the hospital Mrs Burke was not under any personal restrictions and not subject to any psychiatric restraining orders. Hospital security staff found Mrs Burke on Hawkesbury Road and tried to encourage her to return to the hospital. They were unsuccessful and the police were notified. Ward staff then searched the immediate area, only to find the patient had, unfortunately, fallen in front of a train at Westmead station. Her suicide, of course, was a most distressing event, not only for the family but also for the hospital staff involved. As the honourable member for Bathurst indicated the security officers stayed quite clearly within their legal bounds. Further, the security officers and the staff did all in their powers to try to convince Mrs Burke to return to the hospital. To reinforce the comments of the coroner's inquiry, I emphasise important

matters which have been raised by the honourable member for Bathurst. The coroner said:

This case involves a sad and unusual set of circumstances . . .

There is overwhelming evidence presented to me that neither the deceased patient, nor Mr Burke or his son, advised any of the staff of any expressed intention on her part to end her life or any attempt to end her life in recent times . . .

. . . I am satisfied that there was no legal basis upon which the security staff could have apprehended a patient in the street and forcibly return that patient to a hospital bed.

Later, the coroner said:

. . . in my view the community has not reached the stage where patients wishing to leave our hospitals, should be forcibly restrained from doing so and should be confined in a hospital bed against their wishes for further treatment which they do not desire to undergo.

That is the real nub of the matter. At what point do we allow health officers, or anyone in our community, to forcibly restrain people and force upon them medical treatment they may not want? It is difficult enough when people quite clearly show signs of mental illness to suggest they are a danger to themselves or the community. It is difficult enough to debate in this Parliament where to draw the line with regard to people being involuntarily restrained or detained in a hospital. It is a most difficult issue. Hundreds of people leave their bed and walk out of a hospital: maybe to walk through the grounds, maybe to go to a shop, maybe to go home. Some people want to discontinue treatment against the wishes of their doctor or the advice of staff. Which of those should be restrained or detained as "involuntary" patients? It is a very difficult issue.

Notwithstanding that, people working in health services obviously want to do everything they can to reduce the number of such incidents and to narrow that grey line. It is a wide grey line as to where one intervenes and where one does not intervene. It should be narrowed as much as possible without unnecessarily taking away people's freedom. I am pleased to report that as a result of this sad incident, Westmead Hospital instigated a review of security staff. Interim new procedures for security staff were introduced by Westmead Hospital immediately following the death of Mrs Burke. These guidelines require security staff to remain with a patient who leaves the hospital until police arrive.

The GIO, the hospital's insurer, has sought legal advice to confirm the adequacy of the interim guidelines. I understand that at this stage legal counsel has yet to provide that advice. I am also pleased to advise the honourable member for Bathurst and this House that in a separate development the acute psychiatric admission unit at Westmead Hospital has recently been gazetted under the provisions of the Mental Health Act to enable that unit to admit involuntary patients. This will enable the hospital to manage people who may need to be scheduled in the hospital rather than to have them transferred to Cumberland Hospital. But all that is in vain unless people show signs - and staff are able to identify signs and are trained to identify signs - of mental illness or being disturbed, in which case the necessary action can be taken.

I am pleased to say further that as a consequence of the coroner's inquiry, circular 94/54: Policy Guidelines on Suicidal Behaviour has recently been issued by the department to alert all health staff to the risk of suicide. Suicide is one of the major causes of death in our society. The number of suicides can be reduced, but it would be impossible to prevent suicide completely. The circular issued by the department to alert staff to the risk of suicide also advises staff and managers of the need for education and the need to train staff to be able to identify people at risk and to inform them of the services available to respond to those needs. I appreciate the honourable member for Bathurst raising this important matter. I understand and sympathise greatly with the Burke family. I wish there were an easy solution. At this stage, on the advice I have received, I am confident that everything that can possibly be done to stop these sorts of incidents happening in future is being done and will continue to be done. The next question is: at what point does one detain a person? That is a grey area and a problem to which there is no clear answer. The issue must always be kept under review.

Mr McBRIDE (The Entrance) [5.11]: All members of Parliament will be concerned about the issue

raised in the motion moved by the honourable member for Bathurst. I adopt a similar attitude to that
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taken by the honourable member. I am not seeking to take a partisan political point of view but rather to speak about the need to look after all constituencies within the hospital system. I agree also with the Minister for Health that there is a grey line in regard to hospital security in respect of patients when they are discharged. I wish to put to the Minister a specific case that is relevant when one is examining the system of discharging patients, which must be urgently reviewed.

When patients are discharged their personal security must not be at risk. The management and security of patients in public hospitals are in need of urgent review. The Diane Burke coronial inquiry in May this year firmly established that need. All members of Parliament will be keen to deal with the issue. The Diane Burke case highlights the difficulty that I believe exists throughout the public health system. A constituent of mine, Mr Martin - who is aged 65 years - collapsed while travelling by train to the city in late June. As the train at the time was near Croydon, he was taken and admitted to Concord Hospital. There he was treated for six days. On the day he was to be discharged, unfortunately he suffered a heart attack in the hospital. He was then transferred to Royal North Shore Hospital, where he was admitted on 7 July.

On 8 July Mr Martin underwent a successful quadruple bypass operation. On 15 July he was discharged from the hospital. I should inform the House of Mr Martin's circumstances, for they emphasise the lack of security surrounding his discharge on this occasion. Mr Martin has been an invalid pensioner for about five years; he is a diabetic who lives on his own in private rented accommodation at Long Jetty; he has no immediate family in the area where he lives, his closest relative being in Sydney and his next closest relative being in Melbourne. The circumstances are that when the decision was made that Mr Martin should be discharged he was not in a fit condition to be able to comment on his discharge. I do not believe that he knew how he was going to be discharged. He was taken in a wheelchair from the hospital, across the road to the bus stop where he was to catch the airbus to the central coast. Until that stage Mr Martin had been supervised by one of the ward orderlies from the hospital. He was put on the bus and given a brown paper bag containing two pieces of bread and a sachet of jam as sustenance for his trip.

This man, who was an invalid pensioner, a diabetic, had convalesced in hospital for six days, had a heart attack and quadruple bypass, was taken from the hospital, put on a bus and sent home. Mr Martin believed he was to be sent home in an ambulance, but that did not happen. He was booked on a bus and sent home to The Entrance. He then had to change buses at Bateau Bay and catch another bus to The Entrance. When he arrived there he had to walk about 400 metres to his home. He was also advised that he would be receiving primary care at home. As it turned out, it was five days before anyone came to check on his condition. This is another example of the situation that exists in our hospitals. The personal safety of a patient, which should have been a priority of the hospital and of the discharge system, was ignored. I bring this case to the attention of the Minister for Health in the hope that there will be a major review of the discharge process for public patients in public hospitals.

Mr SPEAKER: Order! It being 5.15 p.m., pursuant to sessional orders the debate is interrupted.

PRIVATE MEMBERS' STATEMENTS

MYALL LAKES LAND MANAGEMENT PROJECTS

Mr TURNER (Myall Lakes) [5.15]: I wish to thank the people carrying out work in the electorate under the landcare, river care and dune care programs. I also bring to the attention of the House my concerns and their concerns regarding insurance coverage. In doing so I should highlight the valuable work being undertaken by these people. In recent days I had the privilege of going out with some of the groups to look at

the work they are doing and to speak to them about the programs. I was pleased by the enthusiasm, dedication and determination of the groups to make their areas better, not solely for themselves but for future generations.

The Gloucester landcare group has been working for more than 40 years on various projects and still has much work to do. In the opinion of its members their work will be never ending, regrettably. The fact that they have the vision to take the time and make the effort to do this work demonstrates their determination to improve the environment in which they live. Recently I went for a bushwalk with the Avon landcare group to examine the erosion problems in the Avon River region and the resultant sedimentation, which affects the river downstream and causes difficulties with the river flow. One particularly horrendous erosion problem is at Morgans Gully in the Avon River area near Gloucester. I understand from local people that erosion began 30 or 40 years ago following a simple and well-intended action by a farmer who cut a strip into his property with his tractor. That resulted in significant erosion, which is now being addressed by the Avon group of people. More important, funds for the work are being provided by the State Government.

Recently I had the pleasure of presenting landcare funding to the Taree landcare group, which is taking care of the riverbank in Taree proper. The river is a significant part of the ecology and environment of Taree. The quality of the water in the Manning River is so good Willy the Whale still swims happily in it; he did try to get out yesterday but found his way back into the river. The Taree landcare group has put considerable work into improving the riverbank, not just for themselves but for everyone who uses that river area. Included in the work has been the planting of more than 100 native trees, the

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removal of noxious weeds and the stabilisation of the riverbank so that people can use it for recreational purposes.

Recently I visited Diamond Beach on behalf of the State Government to hand over a cheque to the Diamond Beach dune care group. I was shown stabilisation of the dunes, removal of the bitou bush and other dune restoration work. This group has shown remarkable foresight, bearing in mind that its members are volunteers. The money allocated to the group has not been substantial - and the Government would like to allocate more - but what has been done with it is significant. I offer my congratulations to all the landcare, dune care and river care groups. I am pleased that recently the Minister for Land and Water Conservation, George Souris, unveiled the new river care plan for the Manning River - a blueprint for other areas.

I also raise a matter pertaining to insurance. Each landcare group has to have its own liability insurance and each landcare group has to incorporate. I have written to the Minister to suggest that blanket insurance should be available to cover all landcare groups. This would enable funds presently being used for individual insurance and taken from the hard-earned resources of those groups to be better utilised in their programs. Perhaps the insurance companies may wish to negotiate a statewide agreement with landcare and dune care organisations. They may wish their names to be associated with such a worthwhile activity and thereby lower premiums. [*Time expired.*]

Ms MACHIN (Port Macquarie - Minister for Consumer Affairs, Minister Assisting the Minister for Roads, and Minister Assisting the Minister for Transport) [5.20]: I commend the honourable member for Myall Lakes for raising this issue. The magnitude of insurance costs is a problem in my electorate, the electorate of my colleague the honourable member for Oxley, Bruce Jeffery, and electorates of members of all parties. I commend the honourable member for Myall Lakes for his positive suggestion that interest in this matter be gauged. It would be a shame if such groups disbanded or suffered financially through lack of insurance cover. The Government and the head of the relevant department are examining this issue, to which I hope in the not too distant future positive solutions will be found.

CENTRAL COAST HOME CARE SERVICES

Mr McBRIDE (The Entrance) [5.22]: The House should be aware of an emerging crisis with regard to the availability of home care services on the central coast. It has become increasingly clear that the refusal of

the State Government to provide adequate funding is starting to hit hard in my electorate. I should like to convey the personal plight of a local resident to ensure that honourable members understand the importance of this issue. Mr Gordon Townsend is an 85-year-old resident of Long Jetty who had his home care assistance withdrawn in September last year. Mr Townsend had been receiving assistance for the previous seven years. He was originally granted assistance because osteoarthritis of his spine had severely reduced his mobility. In recent years he has come to rely on an orthopaedic cane. He tires quickly due to coronary disease and suffers numbness of his radial fingers. His need for home help increased when three years ago poor health forced his wife to move to a nursing home in western New South Wales.

Mr Townsend is afflicted also by macular degeneration of both eyes. His best corrected visual acuities are six over 24 in his right eye and six over 60 in his left eye. His ophthalmic surgeon, Dr Ian Davies, has identified the high likelihood of further deterioration in Mr Townsend's eyesight. He is so close to complete blindness that a letter from the Royal Blind Society notes that "visual aids are not able to enhance his vision for near task activities". I have known Mr Townsend for several years and have watched his health decline considerably over time. He has found it a growing burden to complete the day-to-day tasks required of living in his own home and in the community at large. It is sad that such a fine man has to struggle on his own.

Several months ago I made representations to the Minister for Community Services on Mr Townsend's behalf. I detailed his medical history and argued that home care assistance be restored as a matter of urgency. The Minister's response was as disappointing as it was ignorant of the facts. His waffling letter detailed the policy regarding the provision of home care but paid no regard to Mr Townsend's needs, let alone a review of the withdrawal of home care assistance, as requested. Perhaps before being so dismissive the Minister should have examined the facts surrounding home care assistance on the central coast. Earlier this year, in response to a question on notice, the Minister released information on services offered by Home and Community Care which does much to explain the plight faced by those in a similar position to that of Mr Townsend.

In 1990-91 the Gosford office provided 63,685 service hours. The figure fell to 60,148 service hours in 1991-92 and 58,649 in 1992-93. The Wyong office of Home and Community Care also has been subject to similar cutbacks. In 1988-89, 58,232 service hours were provided, a figure which remained almost stagnant, with 58,536 service hours provided in 1992-93. Of course, these figures must be weighed against the high rate of population growth on the central coast - 4.5 per cent annually according to the latest census. Both offices would need to provide an extra 11,000 service hours, or 18 per cent more, to meet population growth.

Though the figures for 1993-94 are not yet available, I imagine that the situation has deteriorated. My colleague in another place, the shadow minister for community services the Hon. R. D. Dyer, has done much to highlight the Government's failure to provide growth funds to home and community care services under its joint agreement with the

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Commonwealth. The Commonwealth's offer of 6.8 per cent in growth funds for HACC services in 1993-94 was rejected by Premier Fahey, and this has meant a loss of about \$6 million in services. This has forced HACC to close its books on many new clients and to withdraw services to others.

I assure the Minister that there is an enormous need among the elderly of the central coast for support services to be expanded, and a \$6 million injection of resources would be welcomed by the community. Gordon Townsend is only one of 20 people who have been through my office in the past six months seeking assistance. Some are at least as ill or infirm as Mr Townsend, but the circumstances of others are even worse. I ask the Minister again to consider people such as Mr Townsend when making judgment on the required level of services. There is no doubt that many people on the central coast are desperate for assistance. The Minister must provide that assistance, and I cannot emphasise enough the need for him to do so urgently.

WORKERS COMPENSATION CLAIM BY Mrs GWENDOLINE WILKINSON

Mr MORRIS (Blue Mountains) [5.27]: I bring to the notice of the House and the Minister for Consumer

Affairs the case of a constituent of mine, Mrs Gwendoline Wilkinson of Wentworth Falls, who, while employed by the Department of Education as a teacher at Dunheved High School in 1978, suffered injuries to her right foot when a whiteboard fell on it. She had been using the whiteboard as a screen for an overhead projector after being instructed to do so by the home economics mistress. At the time Mrs Wilkinson completed a claim for workers compensation and sent it to the department.

Later at the State Library of New South Wales Mrs Wilkinson researched the use of overhead projectors and screens and came across a publication by the New South Wales Department of Education issued several years before her accident. She had never seen this book, which made no mention of using a whiteboard as a screen, at Dunheved High School. In the light of this publication Mrs Wilkinson believed that she had a case for negligence against the Department of Education. She was incorrectly advised by the solicitor appearing for the New South Wales Teachers Federation that she had no claim against the department for damages but would have to rely on her workers compensation rights.

Mrs Wilkinson's foot gradually began to turn out at an angle of 45 degrees, a bunion developed and her foot eventually collapsed. In July 1982 Mrs Wilkinson was involved in a road accident in which she suffered whiplash. In August 1983 she was medically retired for a nervous condition. She applied for light work with the department after her retirement but her application was not even acknowledged. Time does not permit me to give details of the chain of events that followed, except to say that after a great deal of misleading advice from various solicitors, Mrs Wilkinson had great pressure placed upon her to accept \$15,300 as an out-of-court settlement for injury to her foot. She was later advised that she had a good case to sue for professional negligence. For seven years she has pursued this aim, continually seeking legal aid to enable her to have the matter heard in court. All her requests for legal aid were refused, so she was forced to drop the case.

All of Mrs Wilkinson's requests for legal aid were refused, so she was forced to drop the case. She is now seriously disabled and is also in a very poor state of health, suffering from cancer of the blood, stomach ulcers and blood pressure. Her husband is also in a poor state of health and their income has been considerably reduced. Mrs Wilkinson receives just under \$100 per fortnight in State superannuation in addition to the age pension. They are paying \$1,120 per month interest on a \$128,000 home loan, to be repaid by August 1995.

In June 1993, because she could not get legal aid to pursue the professional negligence case in court, she and her husband were evicted for three months from their home in Wentworth Falls. The only accommodation available was a substandard house without heating which they shared with a friend at Faulconbridge for five weeks. The remainder of the time was spent in a budget motel. Most of her State superannuation was drawn last year and went in paying solicitors' costs and broking charges to get back into their home.

Mrs Wilkinson needs major surgery on her foot. She needs many prescription drugs but if she buys these they do not have enough money for food. She is asking for \$80,000 compensation and \$60,000 costs. This would enable them to pay out their home loan, which would then enable them to maintain a reasonable standard of living. Mr Wilkinson is also in a poor state of health. He ran a small business in the city as a professional search and patent information broker. His office was badly damaged by fire in June 1989. This caused him to cease his work practice in the city. He was not able to get any other work immediately. The employment he was able to get was as a base grade clerk with the Commonwealth Public Service. This employment ceased on 15 December 1992, when he turned 65 years of age.

It is very obvious that this couple, who are in their sixties, are in a very desperate financial situation and cannot be allowed to continue in this way. I commend Mrs Wilkinson's request for compensation and costs from the Government for serious consideration. I have interviewed Mrs Wilkinson on many occasions, only to find that she is a very genuine lady who is in dire straits and in need of some financial help. It is very sad to have to bring this matter before the House, but I hope something can be done to help her.

KIAMA GOLF CLUB WATERING SYSTEM

Mr HARRISON (Kiama) [5.32]: I draw to the attention of the House my concern and indeed my dismay at the ongoing obstruction by the Water Board

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of the Kiama Golf Club in its attempts to use treated effluent as an alternative to potable water for the purpose of watering its greens and fairways. Over the past 14 months I have attended a number of meetings with the Water Board and we have discussed this possibility ad infinitum. Everyone is in agreement that there is an opportunity for a three-way win to be achieved - a win for the Water Board by conserving water when at present the dams are less than half full, a win for the environment by reducing the amount of effluent and associated nutrients being tipped into the Pacific Ocean, and a win for the golf club in the long run by reducing its costs for the water it uses on greens and fairways.

Until approximately one month ago, in all the discussions we have been having with the Water Board, board representatives insisted that the same price had to be paid for treated effluent as the club is at present paying for fresh water. Given that the estimated cost of putting in a pipeline is about \$280,000, the club has no incentive to move down that path. When the matter became public knowledge it took one phone call from the *Illawarra Mercury* to reduce the cost from 65 cents per kilolitre to 20 cents per kilolitre. At the next meeting with the Water Board that rate was reduced to 19 cents per kilolitre.

At present the club is paying \$40,000 per year or thereabouts for the use of fresh water. If the club takes on a \$280,000 loan, the club will take at least 10 or 12 years to service that loan and discharge its responsibilities in that way. A cost of 19 cents per kilolitre for effluent that is being dumped into the ocean at present would be outside the club's financial capability and would offer it no incentive to make the change. The club would be better off carrying on as it is.

Everyone is talking about the need to conserve water. Avon Dam is only 47 per cent full - or 53 per cent empty, whichever way you want to look at it. Yet we are being bombarded by the Water Board with material telling us to regularly check tap pipes for leaks, to turn off the tap when brushing our teeth, to grow drought resistant lawns in the garden, to use a broom to clean the paths - everything short of "shower with a friend" - to conserve water. The Water Board has a chance to save seven million litres of water in one fell swoop, but instead has offered the obstruction of a substantial charge on effluent at a rate - until a month ago - equivalent to the costs associated with the use of potable water. About 14 months ago I wrote to the Minister responsible, the Hon. Robert Webster in another place, and received a reply from him. Time does not permit me to read much of it but I wish to read into *Hansard* the last paragraph of his reply:

In view of the above, I concur with the Board's decision that subsidising an effluent re-use project for the Club is inappropriate.

It is almost unbelievable, given this opportunity for a three-way win - for the environment, for the club in the long term, and for the Water Board in conserving water and avoiding the necessity at this time of building the Welcome Reef Dam and others that might have to be constructed - that we should get this sort of wilful obstruction that we are experiencing in our negotiations with the board. As a result, I have written a letter to the Premier, the Hon John Fahey, in which I have appealed to him to take on board the situation faced by Kiama Golf Club and to look at one of two alternatives: that the Premier agree to make an environmental grant of at least half the \$280,000 cost if the board is hard-lined about charging 19 cents per kilolitre for the use of treated effluent; or that, at least until the club's debt be discharged, effluent be made available at no cost to the club.

CHILD SAFETY EXPO

Dr KERNOHAN (Camden) [5.37]: I would like to inform the House about an event that took place in the Camden electorate last month. It was the third of its kind, but this year it was so outstanding that I believe my colleagues should learn of it and perhaps take the idea back to their electorates where it may be most useful. I am referring to the Child Safety Expo held at Camden Civic Centre between 9.00 a.m. and 3.00 p.m. on 30 and 31 August. I was invited to open the expo on 30 August. I was amazed by the expo this year in comparison to what it had been in previous years. Nine schools attended and more than 2,000 children visited over the

two-day period.

Each school group spent approximately an hour and a half at the expo, which also attracted a constant flow of adults from the community with preschool children. Camden Council provided the venue, morning and afternoon teas, space to organise the expo, and one staff member. The staff member was Jan Warren, the children's services development officer, whose brainchild this was. She was assisted by volunteer coordinator Chris Holmes, who did 160 hours of work and, indeed, earned the community services award she was given for this project.

Forty groups actually participated in the expo. They filled the auditorium, the art gallery, the lobby and the car park of Camden Civic Centre. The expo was sponsored by the community, with council assistance. Camden Apex gave \$300. Local bookshops - the Argyle Bookshop, Book Book and Harper Collins - gave prizes for the colouring-in competitions that were run. The State Bank gave giveaway bags of goodies. B. J. Borg Promotions provided carry bags, and Willow Valley, a local company that makes cereals, produced sample packets to go in them. It was a community effort. I shall list some of the people who participated and what they did.

I emphasise that everything was hands-on. People talked to the kids about safety and aspects of it. But it was hands-on: touch, feel, wherever possible, with samples, pamphlets and information to take home. Clutha Limited, for example, had safety

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helmets, and gave away earplugs. The kids had a wonderful time looking at safety. The Lions Club "Identikit" project issued 154 identity cards. The South Western Sydney Area Health Service had three stalls, including one for Camden hospital. One stall portrayed good diets, with samples of safe food the kids could try. Another had a colouring-in mat, where somebody talked about sexual assault. The hospital stall had a bed and trolley with a drip going into a bear. The kids were able to listen to their hearts with stethoscopes, and their blood pressure was taken, so that they would not be frightened of hospitals.

Telecom displayed emergency numbers and showed how to work them, and how to answer a phone and not let on that you are home alone. Paramedical services had manikins, on which the kids were able to try cardiopulmonary resuscitation, and they were told about it. Busways displayed bus safety. They had a cutaway bus and the kids were getting in and out and driving the bus. It was marvellous. Railsafe had a video and a miniature train. Camden Police had a video as well. Natural Gas had a life-size stuffed polar bear in a rocking chair and Rinnai safety gas heaters that switched off when they fell over.

Outside in the car park two fire brigades - the town brigade and the volunteer brigade - displayed equipment and showed the kids how it worked and what they did. WorkCover had a van and a working model of farm equipment, and showed how accidents could occur. They had farm chemicals and talked about safety with chemicals. WorkCover officers made the statement that they had the biggest walk-through rate of any venue that they had ever attended. The ambulance rescue truck was there and officers talked about rescue operations. The NRMA had traffic lights, a clown and pedestrian crossings. [*Time expired.*]

Ms MACHIN (Port Macquarie - Minister for Consumer Affairs, Minister Assisting the Minister for Roads, and Minister Assisting the Minister for Transport) [5.42]: I cannot help but declare an interest in this matter. Like many members, I have children, and it is a fantastic idea to have a child safety expo. I commend the honourable member for Camden for telling members about the expo. It may be something we can all suggest that our local communities might like to hold, either as a separate function or in conjunction with other local events.

Obviously, from a consumer affairs point of view, my department has a considerable interest in this. It has a very active product safety division that is recognised as one of the best in Australia. A lot of its work is focused on children's products and services to make sure that they are safe before they get into the marketplace, and if a product is released and there is a problem, my officers head it off fairly quickly. I do not know whether the Department of Consumer Affairs participated in the expo, or gave any advice, but I am sure it would be

more than happy to provide information for next year's expo. We look forward to hearing from the Camden community.

RHODES-NORTH STRATHFIELD REDEVELOPMENT CORRIDOR STUDY

Mr J. H. MURRAY (Drummoyne) [5.44]: I draw attention to the difficulties that many residents of Rhodes, Concord West and North Strathfield are experiencing as a consequence of the implementation of the draft Rhodes-North Strathfield redevelopment corridor study. In particular, they are concerned about the lack of State Government commitment towards providing for the necessary infrastructure to support what is one of the largest housing development proposals in Sydney. Concord municipality is known as the parkland suburb, and any development proposal should be able to be identified with the character, the type of buildings and landscaping already within the area. The State Government, along with Concord Council, has financed this corridor study. Unfortunately, the report is still in draft form. Yet Concord Council is currently making decisions about rezoning and development along the peninsular spine.

To this end, decisions have been made for a number of development sites, and are currently being made in relation to the CSR site. Certainly the community, at a number of very well attended public meetings, has expressed dismay at the proposals. Some of these are to erect six-storey buildings with close to 1,000 units on just one development site. Currently Concord municipality has an average density of 0.0478 hectares per resident. The redevelopment would result in an average density of 0.0058 hectares per resident, which is a significant increase.

The president of the King Street residents group, Mr Sundah Mahtani, has led a vigorous campaign on behalf of local residents, outlining the impact of these proposals on the community. One of the main issues raised by the residents is, as the residents have put it, the juvenile problem, or, to put it another way, the risk-taking behaviour that will come about with youth in the area. The social environment proposals would, in the opinion of the local residents, be conducive to a very high level of adolescent risk-taking. Concord West Primary School is the only school in the area, and can accommodate a further 60 students. However, that is not nearly enough for the proposed developments. With an increase of 3,000 residents in just one of the developments, there is likely to be between 300 and 500 students of a primary school age in that development. Yet there is only one school, and it can take only an additional 60 students.

Further, a number of large medium-density housing estates are planned for the area; one of 286 units has already been approved. These high-density housing estates have the potential to become slums or ghettos, with many of their residents marginalised, isolated and experiencing a multitude of social and psychological problems. Concord Council's community services are quite limited, as much of its funds are spent on maintaining parks in affluent areas of the municipality. Many concerns were raised by

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residents at workshops, but they have been ignored. The few concerns that have been reported have, in most cases, been watered down in the study.

A number of questions were asked at these meetings. Council and government officers were asked whether the development, its access, egress, and width of roads would allow emergency vehicles to attend the site. There was no answer to this. Residents asked whether there should be a police station. For members' edification, I have already drawn attention to the fact that Concord is only one of two municipalities in New South Wales that does not have a police station. It is proposed to increase by one-third the number of people living in the existing area of Concord, but there is no proposal to provide this necessary facility.

At the moment New South Wales Fire Brigades is proposing to close the Rhodes fire station. This would be a disaster. In the event of a major disaster, will State Government departments be able to attend the residents within and around the site? These matters have been brought to the attention of me and others at these meetings. Unless the State Government steps in, Concord Council, in spite of any previous achievements, will be remembered as the council that turned its back on its residents, and plunged Concord into the inner city sprawl, that is, high-rise buildings and high-population densities. In other words, it would create a ghetto

suburb instead of a garden suburb. I draw this to the attention of the House because I believe that Ministers involved in these areas should be made aware, and hopefully, with an election approaching, they might be able to provide some concrete answers.

NORTHERN REGION PROPOSED AGRICULTURAL COLLEGE

Mr W. T. J. MURRAY (Barwon) [5.49]: I speak in relation to a northern agricultural college at Inverell. About six years ago I joined a group of people to promote an agricultural college in northern New South Wales. A top committee is working towards this project, which has the full support of the Inverell Council, all councils within that area, down as far as Narrabri and to the east of Inverell, the north west regional development organisation, the member for Northern Tablelands and myself. Moree is not mentioned there. It is not mentioned because of a gross intrusion by the manager of the Moree TAFE, who has created a situation in which Moree will be bypassed and left out of any future proposals. That person believes that TAFE can provide an agricultural college operation. That is untrue.

Senior staff officers from TAFE told me, in my capacity as Deputy Premier, what I was going to do and what I was not going to do in regard to my support for the Inverell agricultural college. I rejected their proposals. I continue to reject their proposals and I call upon the Minister for Education, Training and Youth Affairs to ensure that the Government recognises agricultural colleges and recognises that agricultural organisation and education and TAFE education are two entirely different facets of educating rural managers in this State. TAFE has a lack of information about the operation of agricultural colleges, which have been under the management of the Minister for Agriculture for many years. That lack of information is reflected in the process that is taking place.

Senior people within TAFE suggest that the role of New South Wales Agriculture in public training courses and an expanded role in vocational education and training is not justified, and as a result the Minister does not support this proposed expansion. It is intended that non-government services should be increased as a result of the inclusion of the private sector. This is exactly what will happen at Inverell. The feasibility study which is being carried out by TAFE into the whole process is like giving an arsonist another box of matches. The study will be directed towards this whole proposal. A lot of money has been spent recently in the State, including money spent on a facility at Moree. That facility will provide technicians with only manual training for the services of rural industry. It will not create the management training that is desperately needed across the board to enable the implementation of a proper management structure for many properties in the north-west of the State.

The Inverell proposal is for residential multi-campus operations at Inverell, the University of New England, the property at Wialda, the research area at Narrabri and at Wee Waa. In the last few years we lost Orange Agricultural College and Hawkesbury Agricultural College - two colleges which made substantial contributions to agricultural management in this State. This third college is desperately needed to replace those two colleges. Colleges at Yanco in the south, Tocal in the centre of the State and Inverell in the north would provide training across the State to maintain and boost agricultural industry in this nation. The conflict between TAFE and New South Wales Agriculture is not warranted. I ask both Ministers to expedite the establishment of a college at Inverell.

HEATHCOTE ROAD UPGRADING

Mr KNOWLES (Moorebank) [5.54]: I draw the attention of the House to the appalling state of Heathcote Road, particularly those sections within my electorate between Moorebank Avenue and Holsworthy railway station, and the section between Holsworthy railway station and Deadmans Creek. Motorists and pedestrians are at grave risk because of traffic levels on this section of road. Delays during peak hour are intolerable. There is an urgent need to install traffic lights at key intersections, to widen the road, and to ensure safer access along and across the road, particularly for school children. According to the most recent figures

from the Roads and Traffic Authority, approximately 23,500 vehicles travel along Heathcote Road each day. Those figures relate to 1991 and do not take into account the massive urban expansion in south-western Sydney since that time.

As a State arterial road, Heathcote Road carries large volumes of industrial traffic between Sydney's greater west and the Illawarra. Because of the recent

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growth in residential developments in the area, particularly the new Wattle Grove estate, my community is now faced with a major conflict between through traffic and local traffic. For example, the local school bus waits on average for six to eight minutes at the intersection of Heathcote Road and Infantry Parade before it can turn with safety. There are no traffic lights at that intersection. Motorists trying to exit the Moorebank Sports Club and the Hammondville oval complex place their lives and those of their families at risk. School children who try to gain access to their schools across Heathcote Road are in danger of being run over.

These problems have existed for years, but the rapid and recent explosion in residential population in the area has turned a major problem into a crisis. Sadly, though, whilst the RTA concedes that those problems exist, it says there is no money to fix them. Even worse, the RTA has no proposals to upgrade Heathcote Road either this year or as part of its 1995 works program. Recently I met with officers of the RTA, who conceded that the only way Heathcote Road would ever be upgraded was if enough political and community pressure were placed on the Government. I am interested in fair and equitable government and I find this attitude repulsive and against the interests of the people I represent. The Minister for Transport should instruct the RTA to immediately allocate funds to improve Heathcote Road. My constituents should not have to settle for substandard roads and traffic facilities. More to the point, they should not have to wait for someone to be killed before something is done.

Heathcote Road will not be a safe road for motorists and pedestrians until traffic lights are provided at the intersection of Infantry Parade, Holsworthy; the entry and exit points to Moorebank Sports Club and the Hammondville oval are co-ordinated with those traffic lights; traffic lights - or, as a bare minimum, a dedicated pedestrian crossing - is provided at the intersection of Walder Road, Hammondville; proper pedestrian links are provided either across or around the M5 tollway; improvements are made to the intersection of Junction Road, Moorebank; pedestrian facilities are provided at the intersection of Moorebank Avenue; and intersection improvements are made at the junction of Pleasure Point Road and Heathcote Road. In addition to all those urgently needed works, Heathcote Road needs to be widened from its present single-lane configuration, the gravel shoulders must be sealed and proper bus bay facilities must be provided.

To most people in my community that list of works is self-evident, but to the RTA it appears to remain a mystery. With the assistance of the Wattle Grove joint venture, the army, local bus companies, Liverpool Council and the Hammondville-Holsworthy-Wattle Grove precinct committee, I will be conducting a household survey in the near future to allow local residents to have their say about Heathcote Road, and to identify the problems and the black spots. If the RTA wants political and community pressure, it is about to get it.

However, I would have thought a commonsense approach to its job would be to allocate funds and commence work immediately to fix Heathcote Road once and for all to meet the needs of my constituents. It is ludicrous that this problem cannot be rectified. The RTA has advanced a \$50 million low interest subordinated loan to Interlink Roads Proprietary Limited to extend, without tender, the M5 tollway, which will enable it to reap more profits. If the RTA can find \$50 million to subsidise the interests of a private company it can certainly find the funds to repair and upgrade Heathcote Road to meet the needs of people who live in my electorate.

PROPOSED INNER WEST HOSPITAL

Mr ZAMMIT (Strathfield) [5.59]: Today is an important day for my community and for the inner west of Sydney in general, because I have seen confirmation of the money to be provided for the new inner west

hospital. This means work will commence very soon. The award design and construction contract will be let during the early part of November this year. Excavation will commence at the end of November this year. Construction will be completed in November 1996, and the complete commissioning in February 1997. I was pleased when I saw in today's budget papers the allocation of \$11 million towards the \$70 million new hospital. That \$11 million will be spent during the next 12 months on the first stages of the new hospital. I pay tribute to the members of my community for the strong case they put forward to the board of the Central Sydney Area Health Service. Together we put forward a strong case to the Minister for Health regarding the need for a new inner west hospital. I know that some people believed we should not have a hospital, and that caused a lot of concern. They put forward a strong case because they believed it was not necessary to build a hospital on the existing site. I believe it is not only necessary but vital for us to have a new hospital.

I would like to specify some of the services that will be provided at this hospital. There has been rumour mongering by some people who have been saying, "This will be nothing more than a 24-hour medical centre". It has now been confirmed that the new hospital will provide a 24-hour emergency service catering for a full range of patients, including ambulance admissions. It will provide a total of 76 surgical and medical beds, including an intensive care and critical care unit. It will provide 36 beds for geriatric rehabilitation and in-patient services. It will provide an orthopaedic-rheumatology unit with 70 beds, an obstetrics department with 24 beds, a neonatal unit with four cots, a paediatric centre with 20 beds, 10 day surgery places, a family care area with 14 beds, a day hospital and, something that is vitally needed - I know the community will be pleased to hear this - a hydrotherapy pool. I have been told that the pool will not be as big as the previous pool, but everyone who used the old hydrotherapy pool will now have access to the new one.

Initially the new hospital was to have provided only 120 beds. It will now provide 240 beds as it will incorporate the transfer of all services now provided

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by Rachel Forster Hospital at Redfern. Some of the features of this hospital are a modern maternity unit, including a birthing centre; improved access to elective surgery such as knee and hip replacements, cataract surgery, varicose veins, and gall bladders; CAT scanning; a geriatric rehabilitation service; and a day hospital. I pay tribute and express my appreciation to the Minister for Health, the Hon. Ron Phillips, as he has had to make a difficult decision, but I know that he has done it in the interests of the inner west community. On behalf of my constituents and the people in the inner west I thank him, first for providing a hospital in the inner west even though he was getting advice that no hospital should be provided, and second for providing a hospital on the Western Suburbs Hospital site.

SUPPORTED ACCOMMODATION ASSISTANCE PROGRAM REVIEW

Mr GAUDRY (Newcastle) [6.04]: I wish to bring to the attention of honourable members and the Minister for Community Services, Minister for Aboriginal Affairs, and Minister for the Ageing the concerns of workers and residents of women's refuges in my electorate about the State review of the supported accommodation assistance program entitled "The Way Home". I believe it should have been entitled "The Wrong Way Home". That review deals with the most disadvantaged groups in our community - battered wives and children, children who are sexually abused, marginalised women from non-English speaking backgrounds, and Koori women and children. In fact, it is an accountant's review of a very human service. It contrasts with the national review, which was very positive, about the role of child support workers, non-English speaking background workers and Koori and follow-up workers in refuges across the nation.

The State review recommends the removal of follow-up workers and child support workers. That would push those children in refuges into an already overtaxed community support service system and into child-care centres, which are really inappropriate. Those children and female parents are seeking refuge in women's refuges in my electorate. Women and clients working in those centres have asked me to bring a message to this House and this State. They believe it is totally inappropriate for the Government to follow the review recommendations. Women and children go into refuges when they experience violence in their lives. Children often witness their mothers being beaten. They have often been subjected to violence, verbal abuse, emotional

abuse and sexual assault. In fact, many small children are emotionally upset and in need of close support. Child support workers and follow-up workers in refuges provide support for those children and use their skills to help parents.

Child support workers in my electorate provide, in a safe and secure environment, emotional support to children who have witnessed domestic violence and children who have been neglected or physically, emotionally or sexually assaulted. Those workers assess the needs of individual children, promote activities and establish programs for them. They are active advocates on behalf of the children. They refer to and liaise with a number of agencies such as the Department of Community Services, the Sexual Assault Unit, child, family and adolescent counselling services, the Family Court, the Child Protection Authority, the Domestic Violence Liaison Committee and the Multicultural Children's Resource Centre. Their activities are more extensive than those of child-care workers.

It is the view of workers and clients in the system that it is inappropriate to hand over to the child-care system children in an emotionally damaged state. Those children, rather than benefiting from assistance, would create difficulties for those centres. I have been requested by child support workers to ask the Minister several questions. Why is there such a huge difference between the outcomes of the State and national reviews? Is the State review purely a cost-cutting exercise? Why does the State Government want to further isolate women and children in refuges by denying them the support they require? Does the Government in the International Year of the Family not recognise women and children escaping domestic violence? Would the Government prefer them return to abusive partners so that they fit into the context of a "normal family"? Child-care workers have many other questions they wish to ask the Minister, but they particularly want to know why the recommendations in the State review differ so markedly from the recommendations in the national review.

Private members' statements noted.

[Mr Acting-Speaker (Mr Hazzard) left the chair at 6.10 p.m. The House resumed at 7.30 p.m.]

VOLUNTARY PUBLIC HOSPITAL PATIENTS

Matter of Public Importance

Debate resumed from an earlier hour.

Mr CLOUGH (Bathurst) [7.30], in reply: Earlier I was addressing the death of Diane Burke. I thank the Minister for the way he accepted my comments and for the indication he gave me that Westmead Hospital has changed its methods of dealing with issues of this type, to ensure that a member of the security staff remains with a patient until such time as the police arrive. This was a very distressing incident. I feel that the average person would have realised that something was wrong with this lady because of her dress, and because a drip was still in her arm and blood was running from it. Nothing would lead me to believe that she was entirely in charge of her mental faculties. As I said earlier, these things often happen for the good of someone else. I stress that there has to be a very close examination of existing laws, to give people the right of discretion to determine what is best for the patient. It is a tragedy that Mrs Burke walked out of the hospital and took her own life. I sincerely trust that her death will not be in vain.

Motion agreed to.

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PUBLIC ACCOUNTS COMMITTEE

Membership

Motion, by leave, by Mr West agreed to:

That, pursuant to section 54 (5) and (6) of the Public Finance and Audit Act 1983, Andrew Humpherson be appointed to serve on the Public Accounts Committee in place of Andrew Arnold Tink.

COMMITTEE ON THE INDEPENDENT COMMISSION AGAINST CORRUPTION

Membership

Motion, by leave, by Mr West agreed to:

(1) That Andrew Arnold Tink be discharged from attendance upon the Committee on the Independent Commission Against Corruption and that Stephen Mark O'Doherty be appointed to serve on such Committee.

(2) That a message be sent acquainting the Legislative Council of the resolution.

JOINT STANDING COMMITTEE UPON ROAD SAFETY

Membership

Motion, by leave, by Mr West agreed to:

(1) That Ian McManus be appointed to serve on the Joint Standing Committee upon Road Safety in place of John Paul Newman, deceased.

(2) That a message be sent acquainting the Legislative Council of the resolution.

BUSINESS OF THE HOUSE

Bills: Suspension of Standing and Sessional Orders

Motion, by leave, by Mr West agreed to:

That certain standing orders be suspended to allow the Liquor (Further Amendment) Bill and the Registered Clubs (Further Amendment) Bill, notice of which was given this day for tomorrow, being brought in and proceeded with up to and including the Minister's second reading speech.

INDEPENDENT COMMISSION AGAINST CORRUPTION (COMMISSIONER) BILL

Mr West: I seek the leave of the House to suspend so much of the sessional and standing orders as would preclude the introduction of the Independent Commission Against Corruption (Commissioner) Bill, notice of which was given this day for tomorrow, being brought in and passed through all stages at this sitting.

Leave not granted.

I therefore seek the leave of the House to suspend so much of the standing and sessional orders as would preclude the Independent Commission Against Corruption (Commissioner) Bill being brought in and proceeded with up to and including the Minister's second reading speech.

Leave not granted.

BUILDING SERVICES CORPORATION (AMENDMENT) BILL

Second Reading

Debate resumed from 4 May.

Mr AMERY (Mount Druitt) [7.36]: I lead for the Opposition in this debate, and, with the exception of an amendment that we will move in Committee, the Opposition will generally support the bill. I table copies of my intended amendments. In general terms, the Opposition supports the bill, which will reform some aspects of the Building Services Corporation. Whilst that may sound a little cautious, it should be noted that the Opposition believes that there is a long way to go with the reform of the building industry and its relationship with Government regulation, dispute resolution, insurance and licensing.

Although the Opposition supports the general thrust of the bill, we have some concerns about some of its provisions. With regard to consumer representation, the Opposition will move the amendments that I flagged in my opening comments. I commend the Minister's second reading speech as being very comprehensive and going beyond the details of the bill. I was also pleased at the frank recognition of the many problems we now have, and that action will be taken to back up the Minister's comments. Some concerns have been expressed about the bill. For instance, honourable members have received a letter from the National Electrical Contractors Association in which the executive director, Mr James Tinslay, said he did not receive a copy of the bill until 5 May 1994. Mr Tinslay pointed out that that was the week that the bill was introduced into Parliament. He argued that the union and employee associations will largely be excluded from the Home Building Advisory Council. That was his concern. His letter dated 6 May addressed to me - a copy was sent to the Minister - reads:

As you will be aware the Minister for Consumer Affairs read the above Bill for the second time on the evening of Wednesday, 4 May, 1994. A copy of the Bill was subsequently delivered to my office late on Thursday, 5 May, 1994.

The Bill came with a covering letter (copy attached) seeking comment by Monday, 9 May, 1994.

I had not seen the Bill previously nor had this organisation been involved in any forums where our views could be expressed.

Mr Tinslay was very critical of only two working days being allowed to assess the bill and its implications. I understand that his organisation will be working with the Opposition over the next six months looking at any areas in which the unions and various inspectors et cetera have any problems with the working of the bill, so that there will be some legislative review of the current legislation. Other organisations expressed the view that the industry would not be represented. We have received representations from the Building Action Review Group, known as BARG. It has expressed concerns about the Buildings Disputes Tribunal issuing rectification orders. I will refer to this a little later.

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As the Minister mentioned in the second reading speech, there have been a number of inquiries into the building industry. I would like to put on the record some of the recommendations relevant to the legislation. The Minister referred to the report of Peter Dodd of 28 February 1993. The Royal Commission into Productivity in the Building Industry in New South Wales received numerous complaints about the operations of the Building Services Corporation, from several sources including the Building Action Review Group. This, along with the evidence of the maladministration of the Master Builders Association group apprenticeship scheme, led the commissioner, Mr Roger Gyles QC, to find that an external review of the structure and functions of the Building Services Corporation was warranted. The terms of reference were:

To investigate and provide recommendations to the Government on consumer protection in the home building and related services industry, with particular reference to:

1. the appropriate purpose and scope of government regulation;
2. the efficiency and effectiveness of the NSW Building Services Corporation (BSC), including its financial management and the administration of the licensing and insurance functions;
3. the role and operations of any special fund or trust under the control of the BSC;
4. the appropriate structure, function and operations of the BSC;
5. the best method of minimising disputes, including alternative dispute resolution mechanisms in the home building sector; and
6. such other incidental matters which may arise in the course of the inquiry.

A summary of the findings and recommendations of the inquiry appears under a number of headings. On corporate purpose or consumer protection the recommendation was that a registry of residential building disputes be established to receive and seek resolution in all disputes related to residential building work; that the Registry of Residential Building Disputes should be an independent agency located within the portfolio of Minister for Consumer Affairs but separate from the Department of Consumer Affairs; and that the insurance for residential building work should be privatised. I understand that this matter is now the subject of a task force investigating, among other things, the privatisation or otherwise of BSC Insurance. Another recommendation was that the remaining Building Services Corporation functions be consolidated into a restructured organisation to be known as the Office of Building Services within the portfolio of the Minister for Housing.

The recommendations go on to state that the office of Building Services should be an independent inner budgetary agency located within the portfolio of the Minister for Housing but separate from the Department of Housing and that the membership of the corporation should be reviewed and reconstituted as an advisory council to the Minister. In relation to licensing it was recommended that the current licensing of residential building contractors in New South Wales should be replaced by a new registration scheme supported by compulsory private indemnity insurance; that the Office of Building Services to be responsible for registering and disciplining building contractors; that the current show cause process to discipline builders should be replaced by a new system utilising administrative procedures and a special disciplinary tribunal staffed by a small panel of experts; and that there be limited appeal rights to the Commercial Tribunal for matters relating to discipline and registration.

Under the heading of "Dispute Resolution" the recommendations were that a Registry of Residential Building Disputes should be an initial referral point for any dispute; that the Registry of Residential Building Disputes should be responsible for determining the most appropriate and efficient mechanism for resolving individual residential building disputes; that the existing Building Disputes Tribunal and Commercial Tribunal should be utilised as the final arbiters in any residential building dispute; and that the monetary jurisdiction of the Building Disputes Tribunal be increased to \$50,000. That was raised by me in a private member's statement back in March in response to the Minister increasing the jurisdiction from \$10,000 to \$25,000. The report recommended that matters in excess of \$50,000 should be heard by the Commercial Tribunal.

Another recommendation was that the tribunal should be given jurisdiction regarding costs and appeals against registry determinations and should award costs according to a formula. Under the heading of "Insurance" the report made five recommendations that I would like to put on the record. One was that the Government should discontinue its involvement in the provision of insurance for the residential building industry. I have to say that that is something that we are not too quick to endorse at this stage. The recommendations stated that there should be compulsory private insurance for all residential building work over \$5,000 in value, and that the responsibility for the existing insurance funds in the interim should be transferred to the Treasurer. One could critically say that that has already been done with the raid on the Building Services Corporation. It was also recommended that the Treasurer should appoint an interim board to manage the

operations of the insurance schemes during the transitional period and the Treasury should investigate and determine an appropriate privatisation model and the best options for dealing with the tail of the existing BSC policies.

Under the heading of "Education and Training" it was recommended that an appropriate advisory body should be established to assess training and education needs, advise of funding proposals, and review performance; and that if the Government is to continue the industry development and education role undertaken by the Building Services Corporation the percentage of registration fees to be used for this purpose should be made transparent, as should any capital funds endowed for this purpose. Under the heading of "Contracts" it was recommended that all

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contracts for residential building work over \$5,000 should be in writing and that a plain English standard form contract currently being developed by the Building Services Corporation be introduced as soon as possible but not made mandatory. I do not agree with the last point and I will refer to the matter later. A third recommendation was that a standard dispute clause for all residential building contracts should be legislated nominating the Registry of Residential Building Disputes as an initial referral point for any dispute.

A recommendation about local government stated basically that local government should be legislatively accountable for ensuring that specified critical phases of inspections are undertaken to certify structural soundness in relation to all residential building work. The Opposition would support that. In all the investigations and complaints about builders from consumers the question is always asked: what responsibility can be sheeted back home to the local council inspection system? Some of the homes that I have inspected over the past six to 12 months would make one ask how they could have passed local government inspections during the normal process of approval by the local council. I would certainly like to see some accountability for local government in this whole process.

There were a number of other recommendations in relation to strata title buildings. It was recommended that details of any building work over \$5,000 undertaken on a property by an owner-builder during the preceding seven years be available during the conveyancing process. There was a recommendation about outstanding grievances, an important issue in the whole matter of disputes before the Building Services Corporation. It was also recommended that all outstanding insurance appeals should be directed to the Commercial Tribunal regardless of the appeal provisions of the original insurance policy. Like many of the other recommendations, that is part of the bill. Another recommendation, in relation to grievances, is that any person who has outstanding grievances with the Building Services Corporation should be encouraged to approach the Registry of Residential Building Disputes for advice about any available appeal options that remain for their particular situation. That is the last recommendation I wish to refer to from the Dodd report.

Another matter I raise is the final report of the Trade Practices Commission into home building, relating to consumer problems and resolutions. The report was completed in November 1993, but many of the recommendations have not been implemented by the Government. On 23 March 1992 a review commenced of the home building industry seeking to identify the main causes of consumer complaint, general issues of conduct within the industry, the role of standard form contracts and the role of licensing and regulatory bodies. The aim of the review by the Trade Practices Commission was to recommend fair and reasonable solutions to problems encountered by consumers and builders. The four major areas of consumer complaints noted were: substantial price increases; substantial delays during construction; lack of communication and consultation about price and construction time changes; and the unsatisfactory resolution of disputes between builder and client - obviously the biggest issue.

In December 1992 the commission released the home building industry review discussion paper. Following the release of the document the commission received approximately 60 written submissions and a number of oral submissions that were taken into consideration in drafting the final report. A summary of the report shows under the heading of "Contracts" that the Trade Practices Commission recommended that it should be a formal requirement that all home building contracts be written, contain basic elements and comply with formalities, a copy of which should be provided to the owner on execution. That recommendation is consistent

with what has been contained in a number of reports into the building industry. Many observers think that all contracts are written. However, among the many people involved in home repairs and extensions a great number of agreements between parties are either verbal or contained in carbon copies of order forms from stationery provided by the builder.

The Opposition hopes that all the recommendations that have been made and the reforms in the building industry will obviate the need for recommendations that home building contracts be written and contain basic elements - things that should always have been in existence. Another recommendation in respect of contracts was that they should be written in plain language and clearly explain all terms and conditions, including the time for completion of the work. A second recommendation was that they should include a detailed description of the work, plans and specifications. A third recommendation was that the contract price should be as firm as possible, be displayed prominently at the beginning of the contract, and should include all known costs to be borne by the consumer. Anyone who has had any dealings with contracts with builders will acknowledge that getting a final cost up-front is not as easy as it might seem.

The final recommendation in the contracts section of the report is that the statement of contract price should be accompanied by a clear warning of the possibility of price variations and an explanation of their potential impact on the final price. The Trade Practices Commission stated under the section dealing with warranties that all State and Territory jurisdictions should legislate to imply building specific statutory warranties into domestic building contracts; and that such warranties should be enforceable against a builder and insurance schemes. Under the heading of "Dispute Resolution" the Trade Practices Commission report said that mandatory arbitration clauses should be prohibited, a matter in respect of which this State is dragging behind Queensland. That recommendation needs to be addressed. It is a shame that it is not given effect to in the proposed legislation.

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Also under the dispute resolution section of the report the Trade Practices Commission said that each State and Territory jurisdiction should establish a building disputes tribunal to decide home building disputes that cannot be resolved by direct negotiation or mediation. In one form or another that procedure is already used in this State. Under the heading of "Insurance" the commission recommended that compulsory insurance cover of up to \$200,000, indexed for inflation, should be available in all jurisdictions and that where the contract price exceeds \$200,000 gap insurance should be available. It said also that owners should be given details in plain English of information about the relevant insurance cover, prior to entering into a contract; that insurance contracts should provide for the making of ex gratia payments in cases of hardship; and that insurance claim decisions should be reviewable by the proposed building disputes tribunal.

In respect of licensing and registration the Trade Practices Commission recommended that a register should be kept of all builders and that a builder should be deregistered on evidence being provided of dishonesty, insolvency or poor work performance. That is one area in which the Opposition would hope to see a much stronger performance by the Building Services Corporation. The commission also recommended that there be provisions to prevent deregistered builders from setting up business by other means; for example, through a company. That type of complaint has been made in many of the matters that have been referred to Opposition members by consumers.

The Trade Practices Commission also made a number of recommendations under the heading of "Education and Information" but I wanted simply to mention the recommendations that I believe are relevant to the direction in which the Building Services Corporation is, or should be, going. The Trade Practices Commission review has received considerable publicity and mixed reviews. On 21 December 1993 an article in the *Sydney Morning Herald* written by the consumer affairs writer Jacquelyn Hole made interesting comments worthy of quotation:

Home owners get more consumer protection buying a toaster than in buying or extending their homes, the head of the Trade Practices Commission, Professor Allan Fels, said yesterday.

The article continued:

It is often said you are provided with better protection if you spend \$20 buying a toaster than if you spend \$20,000 extending, or \$100,000 building, a home.

The article referred to Australian Bureau of Statistics figures which showed that 25,110 houses worth a total of \$2.6 billion were constructed in New South Wales during 1991-92. All these details demonstrate that this is a massive industry. The Government has responded to the reports by introducing the bill and by flagging a number of task force inquiries. I have been critical of the make-up of two of the task forces: one dealing with gold licences, a matter that I believe needs to be reviewed; and the other determining whether the building services insurance scheme should be privatised. I shall be extremely interested in the recommendations made by that task force.

In response to these reports the Government has transferred the Building Services Corporation to the Ministry of Consumer Affairs, a move that I support. That accords with the Government's stated intention that the Building Services Corporation should have more of a consumer emphasis. The Government issued a number of press releases about the move from the Ministry for Housing to the Ministry for Consumer Affairs. The press release of 22 September 1992 mentioned John Fahey. On a humorous note, it reported that he had found the time to set up another hotline.

Most of my comments will relate to the provisions of the bill. The first object is to amend the Building Services Corporation Act of 1989 in connection with the powers and structure of the Building Services Corporation. The bill also will remove the requirement that a complaint cannot be lodged with the Building Services Corporation unless the complainant has given the builder 30 days notice. It will transfer the responsibility for making rectification orders from the Building Services Corporation to a building disputes tribunal. It will remove the requirement for the building dispute referee to have certain building qualifications and will transfer from the Building Services Corporation to the Commercial Tribunal responsibility for hearing and determining show cause actions, leaving the Building Services Corporation its role of issuing those notices.

Another object of the bill relates to insurance. The bill deals with disputes arising from house purchasers' agreements entered into under the repealed Builders Licensing Act of 1971. These agreements were deemed to be entered into by house purchasers and the Building Services Corporation, and existing agreements were continued in force by savings and transitional provisions contained in the Building Services Corporation Act. I refer members to the headings "Structure of the BSC - Schedule 4", "Home Building Advisory Council - Schedule 5", which we are seeking to amend, and "Miscellaneous - Schedule 6" in the explanatory note to the bill.

Reaction to the bill has hardly been overwhelming either in terms of numbers or in terms of positive response. The Building Action Review Group has flagged a couple of messages. On one occasion it called for the blocking of the bill and later made positive comments about some provisions of the bill and asked for a review of other aspects. The National Electrical Contractors Association attacked the lack of consultation and is concerned about the retrenchment of electrical inspectors and the way in which the important functions undertaken by electrical inspectors will be carried out under the new regime. A letter dated 5 September from Doris Kagodorian, who could best be described as one of the building consumers in dispute with the Building Services Corporation, states that the proposed changes will not benefit consumers and that the proposed role of the Building Disputes Tribunal will retain all of the negative characteristics of arbitration.

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The letter highlights nine specific points: absolute power to omit, reject and vary; no appeal process; no rules of evidence; the tribunal referees decide as they see fit; no transcripts will be made available, even if parties are ready to pay; tribunal referees will be immune from judicial review; there will be no choice of referee; there will be no on-site inspections; and if a consumer loses a case, no insurance compensation will be

paid. I do not agree that building disputes tribunals are as bad as the compulsory arbitration situation that applied extensively in this State and was, and still is, stitched into many current contracts. But building consumers could feel aggrieved if, for example, they were trying to put over a case about faulty work and could not get an on-site inspection and had to rely on reports. Perhaps improvements could be made to the procedure under which a building disputes tribunal would operate in order to satisfy many of the concerns of building consumers.

Building consumers from Lindfield, Mr and Mrs Donovan, made constructive comments about the operation of the Building Services Corporation. They submitted that there should be a prolonged crackdown on bad building work and argued that such a crackdown would make bad building practice a bad bet. Although some aspects of the Donovans' dispute are still under review, basically they have had a successful resolution. The comments they have made in relation to their experiences with their builder and the process followed for the resolution of disputes are constructive. Margaret and Peter Donovan, in a letter to me dated 27 July, made a couple of suggestions. Their first suggestion was the prolonged crackdown to which I have just referred. They also suggested that the Building Disputes Tribunal, as proposed, would need considerable reform and should provide for some appeal mechanism. The call for an appeal mechanism is a common thread that runs through many letters I have received. The Donovans stated:

The Building Disputes Tribunal needs considerable reform. It should have some appeals mechanism. If nothing else, the Supreme Court should be empowered to order re-hearings of cases where the decision appears to have been the product of false evidence. Tape-recorders should be used during proceedings. Complex cases should be handled by panels of three, with on-site inspections when needed.

The latter suggestion is similar to the call made by Doris Kagodorian, the consumer I mentioned previously. The Donovans went on to say that the Building Services Corporation had quite enough revenue to finance a better building disputes tribunal - and I would have to say that questions appearing on today's notice paper would certainly confirm that. The Donovans also say that, if necessary, a flat fee of \$100 could be charged by the Building Services Corporation for handling a case. They also raised the suitability of Building Disputes Tribunal referees and said that this matter needs investigation. This is an area of concern. It is apparent that a number of building consumers are not happy with the proposals concerning referees and inspectors. Mr and Mrs Donovan suggested:

They should be trained when necessary by examining a reasonable sample of defective building work. Those whose records suggest pro-builder bias should be replaced.

The Donovans' letter points out that although the Minister in her second reading speech referred to claims that some of the present referees are biased towards builders she did not mention any program for identifying and dismissing such referees. Mr and Mrs Donovan stated that arbitration should be banned for domestic building disputes. Many people have made this call, yet they keep running up against a brick wall in this respect. The Donovans pointed to changes in Queensland legislation and said:

The 1992 Queensland Building Services Authority Act, section 67, reads: 'A contractual provision requiring the reference of a dispute under a domestic building contract to arbitration is void'.

The Government could have dealt with that matter easily. No Building Services Corporation bill could be introduced without letters being received from the Building Action Review Group, and I have certainly received one or two of them. In a press release the group gave a detailed commentary on the bill and expressed concern about matters which I have mentioned as being referred to by previous complainants. The group was also concerned about rectification orders. It stated that there has not been much of a change, that although the Building Services Corporation will not be carrying out those matters only the corporation can apply to a building disputes tribunal to have such an order issued. I do not believe that this issue will be amended in the bill, but we will certainly review the operation of these orders over a period of 12 months.

I refer the Minister to the submission put forward by the Building Action Review Group in May. In a

letter sent to the Minister the group made both negative and positive comments about the bill. The letter stated that the group, as a consumer organisation, had a number of concerns but applauded the abolition of the 30-day notice regarding a complaint. I agree with the Minister's comments in her second reading speech that builders often have abused that particular clause, using it as a delaying tactic. I would certainly welcome a change. The Building Action Review Group repeated the much-raised concerns about the proposed Building Disputes Tribunal. It was concerned about consumer representation, a matter that will be resolved when the Opposition moves amendments. It had concerns also about the Commercial Tribunal. However, at this stage I believe that the Building Action Review Group and all consumers should give the Commercial Tribunal a go.

Obviously, I would not have a great deal of knowledge of the tribunal's ability to resolve building matters - I do not think it has dealt with many of those - but from my reading of many of its reports in the area of finance reform and credit reform and so on I have found the tribunal to be a pro-consumer organisation. I submit to building consumers that they should give the New South Wales Commercial Tribunal a fair go and judge the tribunal on the way in which it handles outstanding disputes. One of the main problems that it is hoped will be solved by this legislation is the question of long-standing unresolved

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disputes. In responding to my private member's statement on 15 March, the Minister stated that resolving those matters, and necessary compensation, were to be a priority. Those words have, of course, been photostatted and highlighted in many representations made to me by a number of aggrieved consumers.

The Minister in her second reading speech on this bill referred to these disputes. Though I have no doubt that other contributors to this debate will refer to specific cases, I wish to mention some that are in the process of resolution. The case of Mr and Mrs Wells of Wentworthville is approaching resolution. Positive action has been taken in that regard. I visited the home of Mr and Mrs Wells on two occasions, once to highlight their plight in what was marketed as a defective homes exhibition. Their house had been jacked up by the time I inspected and, basically, they were stranded. Rats were entering the house; the ground underneath was damp; access was by crawling up a plank; and brickwork was of an appalling standard. Though the matter has been rectified I ask why it took so long for action to be taken. Why were Mr and Mrs Wells left to endure those circumstances during winter when their home could not retain heat and water supply was from a garden hose? Finally they had to suffer the humiliation of drawing attention to their plight by opening their house to media scrutiny. All this occurred before the Building Services Corporation moved in to solve the matter. I understand from my last contact with Mr and Mrs Wells that matters are moving well. However, they should not have suffered discomfort, stress, financial worry and humiliation before their plight was addressed.

Mrs Vucic was a case I mentioned in this House on 15 March. In inspecting her house I had to climb a ladder at the back of the house to get in. There I viewed the damage of the "jack up your home" type of project. After repeated representations, media coverage and embarrassment for Mrs Vucic, I am led to believe that this matter also is nearing resolution. I mention a consumer in the electorate of the Minister, a Mrs Morris of Port Macquarie. She states her house is underpinned in one corner on 20 feet of uncompacted fill. The Building Services Corporation apparently accepted a quote for rectification from an unlicensed builder. Perhaps the Minister might like to comment on that as Mrs Morris is her constituent. The Minister is aware of the matter and I urge her to address this issue as a matter of urgency.

The case of Brett Piskulich, which has been put in the too hard tray of the Building Services Corporation, raises the important issue of what is covered by the Building Services Corporation insurance scheme. This is a lengthy file. I refer the Minister to the statutory declarations. An outstanding claim for costs has been incurred in fighting the case with the Building Services Corporation. I note from records in my possession that the Building Services Corporation sought legal advice on this matter. The Crown Solicitor, in a letter from his office dated 4 February 1994 conveyed bad news for Mr Piskulich and those in similar circumstances. The letter stated:

On 28 July 1993 I provided an advice (. . .) to the Corporation in respect of a claim for compensation by Mr Piskulich under the BSC Comprehensive Insurance Scheme . . . As a result of my advice, the Corporation has settled Mr Piskulich's claim for compensation in the amount of \$11,644.00 . . . The Corporation holds the view that losses such as legal fees and consultants' fees are not losses

indemnified under the BSC Scheme. My urgent advice is sought on the following matters -

The following matters were those on which the Building Services Corporation sought an opinion:

1. Within the terms of the BSC Scheme (Form 4 Schedule 1, Building Services Corporation Regulation 1990) are legal costs "losses indemnified under the legal scheme"?
2. Within the terms of the BSC Scheme (Form 4 schedule 1, Building Services Corporation Regulation 1990) are consultants' fees "losses indemnified under the scheme".

Other advice was sought also. The Crown Solicitor at page 4 of his letter stated:

. . . It would appear that the specific absence of the word "expense" in clause 5 (1)(d) and (e) of Form 4 in Schedule 1 to the Regulation supports the view that amounts other than the actual cost of the rectification or repair work are not covered by cl. 5(1).

He further stated:

In the absence of any expressed statutory entitlement to legal or other expenses incurred . . . [by a person] in his dealings with the Corporation in pursuing his claim under the BSC Scheme.

It has now been stated in letters to Mr Piskulich that in the light of the Crown Solicitor's advice it is the corporation's view that losses such as the diminution in value and loss on sale are not covered by the terms of the comprehensive insurance scheme, and so on. If the Building Services Corporation rejects a claim for insurance which then prompts the consumer to seek independent legal advice, or advice from a consultant, architect or builder, and the consumer incurs some costs but is eventually proved right, should not the cost of proving that be a matter for compensation by the Building Services Corporation or the Government? Mr Piskulich's case remains outstanding and in the too hard basket of the corporation.

Today's *Questions and Answers* conveys interesting figures about the income and expenditure of the insurance premiums activity of the Building Services Corporation. Though that may be subject to some correction or alteration as a result of the Government's raid on the insurance of the Building Services Corporation to pay for its maladministration of the HomeFund scheme, it outlines some interesting figures about the income and expenditure of Building Services Corporation insurance. On 12 April 1994 in response to representations from members of the Building Action Review Group I asked questions upon notice as follows:

(1) What is the total amount collected by the Building Services Corporation by way of all insurance premiums during the years:

- (a) 1991?
- (b) 1992?
- (c) 1993?

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(2) What is the total amount paid out to building consumers as a result of claims lodged during the years:

- (a) 1991?
- (b) 1992?
- (c) 1993?

I am sure that consumers pursuing claims with the Building Services Corporation will find these figures very

interesting. Answers by the Minister are as follows:

(1) The audited financial accounts of the annual reports of the BSC for the years 1991, 1992 and 1993 state that the following amounts were collected in relation to insurance premiums:

(a) \$14.13 million.

(b) \$15.326 million.

(c) \$15.998 million.

(2) The audited financial accounts of the annual reports of the BSC for the years 1991, 1992 and 1993 state that the following amounts were paid to consumers in relation to insurance claims.

(a) \$5.862 million.

(b) \$5.599 million.

(c) \$7.451 million.

The BSC was receiving insurance premiums of between \$15 million and \$16 million but was paying only \$5.5 million to \$7.5 million to consumers as payouts. The funds may not be used only to pay out insurance claims. This adds weight to the argument and outrage exhibited by building consumers when the Government raided the Building Services Corporation and removed about \$70 million. It adds weight to their argument that the Government was taking money that was collected by way of insurance premiums. Though some people were critical of the corporation, saying it was their money, the questions and answers I have read out show that the insurance premiums total almost three times the sum paid out as compensation to building consumers.

[Interruption]

I do not know. I will ask those questions. The figures show that more than adequate funds are available to pay out justified claims. The Government's raid on the Building Services Corporation would have an effect on the funds, but even with the amount collected in premiums the Building Services Corporation has funds to cover the grievances. I refer to the two task forces mentioned by the Minister in the second reading speech, particularly their representation. Since May, when the bill was introduced, I have had many interviews with a number of groups representing building consumers, unions or the building industry. Obviously with consumer legislation one would expect conflict between consumers and builders, but they are unified in the view that they should be part of the decision-making by the task force set up by the Government.

The Minister announced that the task force reviewing the gold licensing system in this State will comprise senior officers from the Department of Industrial Relations, the Migrant Employment and Qualifications Board, the Department of Small Business, the Department of Consumer Affairs, the Cabinet Office, Treasury, and the Building Services Corporation, whose general manager will chair the task force. The argument put forward by consumers, the Master Builders Association and the unions is that they would have liked to be part of the task force rather than having what the Minister would call consultation. In my press release I criticised the Government for conducting in-house task force reviews on the issues of gold licences and the privatisation or changes to the Building Services Corporation insurance system.

Departmental bureaucrats conduct the reviews and anyone affected by recommendations is not represented. If the task force makes recommendations that are not accepted by the industry or consumer movement, a major criticism will be that those groups were not represented in the decision-making process. The Minister has released the BSC plain English contract covering new homes, alterations and additions. The discussion paper referred to a last-minute change to the contract. When the plain English contract was released I was contacted by the Building Action Review Group. The Australian Consumers Association thought

agreement had been reached on the wording of the contract but the final contract contained alterations to the caveat clause. Page 1206 of *Questions and Answers* of 21 April records a question of mine which was answered by the Minister today. The question was as follows:

(1) In preparation for the recent release of the Building Services Corporation Plain English Contract, was a final draft sent to the Australian Consumers Association for comment?

(2) Did the ACA agree with the details of this final draft document?

(3) Did this final draft include a caveat clause?

(4) When the contract was finally released, why was there no caveat included in the document?

(5) How many changes were made to the contract from the document agreed to by the ACA to the final document which was released?

The Minister said that a copy of the contract was sent to the Australian Consumers Association but a comment had not been received by a certain date. This appears to be how consultation works: documents are sent out and if a response is not received, that is deemed to be consultation. This brings me back to my concern about the task force's consultations with unions, the building industry and the consumer association. Will the process be that a fax is sent and if no response is received, or no suitable response is received, it is regarded as full consultation? For that reason these groups need representation on the task forces.

Notwithstanding that, I applaud the release of the contract. Unfortunately, a number of other contracts still exist which undermine the intention of the plain English contract. I am pleased to learn that the Government is drafting another plain English contract

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covering other aspects of the building industry. Unfortunately, the Government has not gone far enough with this issue. Whilst the Building Services Corporation contract does not have a compulsory arbitration clause, builders are free to use another contract that contains the harsh anti-consumer clauses that have always been the subject of reports of the Trade Practices Commission. In other words, whilst this contract is the best, its use is not compulsory. If a builder will be allowed to use one of the older contracts that contain the harsh compulsory arbitration clauses, the ones that have got so many people into financial trouble - I know of a couple of cases in which the arbitration process cost more than the house or extension involved - the reforms could be seen as merely a public relations exercise. Use of the specified contracts should be made compulsory by legislation. We should follow the Queensland lead and make compulsory arbitration clauses unenforceable.

Both of these reforms will be a high priority for the incoming Carr Labor government and I give the commitment that a plain English contract will be compulsory. We will follow the lead of the Queensland Labor Government by ensuring that the harsh anti-consumer provisions of compulsory arbitration clauses are illegal in this State. I have had discussions with some people within the industry, and a review of the bill will be conducted. I have received positive reaction from people who work for the inspectors and from consumers who will participate by recommending any changes to this legislation.

I hope that building consumers will give the Commercial Tribunal of New South Wales at least a year to establish its track record in resolving the outstanding disputes. The disputes have created an air of distrust of inspectors: there have been allegations of corruption and referrals to the Independent Commission Against Corruption, and serious allegations have been raised about individuals. It is sad but the matters should be investigated. The Commercial Tribunal should be given the opportunity to resolve these difficult disputes. The Labor Government will hold an inquiry - whether it be a parliamentary inquiry or one established under a well-known mediator - to address the outstanding disputes. The inquiry should assess each case separately.

Criticisms of the royal commission and in the Dodd report were that these cases were dealt with basically as a class action and that individuals were not able to come before the inquiry to put to a judge their specific

allegations and their need for protection and for having their cases ruled on in isolation. That is disappointing and is probably the reason that so many disputes are outstanding. In Committee the Opposition will address the reasons it wants to change representation on the ministerial advisory council. This is not minor legislation.

The income and expenditure of the Building Services Corporation are quite substantial. The 1993 annual report states that in one year the BSC handled about 140,000 consumer inquiries and finalised 5,039 complaints, that 87,714 new home buildings and renovation jobs were covered that year by Building Services Corporation comprehensive insurance, and that \$7.5 million was paid in insurance to rectify defective work or to complete dwellings. Those sorts of figures show this is not a peripheral issue but a multimillion dollar problem which involves substantial sums of money of taxpayers, building consumers and building licence holders. In Committee we will promote our amendments to make sure that the advisory council has strong consumer and local government representation. I support the bill.

Mr RICHARDSON (The Hills) [8.33]: I support the bill, which represents a valiant attempt by the Government to offer a better deal to consumers because the Building Services Corporation was not, as the honourable member for Mount Druitt said, fulfilling its obligations to consumers. I say to him, in response to his quote from Professor Allan Fels, Chairman of the Trade Practices Tribunal, that it is easier to provide protection for the buyer of a toaster than for home buyers. The variables and complexity of home building are such that unforeseen circumstances do arise and it is impossible to cater for every contingency through any sort of consumer protection scheme. The change of emphasis by the Government has been flagged by the transfer of responsibility for the Building Services Corporation from the Department of Housing to the Department of Consumer Affairs. This change was needed because the BSC was not performing its function. It tended to be biased towards the building trade, as was spelt out by Roger Gyles, royal commissioner into productivity in the building industry, in his 1992 report:

It is difficult for one organisation to perform regulatory functions such as licensing and insurance and consumer protection. The BSC 'one stop shop' approach has failed to take account of this. On the one hand the corporate interest of the BSC is to minimise claims made under insurance administered by it. On the other hand, in its consumer protection role, the BSC should seek to reimburse consumers for loss occasioned by shoddy building.

The Dodd inquiry into the New South Wales Building Services Corporation confirmed and even amplified Gyles's concerns. Commissioner Peter Dodd said:

In my inquiry the BSC's central role in dispute resolution was heavily criticised by both consumers and industry and I believe there are fundamental weaknesses in the current arrangements.

While there are many consumer complaints which are satisfactorily resolved by the BSC inspectors there is a broadening conception that the BSC is not impartial. It is clear from my discussions with experts in modern dispute resolution techniques that the BSC inspectors are not well placed to fulfil the combined roles of third party expert, mediator, adjudicator and insurance assessor. I have some sympathy for the problems they face, but it is inevitable that they will become embroiled in a proportion of major disputes.

The new legislation takes a great deal of notice of the Dodd report and clears up most of Dodd's criticisms. The new legislation improves the impartiality of the process and changes the builder licensing system and the essential structure of the Building Services

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Corporation. The much-criticised gold licence will go and will be replaced with a registration scheme for builders, backed up by compulsory insurance. Few will mourn its passing. The gold licence was promoted as a guarantee of quality but it was simply an indication that the builder was a builder and nothing more. The 30-day delay in the Building Services Corporation acting on a complaint also will be abolished - a long overdue step. Many unscrupulous builders were tending to use that 30-day delay as a way of dragging out the process and it was, as the Minister flagged in her second reading speech, a very frustrating exercise for many consumers. The role of the Building Services Corporation as a one stop shop was also criticised by both Gyles and Dodd. Commissioner Peter Dodd said:

The overlap of functions and lack of transparent processes, compounded by the conflicting roles of inspectors as mediators and investigators, conciliators and adjudicators are central to many of the issues raised in the course of this Inquiry. Coupled with the Corporation's paternalistic approach to consumers and builders, the scene is set for the primary dispute between a builder and a consumer to quickly convert to a secondary dispute between an agreed party and the BSC.

Dodd is saying, essentially, that the Building Services Corporation was operating as judge, jury and executioner and that this was clearly a flawed process. Under the amended Act, mediation will be offered as an option for dispute resolution, in line with modern thinking and a lot of government practice. The way this will work is that the Building Services Corporation will offer to have a dispute mediated, a mediation service which will be provided at no cost. Appropriately trained mediators will be arranged by the BSC and they will attempt to enable the parties in dispute to reach their own negotiated settlement. That mediation will not be binding on the parties unless the parties choose it to be so.

The process is based on consensus and there is no penalty if mediation is unsuccessful. Where mediation is unsuccessful, however, the Building Services Corporation could then conduct a formal investigation into the items of complaint and issue a rectification order. If the builder is insolvent, as happened in the Piskulich case mentioned by the honourable member for Mount Druitt, the complaint will be referred immediately to the insurers for processing of a claim. I think that would have enabled Mr Piskulich to get over most of the problems he faced. However, I have a few reservations in the area of general dispute resolution. A couple of weeks ago I had a visitation from the Building Action Review Group and Mr Piskulich, a constituent of mine. I have flagged some of their concerns, which have been outlined by the honourable member for Mount Druitt. I took on board their concern about the potential, even under the new scheme, for a degree of bias to exist under the system.

The problem is that current BSC inspectors will become mediators, after appropriate training. There was a feeling, I think, from the BARG people that a leopard cannot change its spots, that if they were biased previously towards the building trade they would be likely to continue to be biased towards that trade in the future. The same concerns were also true of the BSC inspectors and of Building Disputes Tribunal referees. Irene Onorati, of the BARG group, suggested we might consider having a panel of two people, one with building experience and the other a consumer advocate, so that expertise could be shared and some sort of impartial resolution could be achieved.

I agree with the honourable member for Mount Druitt that the Building Disputes Tribunal, as it will be constituted, will not be nearly as bad as the arbitration system has proved to be for many consumers. I understand that the legislation removes the requirement under section 4A(3) of the Consumer Claims Tribunal Act that BDT referees must have extensive experience in the building industry. But, as I said before, the existing referees may still be biased towards the trade. I note that the honourable member for Mount Druitt asked a question on notice, which was responded to today, and that only one Building Disputes Tribunal referee has resigned since 1991. That tends to make me believe that in the future referees will continue to do the job. Even though the mechanism exists within the bill for fresh people - presumably of an impartial nature - to be brought in, that process could be very slow.

These potential problems are, of course, resolved in the case of disciplinary hearings, which will be transferred to the neutral arena of the Commercial Tribunal. That body will also hear longstanding disputed insurance claims, as Commissioner Dodd recommended. One great benefit of the bill is that the Building Services Corporation will pay solicitor-client costs of hearings where the claimant's appeal is upheld. But in cases where the claimant's appeal is not upheld and the claimant is not successful, the BSC will not be able to seek its costs from the claimant. So the bill reduces the risk of consumers going to the tribunal. Consumers covered by the current BSC insurance scheme, of course, already have the right to go to the Commercial Tribunal, but it is interesting to note how few have taken up that option.

In reply to my colleague the Hon. J. H. Jobling in another place, the Minister for Planning, and Minister for Housing said that only 16 disputed claims for work commenced after March 1990 have been taken to the Commercial Tribunal. It is obviously not a preferred option for many people. I will return to that in a moment

when I talk about my constituent, Brett Piskulich. I note that the existing BSC board will be dissolved and it is planned that a new Home Building Advisory Council will be formed. The honourable member for Mount Druitt has expressed some concerns about that. Following on from what he was saying, perhaps it would be worth while giving the council 12 months to see how it pans out. My concern, quite honestly, about the new body is that it will only be an advisory council and will not have any real power. Although this may overcome the current confused lines of responsibility between the board and the general manager identified by Commissioner Dodd, the system will only work if the

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general manager is well and truly accountable to the Minister. I hope the Minister for Consumer Affairs will make it her responsibility to ensure that the new system will work.

Finally, I turn to outstanding grievances and insurance claims. On this occasion I should like to bring the case of Brett Piskulich to the attention of the House. It is not quite as straightforward as the Crown Solicitor's advice to the BSC indicated. Mr Piskulich entered into a contract in August 1990 to do extensions worth around \$45,000 to his house at Glenhaven. On 30 January the next year the Building Services Corporation received a complaint, and on 3 April it issued a rectification order listing 22 items that needed to be fixed. Mr Piskulich did not pay all the money for his extensions because he alleged they were not carried out to his satisfaction. He held over a sum of \$2,000. As a result the builder took him to arbitration and Mr Piskulich counterclaimed that the work had not been completed to his satisfaction. The matter went to arbitration in April 1993. It was a protracted case and Mr Piskulich claims to have spent around \$7,000 in legal fees, although I have not actually seen the invoices for those sums. He was awarded \$15,220 at arbitration, which he never collected because the builder had handed in his licence. [*Extension of time agreed to.*]

In the meantime Mr Piskulich experienced some financial problems. He had actually sold his house and the problem was that he was asking the Building Services Corporation to give him money for a property he no longer owned. The BSC, very correctly, said that if it did this, there might be a possibility that the new owner of the home would claim there were defects with the house and would make a claim. If that happened the BSC would, in effect, have to pay out twice for the same problem. I wrote to Mr Piskulich last year - in fact I have been dealing with him since before I became a member of this House - and suggested that if he could obtain an indemnity from the buyer of his home saying that he had been aware of the problems associated with the extensions when he bought the house and that he did not intend to make any further claim on the BSC, Mr Piskulich would be entitled to get money from the BSC.

To my great surprise, he managed to get that indemnity. The BSC thought it would be unlikely that the buyer would furnish it. As a result, Mr Piskulich got a payout of \$11,644 from the BSC. That was actually the arbitration award discounted by the outstanding \$2,000 that Mr Piskulich had not paid the builder and other costs, including the consultant's fee mentioned by the honourable member for Mount Druitt. Mr Piskulich believes he is still owed some thousands of dollars, although once again the amount is hard to quantify. Although the honourable member for Mount Druitt wants to give the Commercial Tribunal a go, I am sceptical that that avenue is appropriate for Mr Piskulich. The sums of money that he might expend, particularly if he lost, in going to the Commercial Tribunal would probably exceed any of the benefits he might stand to gain by going to the tribunal.

The honourable member for Mount Druitt mentioned problems associated with not spelling out in the BSC contract exactly what one is insured for. Many of those problems would be overcome by taking out private insurance. A range of options would probably be open, as there are with other insurance policies. One would pay a higher premium to obtain additional cover in the sorts of areas Mr Piskulich is concerned with and that the honourable member for Mount Druitt has flagged. I agree with the honourable member for Mount Druitt that a number of outstanding claims need to be resolved, but the idea of setting up a system of ex gratia payments was refuted by Commissioner Peter Dodd. On 16 November last year the Minister for Housing said he would not introduce new legislation to provide for such payments. Commissioner Dodd wrote:

I believe this would be a drastic step and would create just as many problems as it would solve. For example, who, and on what grounds, would people be entitled to compensation? How would any payment be calculated?

However, the Minister for Planning, and Minister for Housing said, "The matter is being investigated, along with other possible measures to assist those claimants". I ask the Minister for Consumer Affairs whether going to the Commercial Tribunal is the only way people like Mr Piskulich will be able to obtain full redress. I support the general thrust of the bill. It will improve the situation for both consumers and builders. Many builders live in my electorate, and I have received complaints from both sides.

Mr Amery: You have the builders, I have the consumers.

Mr RICHARDSON: I have consumers living in my electorate as well. I would also like an assurance from the Minister that she will ensure that the mediators, investigators and Building Disputes Tribunal referees will be truly unbiased.

Mr NAGLE (Auburn) [8.50]: It is a pleasure to speak in this debate. I am a little disappointed in the attitude of the honourable member for The Hills to ex gratia payments. After he has heard what I say about his constituents he may feel that Mr Dodd's view is wrong. Victims should be asked their views about their receiving an ex gratia payment. The former member for The Hills, Mr Tony Packard, spoke in this Chamber on an issue dealing not only with his constituents but with constituents from other electorates predominantly held by Government members. A briefing note given to Mr Packard on 22 June 1993 from Nicole and Jake Stap concluded:

In dealing with Venture Industries we have gone and are still going through our roughest period of our life. We migrated to Australia five years ago and were eager to make something of it. We became fond of this country and love it deeply but if this episode continues it is possible that we will become bankrupt and that we have to leave the country, both of which we do not wish to happen. It is strange that without intention we have become victims of a situation and it seems that we cannot change its plight.

I should have thought that the honourable member for The Hills would have mentioned Venture Industries. If any case is relevant to the provisions of this bill it

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is the Venture case. In this House on 2 September 1992 Mr Packard defended the victims of Venture Industries and Collings Constructions. He tried to persuade his Government to do something. He said:

The present legislation does not impose responsibility on the major display builder. A display home builder can subcontract to a licensed builder.

He spoke about naivety, and said:

The department said we do not have any money in our budget to help. If you can get the Housing Department to fund an investigation by the Department of Consumer Affairs we will happily have a look at it.

This was in 1992. He said:

All I ask is that this House be given the opportunity to consider legislation that can rope in the main builders under display contract. Builders are not building any more; they are simply franchising the building of the houses to someone else.

He spoke also about the insurance system, what happens in the motor industry, and the need for compulsory insurance. He then said:

The Collings Construction Company -

which is the company that had Venture build 10 homes, six of which had to be demolished -

must have known it was employing a dud builder. It is essential that the Government sponsor regulations that will assist my constituents to get their houses rebuilt. It is an absolute disgrace that Mr Kioussis, who had his building licence withdrawn for false pretences, has

not been charged.

On 27 September, as a result of the building industry royal commission, the Premier stated in a press release:

Mr Fahey said the Government is keen to ensure that consumers receive proper protection and that there are effective and affordable methods for avoiding and resolving disputes between home builders and customers.

Mr Stap received from the Department of Consumer Affairs a letter which did not give him much joy. The letter stated that the matter was being referred to the Building Services Corporation and the Trade Practices Commission. On 25 February 1993 in the Local Court in Sydney Mr Kioussis was found guilty of various acts of misrepresentation. Mr Kioussis, who had been in the building industry, was unable to obtain a licence so he did the next best thing - he falsified a university degree. Unfortunately for him, but fortunately for many potential victims, he was struck off for life by the Master Builders Association through the good auspices of the former Minister for the Environment, Tim Moore. I hope he will never build again. If I have anything to do with it, he will never build again. On the falsified university degree Mr Kioussis forged the name of the vice-chancellor. He did not realise that the vice-chancellor whose name he forged had not been appointed until two years later. At the Local Court hearing the magistrate said:

I fine him \$350 with court costs of \$45 and professional costs of \$200. Making an application for renewal of licence fined \$650 and court costs of \$45, in each case a moiety to the Building Services Corporation and in respect of failure to surrender authority, since Mr Kioussis acted on legal advice . . . I'll dismiss the matter under 556A, court costs \$45. In relation to Venture Industries, for making a false statement in relation to the full licence I fine him \$350 and court costs of \$45. In respect of the subsidiary full licence I fine him \$350, court costs \$45, professional costs \$200 and the failure to surrender authority once again dismissed under 556A with court costs of \$45. Time to pay, six months.

Many families have suffered and continue to suffer. A letter sent to Mr Stap by the Minister for Industrial Relations, who was then the Minister for Consumer Affairs, stated:

I understand that the Commission is currently gathering further evidence, by way of consumer statements, which will be provided to senior counsel so advice can be given on the likelihood of successful legal action against Venture Industries and associated parties.

I also understand that you are aware that the Department of Consumer Affairs is unable to pursue legal action on behalf of consumers . . .

Of course, 10 families were suffering at this time. Mr Packard, the member for The Hills at that time, wrote to the Premier, stating:

I sincerely believe that you are the only person who can issue the instructions to try and put a halt to this madness and help these poor people.

I did not have much respect for Mr Packard, but at least he was aware of the misery that was being suffered by many of his constituents and sought to do something about it. On 24 August the honourable member for Baulkham Hills received a letter from the Premier in the following terms:

I understand that Mr Packard previously raised this matter in Parliament . . .

The Minister for Consumer Affairs, the Hon. W S Machin MP, has advised me that the issues in question are being investigated by the Commonwealth Trade Practices . . .

The Department is in regular contact with the TPC, and I have asked the Minister for Consumer Affairs to keep me informed of any significant developments in this matter.

Tonight I discussed this matter with the Minister for Consumer Affairs. She is gravely concerned about the victims of Venture Industries. I believe she is doing her best to help these people. Mr Stap in a letter to the

Premier on 19 May 1994 concluded:

It is for us a desperate situation and I therefore wish to seek your assistance in bringing this issue forward to the Minister of Consumer Affairs . . .

On 20 June 1994 he again wrote to the Premier and stated:

The Building Services Corporation would negotiate with Venture Industries . . .

He stated that he was desperate and would accept any offer. His letter concluded:

I just want to state for the records what we have gone through over the last two and a half years is horrific. As a family we were assaulted, harassed, and received death threats by people associated with this building company; the only thing we wanted was a house built. Still years later we have to defend ourselves against claims of breach of contract, when the managing director of Venture Industries is never really called to account for his deceitful deeds. It is for this that again I wish to appeal to you for help in bringing this issue to a resolution.

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There were other letters from the Cabinet Office; letters to the Premier and to the Leader of the Opposition; letters from the Minister for Consumer Affairs; and letters from Peter Dodd, the commissioner, who did not want to award ex gratia payments because he said doing so would create a bad precedent. Letters were received from the honourable member for South Coast; letters were sent by Mr Stap to Mr Dodd and to the Leader of the Opposition. Numerous newspaper articles dealt with this issue. One newspaper referred to a speech I made in the Parliament on 15 September 1991, in an article under the headline, "Gold Card is a 'joke' - says MP". It was a joke that Mr Kioussis had a gold card but did not have the qualifications to entitle him to it.

I have numerous newspaper clippings about the struggle, including a *Sun-Herald* article written by Karen Davey, an excellent journalist who has written articles about Kioussis on two occasions. When she went back to work on the Tuesday following the publication of her first article she received vile threats in phone calls from Penny Kioussis, the daughter of Henry Kioussis. Threats are the trademark of this man. He has wronged these people. I hope that this bill will go a long way towards rectifying those wrongs. If it does not, the shadow minister and I will draw up our own bill to try to help these people. The proof will be in the pudding: the provisions of the bill, what the commissioner will do, and what the newly reconstructed Building Services Corporation will do.

The Staps, the Corbetts and many others received such threats as, "Lay off Venture"; "Anything can happen to you if you go to the BSC"; "We will destroy you financially". The plight of this family was the basis of segments shown on the television programs *Real Life*, *A Current Affair* and *The Investigators*. The story on *Real Life* was conducted live. Just as the story finished, the family received a phone call. The caller said, "Your wife looked like she had real tears in her eyes. Won't she have tears in her eyes when your kids don't come home". The following night *Real Life* played the tape of that phone call for the people of New South Wales and Australia to hear. Federal police officers put an intercept on the telephone, but no other overt threats were received. However, many phone calls were received with the caller hanging up without saying anything. The police traced - [Extension of time agreed to.]

Mr DEPUTY-SPEAKER: Order! I will not direct the member to do so, but I ask him to consider concentrating some of his efforts on the provisions of the bill.

Mr NAGLE: The bill has been introduced because of people like Kioussis. The Federal police phone interception traced the calls all the way back to Venture. The Smiths, who received money from the Building Services Corporation through the insurance fund, started to rebuild their house. It was firebombed. The boyfriend of Penny Kioussis was charged with trespass and convicted. *Real Life* received threats for televising the story. I hope this bill will help these people, who are all involved in arbitration. Though Mr Kioussis has

\$6 million worth of assets and can afford to pay, the victims are struggling to pay their mortgages. The public purse has already paid out \$800,000, the maximum it can pay out irrespective of whether it wants to pay out more. The Building Services Corporation is trying to remove the burden of arbitration. It may be that schedule 3 to the bill, together with the amendment to clause 77 of the bill, will help in that regard. If there is an attempt to settle with Venture and Kioussis in regard to the \$800,000, I want the State of New South Wales to recover that \$800,000 from Mr Kioussis. It will be extremely difficult, even with the new legislation. The bill does not contain any retrospective provisions but it refers to people who may be in a similar situation in the future.

This bill will strengthen the Building Services Corporation. It will prevent the repeat of situations in which sloppy builders complete half the work; people complain about the shoddy work; builders invoke the arbitration clause, close down the project half completed and leave the house to the elements and vandalism, and then tell the victims it is their responsibility, but if they allow another builder in to rectify the work they will be in fundamental breach of the contract - although I doubt that any builder would touch it - and they will be sued. As I said earlier, half a dozen houses built by Venture Industries had to be demolished because the slabs were found to be only two inches thick rather than the required six inches thick. Evidence of that shoddy work is now on video. Had this bill been enacted when the Corbetts were having difficulties, they would have been helped enormously. Venture Industries sought to have a 317AE certificate issued, but the council said that until it was satisfied of the structural stability of the walls and the roof frame, it would not issue such a certificate. However, a week later the council did issue the certificate, contrary to its letter.

The Corbetts complained to the council after being forced to move out of their house. The council-appointed independent engineer who inspected the house, reported to the council in the following terms, "It is indeed fortunate that the Corbetts have vacated this house, as a strong gust of wind would have collapsed it". That is an example of the building expertise of Harry Kioussis. But the Corbetts were luckier than many other people involved with Venture Industries. Council insurers settled with them for \$150,000, so together with the \$100,000 they received from the Building Services Corporation they were out of pocket only \$50,000.

Mr Kioussis is a very wealthy and, I believe, dangerous and well-protected individual. The honourable member for The Hills will love this: Kioussis stood as a Liberal candidate for the Burwood Council elections. Fortunately for the people of Burwood he was defeated. His son-in-law, Dr Constantine, who is also a shareholder and/or director of Venture, almost became the Liberal candidate for

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the seat of Parramatta. Kioussis is also connected with my party. A Mr Fred Ashwar approached Mr Ferguson to try to quieten me in relation to my attack on Mr Kioussis and the fact that the victims of Venture Industries were not being looked after. When Mr Ferguson spoke to me I did the only thing possible: I sent the 10 families who complained about Mr Kioussis to Mr Ferguson. When Mr Ferguson found out the truth, there were no further problems. Mr Ashwar, who was once a member of my party, is now the Secretary of the Auburn Liberal Party. He knows what side his bread is buttered on. I think he belongs in that party and that is where he should stay.

The former member for The Hills and I first raised these matters in the House as long ago as 1991 and 1992. It is a sad state of affairs that it has taken this long to get a bill into some kind of shape. I commend the Minister for bringing this bill before the House. She is the Minister for Consumer Affairs, but has been the Minister responsible for this department and the Building Services Corporation only since November last year. I realise it takes some time to get a handle on these matters. I am glad that she has brought the bill before the House. To enhance the bill, I suggest that we assess the legislation when it is in operation in the light of what Mr Packard, the former member for the Hills, suggested: a standard \$100,000 cover and further cover for people who want to pay more insurance for their homes. If a Kioussis type situation arises again, the bill should be revisited and amended if necessary.

The Minister spoke to me this evening about what could be done. Many people would receive assistance if the Manning report, which deals with the Kioussis affair and the Building Services Corporation, was made public. Some people think it has been kept secret because it exposes some type of influence that Mr Kioussis

has over the Burwood branch of the Liberal Party. I do not know whether that is true, but that is the perception of many people who are under financial stress. I do not know anything about it, suffice it to say that people have mentioned it to me. As I and the honourable member for The Hills have pointed out, the whole Venture affair has been raised in this House on many occasions. I hope that when this legislation is enacted it will do something to assist people to get around those problems. If it does not, a better solution should be sought. I hope Mr Kioussis does not use the influence he has in the Liberal Party to try to persuade this good National Party Minister - [Time expired.]

Mr HUMPHERSON (Davidson) [9.10]: I join with the honourable member for The Hills and the Minister for Consumer Affairs in supporting the proposals contained in the Building Services Corporation (Amendment) Bill. I endorse the comments of the Minister concerning the need for a new approach to consumer protection in the residential building industry. The findings of the Royal Commission into Productivity in the Building Industry and the inquiry later conducted by Dr Peter Dodd demonstrate that the legislation under which the Building Services Corporation was established has placed it in a position of conflict by imposing on it far too many roles. Its primary functions of dispute resolution, licensing, insurance, and education and training funding are not compatible and, because of this, ongoing criticism by both consumers and contractors has resulted.

Dodd concluded that the one stop shop approach of the BSC was unworkable and that major reform was needed to overcome the conflicts within the system. He therefore recommended an overhaul of the roles and functions of the BSC. In response to the findings of the Dodd report the Government has undertaken extensive consultation and research into their feasibility and implications. The outcome of this process is that the Government is now committed to bringing about major reform to the delivery of consumer education and protection in the home building industry. The amendments before the House represent the first stage of the reform process. The amendment bill will not make any changes to the current system of licensing. However, a licensing review task force has been established to undertake a review of the current system and to examine options for long-term reform. The task force will consult with industry and consumer groups as well as other interested parties before finalising its report on this key issue.

The subject of insurance is also not covered by the bill, apart from the proposal relating to appeal rights. There would appear to be little objection to the recommendation in the Dodd report that the insurance scheme be privatised provided consumers and industry are not disadvantaged. A steering committee has also been established to examine the options for insurance privatisation. It should finalise its report by December this year. In the meanwhile the BSC is taking a number of steps to improve the quality of the services it provides to the public. One such step, which demonstrates the Government's intention to refocus the BSC on its primary role of consumer protection, is the upgrading of its customer advice and education services. The BSC recently published a booklet entitled *A Fair Deal* which sets out its plan for advising and educating consumers in the home building industry over the next three years.

The aims of the plan are to help consumers make informed decisions and be better able to exercise their rights and obligations when undertaking projects. It is also intended to make consumers better aware of BSC services and for them to be satisfied with those services. In order to deliver this important information to the public the BSC is setting up a network of home building advisory centres in Sydney and major country centres. These centres will provide advice and suggestions to consumers before and during the building process. A range of specific educational products and communication strategies is being developed by the BSC. Another important initiative already taken in this area is the development of the plain English home building contract. The contract, which was developed with support from consumer groups and industry associations, has been well received since its launch last December.

The contract, written in a straightforward, easy to read style, contains explanations and advice for its users. It also contains a check list aimed at informing users of their rights and obligations. The BSC is presently developing a plain English home improvement contract for repairs, trade work and small additions and

renovations. As before, the BSC is consulting with both consumer and industry groups before finalising the document. The BSC has also introduced major changes to its education and research funding program. The building industry royal commission was critical of the amount of funding provided to what it saw as essentially an employment creation program by a body whose main role is consumer protection. A new education and research program has now been put in place which gives emphasis to improving the quality of services provided to consumers.

I turn now to the particulars of reform dealt with in the bill. The bill proposes the abolition of the requirement for a consumer to give a contractor 30 days written notice before a complaint may be lodged with the BSC. This requirement was introduced to give building contractors the opportunity to resolve their client's complaint without the intervention of the BSC. Unfortunately, it has not had any substantial impact on the number of formal complaints received and has often operated to the detriment of the consumer. In most cases the consumer would have already contacted the contractor for the purpose of having the work rectified or completed. To be told that a further 30 days need to elapse before the BSC can intervene is obviously very frustrating for the consumer. It can also prejudice the successful resolution of the dispute because experience shows that the sooner the parties are brought together the greater the likelihood of the matter being settled.

When a complaint is lodged the BSC will offer mediation as the initial step in resolving the dispute. Alternative dispute resolution procedures such as mediation are becoming more popular for all manner of disputes as their advantages over litigation become more widely recognised. Of course, mediation is not appropriate in all cases and use of the BSC's mediation service will be optional. The mediation service offered by the BSC will have a number of attractions for both consumers and contractors. It will be provided at no cost and there will be no penalty if it is not successful. Appropriately trained and independent mediators, who will be engaged by the BSC, will endeavour to help the parties reach their own negotiated settlement. The BSC will assist the parties in the mediation process by providing, at no cost to either party, technical advice and inspection reports.

The transfer to the Building Disputes Tribunal of the authority to make rectification orders will result in improvements to the current system. First, it will clearly separate the dispute resolution function of the BSC from its disciplinary role. This will eliminate the conflict which was identified by Dr Dodd in his report on the BSC and allow orders to be made by an independent body. Second, both the consumer and the contractor will have the opportunity to put forward arguments before a decision is made. At present, the order is issued by an officer from the BSC. The contractor has no ability to challenge the order except in disciplinary proceedings taken after the expiry of the rectification period. A consumer has no formal right to be heard. Applications for rectification orders will be lodged by the BSC. The Building Disputes Tribunal will have the power to add to, vary or omit items of work from the order. Rectification orders will not be subject to the \$25,000 jurisdictional limit of the BDT and failure to comply with the order without reasonable cause will, as is presently the case, be a ground for taking disciplinary action against the contractor.

Another advantage of the proposals is that the BDT will have the power to make money or work orders under the Consumer Claims Tribunals Act as if the complainant and contractor were parties in a building claim. Such orders will be subject to the \$25,000 limit and enforceable in the usual way. The power to make these other orders gives the BDT far greater flexibility than the BSC presently has to resolve the dispute. To ensure that a consumer is not disadvantaged orders will be made only if the complainant has given evidence orally or in writing and has submitted argument. The proposal that disciplinary hearings be conducted by the Commercial Tribunal will overcome conflicts which presently exist under the legislation.

Disciplinary action is taken by the BSC when the contractor has failed to perform. Hearings are presently conducted before the members and/or associate members of the BSC, and while they no doubt exercise their statutory duty in a bona fide manner, the perception of bias remains. It is preferable, therefore, that hearings be conducted before a tribunal which is seen to be impartial. The Commercial Tribunal presently hears appeals from decisions of the BSC and clearly has the experience to take over this important function. However, the BSC will continue to be responsible to initiate and prosecute disciplinary action. I agree with the Minister that the aim of disciplinary action should in future focus on the contractor's fitness to hold a licence.

I support the establishment of the Home Building Advisory Council and the other proposed changes to the structure of the BSC. The relationship between the board and the general manager is not clearly defined in the legislation. The board will comprise members representing sectional interests, which is not appropriate for an organisation which has as its chief role consumer protection. The advisory council will be independent of the BSC and have its own administrative support. This should ensure high quality independent advice is provided to the Minister on a range of issues affecting the residential building industry. The BSC will, in future, be constituted by the general manager as chief executive officer. This will clarify the lines of responsibility and help to create a more efficient and responsive organisation. The proposal to extend to claimants under the former Builders Licensing Act the right to appeal to the Commercial Tribunal is to be applauded.

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At present claimants who disagree with the decision of the BSC on their insurance claims are entitled to have those claims referred to arbitration before a mutually agreed arbitrator. Members may be aware that in recent years building arbitration has been the subject of considerable criticism. Many of these claimants have suffered loss in arbitration proceedings with their builder. Because of the bitter experiences suffered by some consumers and the unsatisfactory reputation of arbitration, only a small number of claimants have chosen to use arbitration in their dispute with the BSC.

The bill proposes that persons who have commenced arbitration with the BSC will be able to terminate those proceedings and appeal to the Commercial Tribunal within 30 days of the commencement of the amendments. Those who have not commenced arbitration will be given 12 months to apply for reassessment of their claim. If they are still dissatisfied with the BSC's decision, they may then appeal to the Commercial Tribunal. New claimants will be able to lodge an appeal to the Commercial Tribunal within 30 days of the decision of the BSC.

Because some claimants will have suffered loss arising from litigation with their builder or in having the work rectified or completed, the bill proposes that they be given assistance to pursue their appeals. The BSC will have to pay the claimant's legal costs on a solicitor-client basis if the claim is upheld, but will not be entitled to costs if the refusal of the claim is confirmed. Further, if the Commercial Tribunal finds that the actions of the BSC unnecessarily delayed the settlement of the claim, it may order interest on the amount awarded. The changes to the selection procedures for BDT referees will ensure that parties to a building claim will have confidence in the partiality of the BDT.

The existing legislation requires that BDT referees have extensive experience in the building industry. Before recommending their appointment, the Minister is obliged to take into account the views of the Building Services Corporation, the Master Builders Association of New South Wales, the Housing Industry Association of New South Wales and the senior referee. This has led to criticism that the BDT is biased in favour of the industry. The removal of the need for extensive experience in the building industry, together with the elimination of the consultation process, will allow referees to be selected from a wider field. It will also bring their selection and appointment into line with the other referees of the consumer claims tribunals.

This and the other amendments I have outlined will ensure that conflicts which presently exist in the BSC system are removed and will boost public confidence in the organisation. They can also be expected to provide ongoing benefits for both consumers and the industry. I commend these changes. I have received approaches from constituents, as I am sure other members have, who have been dissatisfied with the system in the past - I refer to both consumers and builders. I am confident that these changes will improve the system and, when in place, will have long lasting benefit. I fully endorse the proposals.

Mr HATTON (South Coast) [9.23]: When one looks at the history of the Builders Licensing Board and the Building Services Corporation one wonders when we are going to grab hold of this thing and make it work. I remember the Labor days - the untold rorts, the waste, the many cases of tragedy, and the allegations of misuse and misappropriation of funds of the Builders Licensing Board. The situation became extremely serious. The

Hon. Ron Mulock, who was a good Minister, simply had to draw the line, forget what happened before and try to restructure. There was tragedy after tragedy.

The maladministration of the Master Builders Association under Ray Rocher, the fiddling of the apprentices training scheme, and numerous other things were never properly investigated. There were numerous complaints about the Building Services Corporation - some 4,000 or 5,000 builders got together and demonstrated. I joined them. My brother is in small business - in shopfronts, glass, windows and things to do with the glass trade. He was there that day.

The structures satisfied neither the consumers nor the builders. It was a total mess. One must ask: why did it go on for so long? Why is it that we had to have the Trade Practices Commission, the Dodd report, and the Gyles royal commission to expose these rorts? We still have not got a structure that does the job. The extent of the tragedies over the years cannot be measured, particularly for the little people whose biggest investment in their whole life is in their home. I support the provisions of this bill and ask why it took so long.

I support alternative dispute resolution. In this regard, I think we can learn a lot from the Courts Legislation (Mediation and Evaluation) Amendment Bill, which is to come before this House later this evening or tomorrow. That bill talks about mediation and neutral evaluation. These things were not invented yesterday; they should have been in place a long time ago. The Courts Legislation (Mediation and Evaluation) Amendment Bill defines "mediation" as follows:

Mediation is a structured process in which the mediator, as a neutral and independent party, assists the parties to a dispute to achieve their own resolution of the dispute.

Neutral evaluation is a process of evaluation of a dispute in which the evaluator seeks to identify and reduce the issues of fact and law that are in dispute. The evaluator's role includes assessing the relative strengths and weaknesses of each party's case and offering an opinion as to the likely outcome of the proceedings, including any likely findings of liability or the award of damages or compensation.

That is a very simple and straightforward concept, efficient and inexpensive. It is one in which people can have trust. The bill talks about compiling a list of persons suitable to be mediators or evaluators. It talks about mediation sessions and neutral evaluation

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sessions, documents and material produced for them, and privilege against defamation. The bill talks about the disclosure, in certain circumstances, of the proceedings when it is necessary to prevent or minimise the danger of injury to any person or damage to any property. The bill seeks to protect a person on a list of mediators or evaluators from liability for things done in good faith in those sessions. That bill, which is to come before this House, gives a very clear outline of the role of dispute resolution and mediation. I hope it will at last bring some success and satisfaction.

I spoke to the legal services commissioner today. In the short time that he has been in office he has examined the Bar Council and the Law Society. He has discovered that people are looking at the discipline of the people in the profession, but they are not looking at the outcomes. That ought to be the focus. What does the complainant get out of the process at the end? If the house is going to be fixed and occupied, are they going to get some money at the end of the process? Quite often they feel anger and hurt, which feelings are centred on the builder - they would like to strangle the person concerned. If they got a reasonable outcome, they would soon channel that anger, through their satisfaction, into something else. They would get what they want - to live in a house that they have paid for, in reasonable comfort, and know that it is a secure building, built to proper standards.

Where does local government fit into this? It has avoided its responsibilities for decades. Local government charges people for building applications and for inspections. It is supposed to supervise building codes. But what happens? Many of these things would not happen if the building inspectors in councils did their jobs: regularly called around and checked to see whether steel is in foundations; ensured that the building is built according to proper standards; ensured that the cards they issue are meaningful; and ensured that the

inspections take place at each stage. Local government has shirked its responsibilities for years.

The focus of this bill, at long last, is on dispute resolution and consumer protection. I would like councils to be made legislatively accountable for their lack of action. This leads me to the last point that was brought to my notice and to the notice of many other members by Yvonne Morris of 9 Glen Street, Port Macquarie. The Minister has indicated that she has tried to help her constituent, and I accept that. I am quite sure that that is true. This person says in a very telling letter:

The B.S.C. have made an absolute mockery of its charter to "protect the consumer!" The system has failed us badly! (A) The Gyles Royal Commission (B) The Peter Dodd Report and (C) The Trade Practices Commission all bear witness to this fact.

Yvonne Morris says further in her letter:

This Act proposes to shaft the longstanding, unresolved cases to the Commercial Tribunal. This would just be man's inhumanity to man! After what we have already endured.

That is a genuine plea for some priority. The people have been waiting for a long time. They want somebody who can progress them on the queue, resolve their cases and get some satisfaction at last. From page 4 of the letter I will read another short passage, because this has been dealt with by the honourable member for Mount Druitt and will be referred to by the Minister for Consumer Affairs, Yvonne Morris's local member. The letter states:

My case was one of those which was implicated with Mr Robert Coles as Special Investigator this year - he did nothing to help me resolve my problems!

One could be forgiven for believing, after this debacle - that they would only have ulterior motives in trying to push them to the Commercial Tribunal.

There are very sound reasons, as no doubt the Minister will state in her reply, and there are some complications. But this is the sort of frustration that people suffer after long disputes which cause so many people so much misery. Finally, I come to the issue of the gold licence. People have been genuinely misled. People expected a gold plated guarantee that a person with a gold licence was a good builder, of sufficient experience and probity to do the job within the contract efficiently and to a good standard.

In some cases - a disturbing large number of cases - this has not been the result. From the point of view of the good, honest builders - the overwhelming majority of those in the trade - the Builders Licensing Board and subsequently the Building Services Corporation have been a total and disgusting failure. I hope the bill will address the concerns of consumers and will also protect the good names of the tradesmen in the industry and bring some finality and common sense to this long saga.

Mr SCULLY (Smithfield) [9.35]: I welcome the opportunity of speaking on the bill. Like many members, I have received a litany of complaints over the years in respect of building matters. I am sure the Minister has been inundated with complaints since she was honoured by having consumer affairs allocated to her portfolio responsibilities. Although the Minister is a bush lawyer member of the National Party, to a non-lawyer separation of powers is really what this bill is about. I am disappointed that it has taken so long for the Government to realise that the functions of the Building Services Corporation have to be separated. For many years -

Mr Jeffery: When you were in government.

Mr SCULLY: I was not here then. When the last Labor Government was elected I had not even started my law course. The present Government has been in office for nearly seven years. Why did it not fix up the problem soon after March 1988? Opposition electorate offices have had a litany of complaints from people. I am sure Mr Acting-Speaker is familiar with people who have had problems with the building industry. The

problems should have been fixed a long time ago. The Minister does not deserve any congratulations. For seven long years - too long - this has been the case, but it will be rectified next March.

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The Government cannot hide behind the Gyles report or the Dodd report; I know Mr Acting-Speaker will not let that happen. I acknowledge that the Government has realised that it is not appropriate to bundle into one body a prosecutor, judge, jury and sheriff. At least something is to be done to resolve the difficulty. Perhaps the Minister should consider, down the track, whether the powers of investigation and prosecution ought to be separated. I am sure the honourable member for Cronulla would appreciate the Director of Public Prosecutions taking over and expanding the role of police prosecutors. The Committee on the Office of the Ombudsman, of which the honourable member was a member, interviewed the Director of Public Prosecutions-elect, if that is the right term, and put that very matter to him. The honourable member actually supported taking over police prosecutions.

I raise that matter with the Minister, so that she might give consideration to it further down the track. Perhaps the Building Services Corporation might be concerned solely with investigation and not with prosecution. In some circumstances, but not always, those two functions may cloud judgment. I know that is a problem with the Health Care Complaints Commission because in its investigations the commission is thinking of prosecutions. That bastardises some of their investigations. If there were separate functions in that field the job would be done better. Perhaps the Minister should examine that concept to determine whether it would work.

I should mention two constituents in particular. Mary Krithinakis had bad experiences with Venture Industries. Harry Kioussis, the principal of Venture Industries, obtained a building licence many years ago by forging a degree and putting in a bogus application for a licence, which was granted by the Builders Licensing Board. Mrs Krithinakis came to me with some supporters. They wanted to know why they could not obtain access to the files from the corporation dealing with the original granting of that licence. They gave me the name of a Mr Cunningham who is reasonably senior in the Building Services Corporation.

I do not know Mr Cunningham or what position he holds. They simply said he holds a senior position now and that when he was a junior officer in the department he processed the paperwork authorising the original building licence. If that is true the explanation may be no more than that he happened to be the bureaucrat at the time. If that is the case, that is fine. To avoid suspicion that anything untoward was done at the time - because this was a serious fraud on the board, as it was then called, and this Kioussis character is a total crook - the people involved with Venture Industries ought to have made available to them the corporation's file.

As the Minister would be aware, the people involved in the Venture Industries case seek the corporation's assistance in their legal costs before their arbitration. I believe that if they ultimately take on the corporation it will probably be unsuccessful in a case of negligence. In my mind there is a clear case of negligence. The Minister would probably be aware that there are reports from the mid-70s onwards in which the then board - later the corporation - boasts of due inquiry taking place before a licence is issued.

When Harry Kioussis obtained a licence no due inquiry took place. All the board had to do was ring the university to establish whether he had a degree. If the board had been told that he did not have a degree, that would have been the end of the story: he would not have got the licence. So I think there is probably an arguable case that the corporation was negligent. So the very least the corporation can do, if the negligence of the corporation was the cause of these people's suffering, is assist with their legal costs in the arbitration with Venture Industries.

I am told that Harry Kioussis has about \$6 million in assets obtained from human suffering. The House has already heard about Ibrahim Constantine, the son-in-law of this character. We were told recently that Harry Kioussis is a fund-raiser for the honourable member for Strathfield. I do not know whether it is true but it has been put to me that a person who is a forger, a fraud and a crook and who has benefited from the human

suffering of battlers who want their homes built is a fund-raiser for the honourable member for Strathfield. I say to the honourable member for Strathfield that he should come into the Chamber to make a personal explanation saying that it is not true and he is not taking the benefit of a character such as Harry Kioussis, who is a crook. So, Mr Zammit, if you are listening, come into the Chamber now and tell the House -

Mr Blackmore: On a point of order: the honourable member is straying from the point of the debate. I ask you, Mr Acting-Speaker, to pull him back into line and direct that he debate the matter before the Chair.

Mr SCULLY: On the point of order: I think what I was saying about Mr Kioussis and the honourable member for Strathfield is very pertinent to this debate. We have to be sure that characters such as Harry Kioussis cannot lead members, particularly from the Liberal Party, astray. It is very important that I bring that to the attention of the House.

Mr ACTING-SPEAKER (Mr Hazzard): Order! The honourable member for Smithfield would be aware that if he seeks to impugn members of the House he must do so by way of substantive motion. I ask him to return to the ambit of the bill.

Mr SCULLY: Mr Acting-Speaker, I accept the ruling. The final person I wish to mention is Revesv. I am sure the Minister has come across him with the Building Action Reform Group. Some time ago - I think "Good on you Joe" was the Minister, back in 1990 - he was the subject of incompetent inspectors' reports which resulted in his claim initially being denied. I think the corporation offered what it called an ex gratia payment of \$17,500, which was the maximum amount payable under the house purchasers

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agreement at the time. Mr Revesv is concerned that no interest has been paid on the amount. He has come across a case - Onorati I think is the name - in which an amount was put in a trust fund by the corporation and the sum plus the interest it earned was then paid out.

Mr Revesv says that the corporation has had the benefit of the money for all those years and that he also should be paid interest. He has lost thousands of dollars. He has probably driven the Minister and the corporation mad because he is a very persistent bloke but I do think that he has had legitimate complaint. Had the initial inspection been done properly I think he would have been paid the appropriate amount some years ago and his life would not have been substantially put asunder. These are a few things I wanted to raise with the Minister and I hope I have not taken too long.

Mr PRICE (Waratah) [9.45]: I do not intend to speak at great length on the bill but a number of matters resulting from the experiences of my constituents are of considerable interest to me. The bill provides the basis for major improvement on the present arrangement. I acknowledge the problems associated with the gold licence, the difficulties that lay people have in determining how the gold licence can be used and what it means when allegedly gold licence approved persons undertake work on homes or property. In any society or industry there is always a group of unscrupulous persons who will attempt to take advantage of a situation. Such people may take advantage of the naivety of people or perform poor work they are not skilled to perform, regardless of the qualifications they claim to have. It results in problems for purchasers. This can be mentally and financially crippling if the problems cannot be satisfactorily resolved in a reasonable time.

In 1989 my electorate was severely affected by the Newcastle earthquake. Within hours builders and other tradesmen with all sorts of qualifications and records suddenly arrived on the scene and started to undertake all sorts of work. There was no guarantee of their qualifications. Often they used the gold licence numbers of other people. In many cases owners of properties were persuaded that the tradesmen did not need to have qualifications. The resulting problems are still burdening the Builders Licensing Board - I am sure to the detriment of the mental faculties of some inspectors. The problem is not only perceived; it exists. Unfortunately, the inspectors are considered by most people who deal with them to favour builders. I do not necessarily believe that is so although there must be some cases in which that could be said.

I have one case I would like the House to hear. Mrs Marjorie Harding of Casuarina Circuit in Warabrook

had a house constructed in 1988 which was subsequently damaged in the 1989 earthquake. It was built by a company called Advance Housing, which has since gone bankrupt. From 1988, when the original building defects became apparent - they were compounded by earthquake damage - Mrs Harding and her husband, who was alive in those days, fought by every means available to them, through the Building Services Corporation and through a solicitor, to obtain a better deal for their home. The floors sloped, the walls were out of plumb and the ceiling was at an angle to the floor. It was a thoroughly bad job. Mrs Harding had gone to great lengths and great expense to achieve restitution. The closest she could get to it was the builder being obliged by the Building Services Corporation to offer to buy her home. The price he offered was at least \$20,000 below the market value and there was no other offer of compensation by way of a house of similar style and location being constructed for her. In other words, it was a dead loss.

Mrs Harding then attempted to get rectification work done. Only a small part of the work, worth \$6,000, was eventually completed two years later, and again it failed to pass the test. The council refused to issue a 317A certificate and the house clearly was unsaleable. Significant problems are still associated with the project. Under the existing insurance scheme the Building Services Corporation cannot possibly cope with the problem. The last person from the corporation who visited Mrs Harding some months ago suggested that she go to a real estate agent, find out the value of the house on the open market, then find out what she could get for it in its damaged condition, and if she put forward a good enough case, the Building Services Corporation might be persuaded to pay the difference. That is an appalling situation that I have difficulty believing took place, but Mrs Harding has the names of the persons involved.

I am deeply concerned that this type of activity still goes on. I am not speaking about a mansion but about what should have been a neat three-bedroom cottage in a relatively new suburb, and at Newcastle prices worth about \$180,000 to \$190,000. This woman is frightened to live in the house which moves, squeaks and does all the wrong things. I believe that the provisions of this bill will enable her to get assistance. I understand she is keen to take advantage of the availability of advice on how to avoid problems before entering into contracts. There must be an education program for potential owners. I suspect that matter will be addressed, at least in part, by the bill. It should be addressed also by the lending institutions, which have a major responsibility, because finally it is their money that is used. People should be able to obtain advice on how to minimise problems should they arise. They should be sure about the inspectors provided by local councils and the financial institutions.

If dispute resolution is necessary, it should be carried out in an unbiased setting and be performed by independent arbiters, not personnel provided by building organisations such as the Master Builders Association and the Housing Industry Association. The fear about having those organisations involved in any dispute resolution is that they will favour the builders. As I have said, that does not always happen, but that must be how it appears to elderly people, or even to young persons when their largest

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family financial commitment is in poor shape. Certainly that was Mrs Harding's experience. She is not a young woman; she and her husband put their life savings into this project and now, on her own, she must battle in an attempt to get what she considers to be reasonable justice. I agree with her.

I believe that the problems can be addressed, and they appear to be addressed in part by the bill. I understand that the shadow Minister intends to move amendments at the Committee stage. Nevertheless, I support the thrust of the bill. Most of the issues outlined by Mrs Harding and others in similar circumstances have been given attention. I am pleased that there will be a Home Building Advisory Council. That is a step in the right direction. I hope that particular care is taken in selecting the members of that body and that the council will be left alone to conduct its business in the best possible way. The availability of appeals to the Commercial Tribunal is important. To a certain degree that will take problems to a neutral area and will allow final resolution of disputes to be seen to be fair and just and not tainted by the opinion that many have that there is favouritism towards builders in almost all of these cases. That comment has been made to me, especially in respect of repairs made necessary by the earthquake. My wife had such a problem when, following the earthquake, repairs were necessary to her home. It bothers me that it has taken so long to get this far down the trail, but it is good that it is happening. I will be pleased to support the attempts of the honourable member for

Mount Druitt to improve the bill further.

Mr NEILLY (Cessnock) [9.55]: My comments will be brief. I support the legislation and commend the Government for grasping the nettle and implementing the recommendations of the Dodd inquiry. We still have a long way to go. The Building Services Corporation has been fraught with complications. I believe that the insurance facet should involve one stop shopping. No matter which way one arranges the insurance obligations, ultimately the person who pays requires the service or is seeking construction of a building. Insurance should be necessary at one stage only, and the obligation should be appropriately spread.

The present rankings in the licensing system have caused me a great deal of distress. Recently I have been involved in discussions with the Chamber of Fruit and Vegetable Industries, which is talking about going to a similar ranking system. However, I do not believe that it will be any good, because members still have a great deal of distrust stemming from the ranking system that has prevailed in the Building Services Corporation. The disputes mechanism needs to be simplified also. In many instances those who have had to go to the corporation to resolve disputes now have some distrust of the process. They have the view that either the inspector from the corporation has had regular dealings with the builder or the contractor has been involved. The complainants are of the view that there is too close a liaison between the inspectors and the contractors or builders.

I believe that in the past some inspectors have had difficulty in discerning whether complaints related to a problem with a builder's activity or a contractor's ability were legitimate. On occasions people demand certain types of construction and the use of specific materials which in some instances are completely inappropriate for the type of construction contemplated, or a construction is to be carried out on a site with reactive soils. In those instances the problem has not necessarily occurred because the contractor or builder has failed in his obligations. When brickwork or concrete work is carried out on reactive soils cracking will occur. In those situations it is difficult to attribute liability or fault.

One other facet I should draw to the attention of the Minister in relation to the disputes mechanism is that inevitably a separate disputes mechanism is put in place in contracts. Eventually this Parliament will have to determine how many people can have a finger in the pie in resolving disputes. In many instances when the Building Services Corporation has been involved it has laid down a set of criteria for dispute resolution, but the dispute has not been resolved in a way that is acceptable to the builder, the contractor or the complainant. In those instances inevitably the option included in the contract will be exercised. When all of the problems associated with the operations of the Building Services Corporation are addressed it will probably be appropriate to give consideration to the standardisation of building contracts and subcontracting to ensure that a single dispute resolution mechanism is in place.

For simplicity, insurance matters should be put together in a much more appropriate fashion, and the registration system needs to operate in a less complicated manner. I do not think any disputes resolution system could be more complicated than the one we have at present, which needs simplification. Simplicity is the key when one gets down to the final nitty-gritty. We need the capacity to resolve a great many of the disputes much more rapidly than they are dealt with at present. It is important to focus on the insurance mechanism also. We need to provide for a single insurance operation that puts the onus on the person seeking the contract. It is necessary to have a system whereby those who seek something out of the ordinary by way of building or the type of materials used do so at their own risk.

Ms MACHIN (Port Macquarie - Minister for Consumer Affairs, Minister Assisting the Minister for Roads, and Minister Assisting the Minister for Transport) [10.01], in reply: I thank all members for their input into the debate and for the way in which it has been conducted. All of us have received many representations from people who have had bad experiences of the building industry. Unfortunately, such problems seem very difficult to solve. I recognise that tonight's debate and the bill have been approached in a constructive manner and I appreciate the support for the bill from Opposition members. We are trying to resolve some of the longstanding cases that have been raised in the Parliament tonight and that many of us know about, as well as set in place a system that will avoid such problems in years to come.

The issue should be put in perspective. The member for Mount Druitt pointed out that the Building Services Corporation receives a huge number of inquiries and complaints each year. It also receives a huge number of licence applications every year. From that we must conclude that the majority of people generally have a good experience of the building industry. I am a case in point. My husband and I have done some renovating and building in the past couple of years and we have been very happy with our builders. The majority of people find themselves in that situation. A lot of people, however, do not find satisfaction, and disputes can become protracted and difficult. It is for those people that the Building Services Corporation was re-formed and it is for those people that we are trying to improve the system.

In the past 20 years the Builders Licensing Board and the Building Services Corporation - the organisation's two different forms - have paid out about 10,000 claims. The number of old claims estimated by the Building Services Corporation to be still in dispute is roughly 30 to 40. It is a little difficult to report accurately on that number because not all of them are reported to us, and I recognise that the Building Action Reform Group would perhaps say that the number of unresolved disputes is higher than the figure I have given. The Government would like to help the group and to document cases, should the group put cases forward. I have made that offer to Mrs Onorati. To put the matter in context, the number of really difficult and long running complaints is not so very high when one considers that in the past 20 years 10,000 claims have been paid out. Nevertheless, it is accepted - as I set out in some detail in my second reading speech - that there have been criticisms of the Building Services Corporation in recent years.

There are some problems in relation to the Building Services Corporation. Perceived conflicts have been gone into at great length by Dr Dodd and others in the various inquiries held in the past few years into the industry and the different bodies involved in it. The member for Mount Druitt mentioned that criticisms have been made by people who responded to the bill. I accept the criticism relating to late advice. The Government would have liked to list the bill a little earlier, in the previous session of Parliament, but other business took precedence and we were not able to circulate the bill as quickly as we would have liked. However, the bill was not finalised at that time, and in the past four months or so different groups have had the opportunity to examine the legislation and make submissions.

As recently as two weeks ago I met the Labor Council and a couple of people who had concerns about the bill and the way in which it was treated. We can deal with most of the concerns, and we certainly intend to do that as part of further inquiries into both the licensing system and the question of insurance and the way in which that may be put out to the marketplace. Those are the key issues. The Government is tidying up some of the in-house matters at the moment and, through the two task forces I have established, will move on to the big issues. The member for Mount Druitt referred to a number of achievements of the Building Services Corporation. That was appreciated by me and by the officers of the Building Services Corporation who are here with me tonight - Mr Graham Mostyn, the General Manager of the Building Services Corporation, and Mr Chris Aird.

Mr and Mrs Donovan have been to see me. Certainly they have not had a good experience, but their case is moving along. That is also true of the case of the Wells, who had a very difficult experience. The Wells' case is probably an example of what not to do. The Wells undertook significant work on an owner builders licence and got into all sorts of strife - not really through any major fault of their own; in part, perhaps, through lack of knowledge, lack of information. I intend to ask the task force to address the issues of what should be done in relation to owner builder licences and what is the appropriate level of insurance cover. One question that needs to be addressed, because of the strife that has been experienced, is whether we should in fact retain owner builders licences. I was an owner builder, too. I did not do any of the work myself but I had a ticket, which I thought was most amusing.

The member for Mount Druitt also touched on the issue of insurance paid by way of premiums to the Building Services Corporation. He referred to my answer to a question on notice that in 1993 nearly \$16

million was paid in premiums to the corporation. That amount is not being squirrelled away; just under \$7.5 million was paid out in claims that year, more than \$5.5 million was set aside as provision for future claims - an important provision - and \$2.8 million was set aside for operating costs. That pretty much accounts for the total sum received from insurance paid by consumers. The BSC has been carrying full insurance risk since 1993, and the Government would not want yet another scheme to start up and become underfunded.

A number of members raised long running issues. One involved Venture Industries and Mr Harry Kioussis and his daughter. The member for Smithfield questioned the lack of information provided to some consumers about the granting of a licence to Mr Kioussis. I know that the member for Smithfield is in the House, and he might be interested in my answer. Mr Kioussis deceived the BSC and many other people when applying for a licence. The Government has taken advice on that matter. The corporation has reviewed all of the complaints identified in relation to Venture Industries and has sought legal advice. A comprehensive review has been undertaken.

Mr Scully: Could we have copies?

Ms MACHIN: I am happy to give members some information. There may be some privacy issues involved, but I do not take a political view of this matter, because I think most of us just want to solve

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the problems. I undertake to find out what advice can be conveyed to the member without compromising anybody. Basically, the legal adviser does not take the view that the corporation could be deemed to be negligent, because Mr Kioussis deceived the officer - I forget who it might have been - when applying for a licence. Mr Kioussis lied and falsified his documentation. Short of phoning the university, as was suggested, to determine a particular qualification, the corporation would have had to take a statement of qualification as read. As the honourable member would realise, in any one year a large number of applications for licences are received and the corporation simply does not have the resources to make extensive phone inquiries.

Questions have been raised, firstly, as to how one ensures that people are reputable and, secondly, as to how one makes sure that companies are financially viable. When companies go broke, the corporation, through its consumers' funds, is ultimately left to pay out those claims as well. As some members may know, the Trade Practices Commission is taking action in the Federal Court on some cases involving consumers who bought houses through Venture Industries. The case is very long and complicated, and I really should not take the time of the House to go through it all tonight. If members have particular queries about the case, I would be more than happy to meet them and discuss this issue.

A number of the consumers have been to court twice and have lost twice with the arbitration in which they are engaged with Mr Kioussis. Perhaps they were badly advised. If I were to put on my bush lawyer's hat, I would say that they were badly advised. Essentially, in the case of a couple of people, they spent \$100,000 to save \$15,000 - that being the subject of their arbitration with Mr Kioussis in the first place. They went to court to try to nullify those proceedings and they lost twice. They now have huge legal bills and, unfortunately, under current legislation there is not a great deal we can do about that. But the Government is trying to help them. They have had access to legal advice. The Government is doing as much as it possibly can within legislative confines.

The honourable member for Smithfield raised the issue of the Revesv family. They continued to refuse the insurance payouts that were offered to them a couple of times. Obviously they had their reasons. Mrs Onorati was offered an insurance payout and accepted it. Because her payment was held in a trust account at her request, pending approval of rectification of her building, interest was paid. The payment was held in trust while the work was done; the interest was not paid because of any fault of the Building Services Corporation. Nevertheless, as I said in my second reading speech, these long running cases - the 30 or 40, including the case of Mrs Morris in my electorate - should have the opportunity to go before the Commercial Tribunal. I note that the honourable member for Mount Druitt said that that approach was reasonable. The tribunal is independent. Many of these cases require an arbiter without preconceptions or bias to consider the matter and make a decision. In cases where the BSC is considered to be at fault, it is prepared to pay interest and assist people

with legal expenses to bring long running cases before the tribunal.

Most of the issues canvassed by honourable members were addressed in my second reading speech so I shall not again refer to them. I note the broad support for the proposals. The House will discuss the BSC further when we address the larger issues of licensing and insurance. I appreciate the support given by the shadow minister and look forward to briefing him. He takes a positive approach and I hope he will be the shadow minister for consumer affairs for a long time. I thank honourable members opposite for their support and accept their comments in good spirit; they have been constructive. The Government will do all in its power to improve the BSC and to resolve the outstanding claims.

Motion agreed to.

Bill read a second time.

In Committee

Schedule 5

Mr AMERY (Mount Druitt) [10.13], by leave: I move the following amendments in globo:

No. 1 Page 14, Schedule 5, line 22. Omit "10", insert instead "11".

No. 2 Page 14, Schedule 5, line 26. Omit "4", insert instead "2".

No. 3 Page 14, Schedule 5, line 31. Omit "4", insert instead "6".

No. 4 Page 14, Schedule 5. After line 33, insert:

(d) 1 member appointed by the Minister after consultation with the Local Government Association of New South Wales and the Shires Association of New South Wales.

Amendment No. 1 is a procedural amendment to expand the size of the Advisory Council from 10 to 11. In relation to amendment No. 2, proposed section 115B(2)(b) states that the Advisory Council include four members appointed by the Minister after advertisement and having in the opinion of the Minister expertise in the building industry, which may include technical, consumer or academic expertise, and so on. The Opposition amendment seeks to reduce that representation to two, to allow for amendment No. 3, which seeks to increase the number of consumer representatives on the Advisory Council from four members to six.

The Minister in her second reading speech stated that the Building Services Corporation would have a stronger consumer emphasis. A number of concerns have been expressed about consumer representation on the Building Services Corporation having involvement in task forces, and so on. If we are to be fair dinkum and send the right messages to the consumer movement and if the Advisory Council advising the Minister on building service issues is to be more representative of consumers, consumer interests should have a majority on the Advisory Council. The Opposition amendments will accommodate that by reducing the building industry representation but without eradicating it. These provisions will allow the Minister broad scope to ensure proper representation of the industry.

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Amendment No. 4 relates to the appointment, after consultation with the Local Government Association of New South Wales, of a local government representative. Longstanding criticism has been made of the role of local government in the inspection processes of buildings. The honourable member for South Coast and I raised that matter in debate. This has been a longstanding dispute and it is time for local government to become more involved in the inspection processes. If local government were advising the Minister, it could not claim

to be excluded from the process. This is a positive amendment, recognising local government in the Advisory Council, so that hopefully the stage will be reached where local government plays a more important role in rectifying complaints before they reach the Building Services Corporation. I ask the Committee to accept the Opposition's amendments and to make the Advisory Council more representative of the consumer movement and local government.

Ms MACHIN (Port Macquarie - Minister for Consumer Affairs, Minister Assisting the Minister for Roads, and Minister Assisting the Minister for Transport) [10.17]: The Government accepts the amendments.

Amendments agreed to.

Schedule as amended agreed to.

Bill reported from Committee with amendments, and report adopted.

LIQUOR (FURTHER AMENDMENT) BILL

REGISTERED CLUBS (FURTHER AMENDMENT) BILL

Bills introduced and read a first time.

Second Reading

Mrs COHEN (Badgerys Creek - Chief Secretary, and Minister for Administrative Services) [10.19]: I move:

That these bills be now read a second time.

I am sure that all honourable members of this House are concerned by the social cost of alcohol-related harm in our community. This Government has undertaken many initiatives in an effort to address this problem, and these bills will continue those efforts. The bills contain important amendments to the liquor and clubs laws that will help to reduce alcohol-related harm, and to achieve a safer and healthier society. Through the amendments licensees and clubs will be encouraged to play their part in this important process. The bills also contain a range of statute law and other minor amendments that will assist in the administration and enforcement of the liquor and clubs laws. As well, the liquor bill contains an urgent amendment which addresses a problem affecting some of this State's most popular events.

In 1992 this Government reduced the licence fee payable on low alcohol beer following recommendations made by the parliamentary Staysafe committee. The committee recognised that reducing the retail price for low alcohol beer is one way of encouraging its consumption in preference to the full strength product, with the potential result being a decline in alcohol-related road deaths and trauma. Though the popularity of low alcohol beer has grown significantly in recent years, in 1992-93 it still accounted for only some 6½ per cent of the total value of liquor purchased by licensed premises and clubs in New South Wales. There is obviously a significant opportunity to reduce alcohol-related harm by encouraging the growth of the low alcohol segment of the market at the expense of full strength alcohol. The Government recognises this opportunity, and that is why it is now moving to abolish all state licence fees on low alcohol liquor.

Under the new provisions, low alcohol liquor will be defined as undiluted and unadulterated liquor which contains 3.5 per cent alcohol or less. In the case of wine made from grapes, the alcohol level will be 6.5 per cent or less. I am confident that the community will support this move, which will allow licensees and clubs to reduce the price to the consumer of low alcohol products through a reduction in the liquor licence fees. The new fee arrangements will come into place for the next licensing and registration period commencing on 15 January 1995. The bills also contain provisions which protect licensees and clubs where breath analysis

machines are installed on the licensed premises. The provisions protect licensees and clubs from liability, by providing that readings taken from such machines cannot be used in legal proceedings.

This initiative will encourage the installation of breath analysis machines by licensees and clubs that previously may have been concerned about their liability for machine readings. The new provisions include safeguards to ensure that machines are correctly serviced and maintained. Licensees and clubs will be required to display a notice with the machine warning that its readings are not accepted by the police or the courts, and drawing attention to circumstances that may affect its accuracy. I previously commented that the liquor bill contains an urgent amendment which will address an anomaly with the Governor's licence provisions in the Liquor Act. Governor's licences generally relate to premises owned by the Crown and often apply to important public facilities. There is clearly a public interest factor involved with the operation of Governor's licences, as they can be used for significant community events such as festivals, concerts, sporting events and so on.

The amendment will allow the Government to take action to ensure that those events can be held, using a Governor's licence. The amendment will allow the Governor, on the recommendation of the Minister, to amend any condition to which a Governor's licence is subject, and to require the Governor's approval to any condition being imposed, varied, added to or revoked. In most cases, existing Governor's licence conditions will continue. However, where the conduct of an important community event is affected, the Government will be able to make appropriate arrangements so that the event may proceed. Such an event is scheduled to be held on 1 October. A problem has arisen with a condition of a Governor's licence, and it is imperative therefore that the legislation be amended urgently.

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As I have already indicated, other amendments contained in the bills will assist in the administration of the liquor and clubs laws. They include the removal of a range of redundant provisions from the Liquor Act, new provisions to allow the confiscation of proof of age cards suspected to be fraudulent, and clarification of the secrecy provisions of both Acts. The liquor bill includes amendments which address concerns about the special liquor licences issued by virtue of section 74A of the Liquor Act. Section 74A allows the Liquor Administration Board to certify that a premises is suitable for the sale and supply of liquor, where that premises does not fall into one of the existing categories of premises under the Act.

The changes are being made following concerns expressed by the hotel industry about the operation of this provision, and its potential abuse by persons wishing to circumvent the requirements of the liquor laws. It is in the interests of the community and the hospitality and tourism industries that the provisions of section 74A shall continue, so that unique or unusual types of premises may be licensed. However, the amendments will tighten the criteria for having a section 74A certificate issued. Under the new provisions, where any type of liquor licence - including a hotel licence - is suitable for the purposes of the conduct of the business proposed to be carried on under a liquor licence relating to the premises, a section 74A certificate cannot be issued.

These changes will continue to allow unique and unusual premises, such as historical buildings, tourist developments and the like to obtain a liquor licence while maintaining the integrity of the premises' requirements under the liquor laws. Both bills introduce provisions to allow summonses to be served by post - rather than personally as at present - as a measure to reduce time delays between reporting of a breach and the serving of a summons. I am aware that some concerns have been expressed about this proposal and, to allay those, I can assure honourable members that summonses will be served by certified post.

The cognate Registered Clubs (Further Amendment) Bill proposes some important changes to the provisions governing the conduct of club elections by the Electoral Commissioner, ensuring that they are conducted in accordance with sound and democratic electoral practices and procedures. This bill also clarifies the role of club secretaries, making it clear that the secretary is the club's chief executive officer responsible to its governing body for the management of the club's business and affairs. At the same time, the penalties for clubs which have an unapproved secretary or more than one secretary are to be increased, so as to emphasise the importance of clubs having an approved secretary who meets "fit and proper" requirements and is responsible

for the management of the club.

Most of the amendments in these bills are machinery matters that will allow for more efficient enforcement and administration of the liquor and club laws. As well, the liquor bill will allow the Government to act to ensure the continuation of a popular community and tourist event. I am sure honourable members will recognise the importance of the bills for they will encourage a healthier and more responsible attitude towards alcohol consumption. The removal of licence fees on low alcohol liquor, and the provisions which encourage the installation of breath analysis machines, are yet another initiative taken by this Government in the continuing effort to reduce the social cost of alcohol-related harm in our community. I commend the bills.

Debate adjourned on motion by Mr Face.

AGRICULTURAL AND VETERINARY CHEMICALS (NEW SOUTH WALES) BILL

Second Reading

Debate resumed from 13 May.

Mr MARTIN (Port Stephens) [10.28]: In essence, the Opposition supports the legislation but requires some explanations. This legislation is intended to bring uniformity across Australia in the registration and control of agricultural and veterinary chemicals. This is very important. Over the years there has been an emerging need for a uniform code. Nothing is worse than having intense agriculture on land adjoining State boundaries where different conditions apply for chemical usage. This relates particularly to the cotton industry in the north-west of New South Wales, and to areas along the Murray River that border the State of Victoria.

Uniformity is important to give Australia a standard for clean and green agriculture. That standard will enable our products to be marketed better and that benefits the whole country. This measure has taken time to be put together, with a lot of effort from all States and the Commonwealth. I assure the House that we have checked: there is harmony. Those concerned particularly about agricultural chemicals might believe this measure represents the lowest common denominator, but it is a step in the right direction. The Opposition will do all it can to ensure that it works - if need be by strengthening and tightening it - on a national basis. Certain things must be made clear, and I would ask the Minister to address those matters in his reply.

Uniform legislation to be administered by a variety of State or Federal administrations is not often proposed. Provisions in the bill should be clearly spelled out to employees, to the farming community, to those currently employed in the Department of Agriculture and in associated industries. Those involved must clearly understand their responsibilities, particularly those who have to carry out necessary policing of breaches and other activities. Too often governments insensitive to the needs of working men and women take it for granted that their staff are just cogs instead of vital parts in making any legislation work. Staff must be given stability. Those directly affected must know precisely how to administer this legislation. That is alluded to in the bill and should be clearly defined, but was not defined clearly enough in the Minister's second reading speech. The administration must give a clear statement of duties to staff. That will not emerge in the Parliament tonight. Quickly after the passing of this measure a clear

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statement of powers and duties must be issued to all those affected. In that way there will be no confusion but a smooth transition to the administration of legislation that hopefully will enrich industry. On occasion the jurisdictions of the six States, the Territories and the Commonwealth overlap.

Growth hormones or promotants are not covered by the bill. That is of concern to me and to producers throughout the State. Although increased use is being made of the use of growth promotants in the pig industry, there is some resistance to their use, particularly in feedlots. In Queensland about 6 per cent of animals are produced with the use of growth promotants, but in New South Wales the figure is about 1 per cent. It is important that chemicals that may be included in the legislation can be defined. Administration of growth

hormones will be a vital part of producing Australian meat that is clean and green. If meat treated with hormones is acceptable, say, on the American and Japanese markets, but not on the European markets, production will have to be geared specifically for those markets.

Will breaches be considered in the Federal jurisdiction or in the State jurisdiction? That provision should be spelled out clearly in the legislation in order to avoid confusion and delay. Clause 7 refers to the Interpretation Act 1987. I am concerned about regulations made in New South Wales and disallowance procedures that apply. If uniform codes and regulations are introduced simultaneously throughout Australia, will this Parliament be able to disallow a regulation, or will that fall to the Federal Parliament? In relation to clause 8, can representations be made so that people can elect the jurisdiction of their choice? Will the monitoring of the proposed system and the annual reports be referred to the Federal Parliament and then disseminated to each of the State parliaments? The monitoring and annual reporting procedures of the legislation are important issues to be resolved.

It is important to maintain good records of the administration and policing of the legislation. Australia is in a unique position: it has the ability to produce high quality agricultural products and food for the rest of the world. If it is done right and if the use of agricultural, veterinary and other chemicals is sensibly controlled, premium prices for Australian products on world markets will be assured. Australia is now a player on the international scene and cannot afford to threaten its position on any of those markets. The Opposition supports the bill. A large number of questions have been raised by the Opposition and I await the answers to those questions. I believe this measure will work in the best interests of all Australians.

Mr RIXON (Lismore) [10.38]: The main purpose of the bill is to implement national registration of agricultural and veterinary chemicals by adopting the Commonwealth Agricultural and Veterinary Chemicals Code Act as law in New South Wales. The object of the bill also is to make consequential amendments to the Pesticides Act 1978 and the Stock Medicines Act 1989 relating to the transfer of and responsibility for registration of agricultural and veterinary chemicals to the Commonwealth. It intends to make amendments to the Pesticides Act and the Stock Medicines Act 1989 to ensure that the original intent of these Acts to control the use of chemicals is not diminished by transfer of responsibilities for registration of agricultural and veterinary chemicals to the Commonwealth. The inefficiencies of the state-operated systems include the fact that the Commonwealth, States and Territories separately assess applications for clearance or registration, and for the efficacy of new products.

For new chemical products the procedure is repeated eight times by Commonwealth, State and veterinary agencies. In the past, in order to achieve registration and to market throughout Australia, owners or manufacturers have had to prepare applications to meet the requirements of the eight separate agencies which administer Commonwealth, State and Territory legislation. Registrations in the eight separate States and Territories resulted in different terms of approval by each of those State and Territory agencies. The result has been that a national manufacturer or marketer of a product has been required to produce eight separate labels for containers, each to meet the terms of approval of a particular State or Territory.

In addition to the cost of producing different labels for containers for each State and Territory, national manufacturers and marketers also had to incur the cost of maintaining stocking and distribution procedures for products to ensure that only approved labels and containers were sold in particular States and Territories. That created difficulties for manufacturers and for those who lived close to State borders. People who lived on either side of the Murray River and on either side of the border at Tweed Heads-Coolangatta faced the constant problem of trying to understand what was required in their respective States.

I am the chairman of the ministerial advisory committee on agricultural and veterinary chemicals. That committee consists of 13 people who represent a variety of government departments, industry and other organisations. Mr Harvey Baker was, for a number of years, Registrar of Pesticides and, subsequently, technical manager of Avcare. He now works for the Australian Cotton Foundation. Dr Mervyn Foote is a practising rural veterinarian from Cowra. Dr Lyn Clarke is the director of the agricultural health unit, which is based at Moree. Richard Whyte is Regional Manager, Central West, of the Environment Protection Authority.

New South Wales Agriculture has two representatives on the committee: Roger Toffolon and Graeme Eggleston. Ian Smalls is a principal scientist with the Department of Water Resources. Wayne Murray represents the Australian Workers Union. Ian Douglas represents the National Association for Crop Protection and Animal Health. David Wolfenden represents the New South Wales Farmers Association. Ralph Schulze is the executive officer of the Cotton Research and Development Corporation. Ross Blackmore is from the Australian Environmental Pest Managers Association and Peter Weatherstone is from the Aerial Agricultural Association of Australia.

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Those people represent as diverse and wide a group of those interested in agricultural and veterinary chemicals as one could imagine. They have asked me to convey to Parliament their view and the view of the organisations they represent that the passage of this legislation is imperative for the proper management of agricultural and veterinary chemicals, for the proper understanding of their use, and to correct the problems that have been caused for so long. The adoption by New South Wales and other States of the Commonwealth AgVet code will result in one national registration authority and one national market for agricultural and veterinary chemicals. The efficiencies resulting from this national registration scheme will not only benefit manufacturers and marketers of the products but will provide flow-on benefits to all primary producers and to other consumers of agricultural and veterinary chemicals. I cannot stress strongly enough that the people who understand and represent the various organisations who work with and use agricultural and veterinary chemicals urge this Parliament to pass this bill as soon as possible. The time when it ought to have been passed has long since elapsed. I support the bill.

Mr SHEDDEN (Bankstown) [10.44]: The decision by the Commonwealth and the States to formulate legislation for a uniform code - AgVet - to regulate and control the use of agricultural and veterinary chemicals in each State and Territory of the Commonwealth was undoubtedly long overdue. The code, which is administered by the national registration authority for agricultural and veterinary chemicals, known as the NRA, commenced operation in June 1993. The control of the use of chemicals will remain with the States and will not be affected by the proposed legislation. The relevant Ministers have agreed that for practical purposes the legislation will be treated as Commonwealth rather than State legislation. It is amazing that some 20,000 toxic chemicals are imported into Australia every year and that some 700 are manufactured locally. These products, in turn, are made into some 200,000-odd brand name chemicals, of which some 440 are pesticides used on farms, market gardens and orchards. The registration of agricultural and veterinary chemicals was introduced in the 1930s, mainly because of defective products being put on the market. Such products varied, of course, from State to State.

As inadequate as the control has been, I suppose we have certainly come a long way since the 1930s. It was not until just prior to 1970 that an informal agreement was reached under which the Commonwealth and the States agreed on a two-stage process for overall procedures, with the Commonwealth taking responsibility for the evaluation of chemicals and the issuing of clearance certificates, and the States assuming responsibility for registration. In that crazy situation a manufacturer of pesticides had to register a product in every State for it to be available for use Australia wide. Both the Minister for Agriculture and Fisheries and I grew up on rural properties. We both remember when there was almost no control over chemicals used in rural industries and even less control over the users, who in those days wore no safety clothing and possessed no safety equipment. In those days the workers - whether they were rural property workers, council workers, forestry workers or national parks workers - had no knowledge as to the effects of the chemicals being used. It is clear in my mind that over the years many thousands of people in this country have died from cancer and other debilitating diseases resulting from their lack of knowledge and understanding of the dangers of chemicals.

As I stated earlier, we have certainly come a long way. To mix, apply and dispose of chemicals, chemical users are now required to be licensed and accredited. In 1988 Commonwealth legislation established the Australian Agricultural and Veterinary Chemicals Council. Although this informal clearance system operated well, there was increasing evidence to the contrary and corresponding public disquiet over the widespread use of pesticides and their penetration into the food chain. During the 1970s and 1980s controversy also developed

over the extent of DDT spraying on cotton in the Namoi Valley, the use of pesticides on banana plantations in the Coffs Harbour area and, as the Minister knows, chemical residues from cattle dip sites on the north coast.

In 1986 the Federal Minister for Primary Industries reviewed clearance procedures for AgVet chemicals. The supposed purpose of that legislation was to reduce the duplication of effort between States, to promote standardisation of control measures and improved control over chemical use in agriculture, and to provide for further rationalisation of the registration process. I well remember the high levels of DDT that were found in our beef exports to the United States, posing a great threat to beef exports. To overcome this the Commonwealth Government secured the passage of the Agricultural and Veterinary Chemicals Act 1988. The legislation was based on agreement between the Commonwealth, States and Territories under which the States would not register agricultural and veterinary chemicals unless Commonwealth clearance was granted. However, clearance could be given only when a voluntary application had been made. In other words, the legislation was not coercive. The Opposition is not happy with certain issues associated with this bill but in general supports the legislation because it is well overdue.

Mr SMALL (Murray) [10.51]: I support the Agricultural and Veterinary Chemicals (New South Wales) Bill. The adoption by this Parliament of the Commonwealth AgVet code, which provides for a national registration scheme for agricultural and veterinary chemicals, will be a further demonstration of the commitment of the Parliament and the Government of New South Wales to microeconomic reform. I shall detail the inefficiencies of the State operated registration schemes. The Commonwealth, each State and each Territory separately assess applications for clearance or for registration and the efficacy of new products. For new chemical products the procedure is repeated eight times by Commonwealth, State and Territory agencies. To achieve registration to market throughout Australia the owners and manufacturers have to prepare applications to meet the requirements of the eight

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separate agencies. That will be extremely difficult to manage and administer for six States and two Territories in Australia.

The registrations achieved in the eight separate States and Territories resulted in different terms of approval by each of the State and Territory agencies. The result has been that a national manufacturer and marketer of product has been required to produce eight separate labels for containers, each to meet the terms of approval of the particular State or Territory. In addition to the cost of producing different labels for containers for each State and Territory, national manufacturers and marketers have also incurred the cost of maintaining stocking and distribution procedures for products to ensure that only approved labels and containers are sold in particular States and Territories.

The adoption by New South Wales and the other States and Territories of the Commonwealth AgVet code will result in there being one national registration authority and one national market for agricultural and veterinary chemicals. The efficiencies resulting from the national registration scheme will not only be of benefit to manufacturers and marketers of products but will provide flow-on benefits to primary producers and other consumers of agricultural and veterinary chemicals.

My electorate is a diverse area for agricultural production: stock, cereal cropping, including rice, and horticulture, all of which require some form of chemical or veterinary product. Most people today are anxious to save money and, where possible, to avoid using chemical and veterinary products. However, it is impossible to avoid them completely. Most of the veterinary and agricultural chemical products are defined, tested and manufactured in other countries because it is expensive to produce them and to ensure they can be safely used. To produce and enhance a product that can be used satisfactorily could cost about \$20 million. A product imported from Europe or America must be retested in Australia, and perhaps in the various States and Territories, under different climatic conditions or stocking circumstances.

When considering the distribution of chemicals it is important to keep in mind the State and Territory borders, not only with regard to transportation and distribution but also the labelling of chemicals, to ensure that in each State the requirements of the code are met and that there is no mishandling when products are

transported from one State to another. The bill will assist in the distribution of these products and will result in savings to the manufacturer and users throughout Australia, who have to contend with drought conditions. Anything that can help them and can assist environmentally is an essential ingredient in ensuring successful implementation of the provisions of the bill, which I support.

Mr CLOUGH (Bathurst) [10.56]: I support the bill, for one good reason: the Commonwealth, States and Territories of Australia have shown that they can work together. Many of the difficulties of the past have been overcome. Not so long ago, to travel by train between Sydney and Perth one had to change trains five times and travel on three separate railway gauges. Even today most States have different traffic laws, different registration facilities, and so on. The honourable member for Bankstown said that 20,000 toxic chemicals are imported into Australia each year and another 700 are made here. In country areas 50 per cent of television advertising relates to chemicals that are purchased by farmers. I do not share the concerns of the honourable member for Murray for the manufacturers of the materials, because most of the materials come from overseas. The costs to the manufacturer do not concern me at all. The cost to the consumer is enormous. This is good legislation. The bill cements a cooperative arrangement between the Commonwealth, States and Territories and is evidence that at last we are moving towards unification of government in Australia.

Mr NEILLY (Cessnock) [10.58]: I support the legislation. The Commonwealth AgVet code is incorporated in this complementary New South Wales legislation. Once again one must ask the rhetorical question: is there a place for State governments? Eventually, all facets of life in Australia must be uniform. Previous speakers have referred to separate labelling, added costs to industry, and microeconomic reform. The legislation is part and parcel of that process.

The shadow minister referred briefly to hormone growth products and the necessity for a system whereby we can exercise some degree of control over the use of agricultural and veterinarian chemicals. I recall an elderly gentleman visiting my office in 1987 complaining that he was developing breasts. He was receiving treatment and was restricted to eating white meat. His doctor, having identified that he had a problem, told him that the cause of his problem was the amount of chicken he was eating. I recall growing cabbages when I was a very young child. When, inevitably, moths and caterpillars invaded the cabbages my grandfather's remedy was to give the insects a shot of Mortein. Consequently I probably had more Mortein in my system than anyone could imagine, because until recent years we were ignorant of the dangers of such chemicals.

Many years ago I took a trip down the Myall River, through the Myall Lake system. The lake system at that time was a major producer of not only prawns but many different fish species, which exhibited cancer sores, no doubt because of use of agricultural chemicals by farmers in the region. Australia, in comparison with other countries, has a reputation as a clean country. To protect that reputation we should introduce a national registration system for agricultural and veterinarian chemicals as proposed by the legislation. I hope that eventually soil degradation, stream degradation and the like will also decrease as a result of this legislation.

When I was in Griffith recently I spoke to a packer who was exporting a considerable amount of oranges to Japan. Before the oranges could be exported, a Japanese inspector was sent from Japan to examine the entire process, their treatment and packaging for shipping. The packer was obliged to pay the whole cost, including the board of the person

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sent from Japan to carry out the inspection. The Japanese are concerned about the type of chemicals used in Australia in the packing and treatment processes. That illustrates the stringent requirements of Japan with regard to chemical use. In other words, they do not trust us. If Australia is to earn the trust of the world with regard to the use of agricultural and veterinarian chemicals, we will have to put in place procedures that will obviate the necessity for inspectors to observe our packaging and treatment processes. Recently Australia accomplished what I thought was an impossible mission: the exportation of rice to Japan. That was possible because of our reputation as a clean country and a country that minimises the use of agricultural chemicals.

The legislation is a step in the right direction. It is a mechanism through which Australia can increase its exports, particularly of fruit, vegetables and cereal crops. At a recent meeting of the Select Committee upon

the Sydney Market Authority which I attended, representatives of the Chamber of Fruit and Vegetable Industries stated that Australia grows enough food to feed 35 million people. We export a little of it, therefore we must waste a hell of a lot of it. I have undertaken a number of inspections of properties where as much as 50 per cent of what is grown is being turned back into the soil because it has never been of marketable shape or size under glut conditions. As a consequence we have deprived ourselves of the opportunity to export. Most of the problems that arise in this regard are not the fault of the State. The Commonwealth has to get its act together if we are to take advantage of those opportunities. Getting our act together is part and parcel of the process. I commend the Minister for participating in this process of improving the use of such chemicals in this country - a process that will improve the prospects of export from this country.

Mr CAUSLEY (Clarence - Minister for Agriculture and Fisheries, and Minister for Mines) [11.07], in reply: I thank honourable members for their support of the bill. It is rather a simple bill. Similar provisions are being enacted in complementary legislation in other parliaments throughout Australia, including the Commonwealth Parliament. There is no doubt it is important to have strict control over the use of agricultural and veterinarian chemicals in this country. There is no sense in duplicating the process of testing for chemicals, because the costs involved are passed on to the producer and then to the consumer. It is a wasteful exercise. The testing procedures are extensive and very expensive - of the order of millions of dollars. Chemicals have to be environmentally friendly; they have to break down. As the honourable member for Bankstown said, in the past people were ignorant of the damage that chemicals caused, but we are not going to make those same mistakes again.

The honourable member for Port Stephens raised a number of matters that I should like to address. I think he was asking what would happen to the employees in New South Wales Agriculture if the State were to hand over responsibility to the Commonwealth? There will be no loss of staff to New South Wales Agriculture. Those affected by the process in the past two years have been given other duties within the department. There will be no loss of employment. Hormonal growth promotants, which have been to the fore in a number of debates recently, are included in the national registration scheme. All States and Territories have a uniform residual limit in that regard. Therefore controls do exist with regard to hormonal growth promotants.

As far as jurisdiction is concerned, prosecutions will be dealt with in Federal courts - it is Federal legislation. Clause 8 of the bill sets out clearly the responsibilities. It provides that Commonwealth legislation will override State legislation. Part 10 of the bill defines clearly the jurisdiction issue. One thing that should be explained is mutual recognition. Technically, any chemical that is registered in any State could be used in New South Wales and we could not prosecute. If there are some chemicals that we do not want to use in New South Wales that may be registered in other States we will be asking for exemptions for those chemicals. Overall, this good legislation should streamline procedures. It should save us all money which, in the long run, is most important. I thank all honourable members for their contributions to this debate. I commend the bill to the House.

Motion agreed to.

Bill read a second time and passed through remaining stages.

GREEK ORTHODOX ARCHDIOCESE OF AUSTRALIA CONSOLIDATED TRUST BILL

Bill received and read a first time.

SPECIAL ADJOURNMENT

Motion by Mr West agreed to:

That this House, at its rising this day, do adjourn until Thursday, 15 September 1994, at 9.00 a.m.

House adjourned at 11.12 p.m.
