

LEGISLATIVE ASSEMBLY

Tuesday 9 March 2004

Mr Speaker (The Hon. John Joseph Aquilina) took the chair at 2.15 p.m.

Mr Speaker offered the Prayer.

ASSENT TO BILLS

Assent to the following bill reported:

State Arms, Symbols and Emblems Bill

NEW SOUTH WALES APIARISTS ASSOCIATION CONFERENCE

Ministerial Statement

Mr DAVID CAMPBELL (Keira—Minister for Regional Development, Minister for the Illawarra, and Minister for Small Business) [2.18 p.m.]: Beautiful Ballina is set to benefit from the annual beekeepers conference. From 26 to 28 May about 200 beekeepers from around the State will have Ballina buzzing as they gather for the 2004 conference of the New South Wales Apiarists Association. A conference of this magnitude generates at least \$100,000 for the local economy. Previous beneficiaries of the beekeepers gathering have been Bomaderry, Griffith, Glen Innes, Tamworth and Queanbeyan, to name a few. This year's conference will last three days rather than the usual two because one day has been set aside for an important Queen Bee forum, at which the apiarists will discuss and examine genetics and plan for a strong future.

There are 4,500 registered beekeepers in New South Wales, 1,000 of whom are commercial producers. Beekeeping is a significant industry, generating \$60 million for the Australian economy each year, with almost half of our honey being produced in New South Wales. Each year New South Wales produces about 10,000 tonnes of honey. The New South Wales Apiarists Association has about 400 members and the fact that almost half its membership will attend this important conference says a lot about the group. President Billy Weiss from Glen Innes advises that some of the conference delegates will use the event, which coincides with the wind-down of their peak workload, to take a break. That means that they will stay in Ballina for more than three days and further boost the local economy.

I acknowledge the work of immediate past president, Greg Roberts, who, after seven years service, has gone on to chair the Australian Honeybee Industry Council. Mr Roberts was the longest-serving president of the New South Wales branch and is held in high esteem by the industry. We wish him well in his new role and we also wish the New South Wales Apiarists Association the best for a successful conference.

Mr ANDREW STONER (Oxley—Leader of The Nationals) [2.20 p.m.]: The Opposition joins the Government in welcoming the 2004 conference of the New South Wales Apiarists Association, which is to be held at Ballina. The honourable member for Ballina particularly welcomes the apiarists, who will come to that great town to talk about a significant industry for New South Wales. It is one of the sweetest industries that one will find in this State.

Mr Morris Iemma: Just don't get stung by it.

Mr ANDREW STONER: If anyone is to get stung it will be the Government. If the Government wants to support the apiary industry in New South Wales it will continue to ensure that our beekeepers have access to State forests and national parks so that our great New South Wales honey can continue to be sourced from native species, such as gum trees. I further call on the Government to support this industry by resisting any move to declare honey bees a feral pest.

PRODUCT SAFETY

Ministerial Statement

Ms REBA MEAGHER (Cabramatta—Minister for Fair Trading, and Minister Assisting the Minister for Commerce) [2.22 p.m.]: In recent years public safety officers within the Office of Fair Trading have been targeting manufacturers, importers, wholesalers and distributors of products to ensure that they meet our tough product safety laws. Our main priority is to minimise the risk of these dangerous products ever reaching the shelves, and potentially the hands of young children. But we do not take safety for granted. The Office of Fair Trading has commenced a statewide program of regional product safety survey blitzes to ensure dangerous products have not slipped onto the retail shelves. The first survey was in the Hunter region last year and resulted in 43 products being removed from sale. The second survey has just been completed in the southern region of New South Wales.

In the past week, 87 stores in 42 towns, including Wollongong, Queanbeyan, Goulburn, Cooma, Wagga Wagga, Bega and Albury, were visited by Fair Trading product safety officers. Seven of the 36 products that required further testing have already been removed from sale. A list of the products will be found on the Fair Trading web site and consumers can take back the product to the place of purchase for a full refund. I should note that during these surveys the traders are usually very co-operative with Fair Trading. The New South Wales Government plans more of these types of surveys throughout the year and will take strong enforcement action whenever necessary.

Ms KATRINA HODGKINSON (Burrinjuck) [2.24 p.m.]: The Opposition joins the Government in welcoming the targeting of dangerous products that are imported into this country and subsequently distributed. In recent times some brands of Silly String turned out to be flammable; they should never have been on the market in the first place. The Government should put more time and effort into restricting the targeting of toys with dangerous small parts at three-year-old children. How do these products reached the shelves in the first place? Why does the Office of Fair Trading take some time to remove such products? I suggest to the Minister that more inspectors should be appointed to ensure that dangerous products do not reach the shelves in the first place.

DYNASTY—BEHIND THE SCENES

Ministerial Statement

Mr DAVID CAMPBELL (Keira—Minister for Regional Development, Minister for the Illawarra, and Minister for Small Business) [2.25 p.m.]: The megasoap *Dynasty*, which ran from 1981 to 1989, was a number-one television series in the United States of America. It was an icon of the 1980s excess. It was big in every way—big stars, big hair, big shoulder pads—and it is back! Honourable members will be pleased to know that *Dynasty* lives again, and this time it is being shot in Sydney. *Dynasty—Behind the Scenes* is a 90-minute movie made for television. Production is now under way, with shooting taking place today in Castle Hill. It is yet another international production being filmed in this State, with *Mask 2* and *Stealth* currently under way at Fox Studios.

Dynasty—Behind the Scenes is a Von Zerneck/Sertner production from the same company which shot another telemovie, *The Mystery of Natalie Wood*, in Sydney last year. *Dynasty—Behind the Scenes* will inject nearly \$4 million into the local economy. It is expected that the four-week shoot will create employment for 600 people. This is an exciting time for our local film industry. *Stealth*, *Mask 2* and now *Dynasty—Behind the Scenes* are votes of confidence by the international film industry in the New South Wales film industry. It is great for jobs in New South Wales and for the myriad of small businesses the industry supports. The New South Wales Government continues to encourage the growth of the international and Australian film industries in this State.

DISTINGUISHED VISITORS

Mr SPEAKER: I welcome to the public gallery Mr Baneura Berina, Chairman of the Parliamentary Privileges Committee of the Parliament of Kiribati. I also welcome the Hon. Jim Longley, the former member for Pittwater, who is accompanied by his son Phillip.

LEGISLATION REVIEW COMMITTEE**Report**

The Clerk announced the receipt, pursuant to section 10 of the Legislation Review Act 1987, of the report entitled "Legislation Review Digest No 3 of 2004", dated 8 March 2004.

PETITIONS**Autism Spectrum Disorder**

Petition requesting additional support for children affected by Autism Spectrum Disorder in all educational settings in New South Wales government schools, received from **Mr Daryl Maguire**.

Frederickton Public School

Petition praying that priority be given to the construction of buildings at Frederickton Public School, received from **Mr Andrew Stoner**.

Stamp Duty Reduction Legislation

Petitions supporting the Duties Amendment (Stamp Duty Reduction) Bill 2003, received from **Mr Greg Aplin, Mrs Judy Hopwood, Mr Barry O'Farrell and Mr Steven Pringle**.

Gaming Machine Tax

Petitions opposing the decision to increase poker machine tax, received from **Mr Greg Aplin, Mr Andrew Fraser, Mr Daryl Maguire, Mr Wayne Merton, Mr Steven Pringle, Mr Michael Richardson and Mr Andrew Tink**.

Urban Planning

Petition requesting that urban planning designs be decided by local communities, received from **Mrs Judy Hopwood**.

Freedom of Religion

Petitions praying that the House reject the Anti-Discrimination (Removal of Exemptions) Bill, and retain the existing exemptions applying to religious bodies in the Anti-Discrimination Act, received from **Mr Richard Amery, Mr Peter Draper and Ms Marianne Saliba**.

Kosciuszko National Park Management Plan

Petitions opposing the formulation of the Kosciuszko National Park Management Plan without community consultation, received from **Mr Ian Armstrong, Mr Steve Cansdell, Ms Katrina Hodgkinson, Mr Adrian Piccoli, and Mr Russell Turner**.

Brothels Closure Legislation

Petition supporting the Community Protection (Closure of Illegal Brothels) Bill, received from **Mr Andrew Tink**.

Coffs Harbour Pacific Highway Bypass

Petition requesting the construction of a Pacific Highway bypass for the coastal plain of Coffs Harbour, received from **Mr Andrew Fraser**.

The Alpine Way Upgrade

Petition requesting funding to repair, upgrade and realign eleven kilometres of The Alpine Way between the State border at Bringenbrong Bridge and the beginning of Kosciuszko National Park, received from **Mr Daryl Maguire**.

Tumbarumba to Jingellic Highway Upgrading

Petition asking that the Tumbarumba to Jingellic section of State Road 85 be sealed, received from **Mr Daryl Maguire**.

Windsor Road Traffic Arrangements

Petitions requesting a right turn bay on Windsor Road at Acres Road, received from **Mr Wayne Merton** and **Mr Michael Richardson**.

Old Northern Road Upgrade

Petition requesting the construction of overtaking lanes on Old Northern Road between Glenmore and Wisemans Ferry, received from **Mr Steven Pringle**.

Windsor Traffic Conditions

Petition requesting funding for construction of a bridge across the Hawkesbury River, from Wilberforce Road and Freemans Reach Road, connecting to the bridge into Windsor, and the rescheduling of the current road works program, received from **Mr Steven Pringle**.

Coffs Harbour Aeromedical Rescue Helicopter Service

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

CountryLink Rail Services

Petitions opposing the abolition of CountryLink rail services and their replacement with buses in rural and regional New South Wales, received from **Mr Greg Aplin**, **Mr Andrew Fraser** and **Mr Daryl Maguire**.

Casino to Murwillumbah Branch Rail Line

Petition requesting the extension of the Casino to Murwillumbah branch line to south-east Queensland, received from **Mr Donald Page**.

Goulburn Rail Services

Petition opposing any reduction or removal of rail services between Goulburn and Central, received from **Ms Peta Seaton**.

Isolated Patients Travel and Accommodation Assistance Scheme

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

Local Government Amendment Bill 2003

Petition opposing the Local Government Amendment Bill 2003, received from **Mr Andrew Fraser**.

Social Program Policy Subsidy

Petition requesting that the social program policy subsidy be extended to residents in the Hawkesbury local government area, received from **Mr Steven Pringle**.

QUESTIONS WITHOUT NOTICE

STATE TAXES

Mr JOHN BROGDEN: My question without notice is to the Premier. Given that New South Wales is the highest taxing State in Australia—

Mr SPEAKER: Order! The question will be heard in silence, as will the response.

Mr JOHN BROGDEN: Given that New South Wales is the highest taxing State in Australia and taxation per capita has increased by 30 per cent in the past five years, will the Premier guarantee there will be no increases in any taxes, fees, charges, fares or fines and no broadening of any tax bases in the 2004-05 budget?

Mr BOB CARR: Mr Speaker—

Mr John Brogden: Yes or no?

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

Mr BOB CARR: You will see the budget when the budget is delivered. What a question to come from the leader of the party which, when last in government, lifted the payroll tax rates—

Mr SPEAKER: Order! Earlier I indicated that the question asked by the Leader of the Opposition would be heard in silence, as would the Premier's response. I will not tolerate interjections that do not add to the substance of the debate at hand or to question time itself. I warn all members on both sides of the House that the Chair will not tolerate the sorts of interjections we have heard in recent weeks.

Mr BOB CARR: This question comes from the leader of a party which, when last in government, lifted the payroll tax rate from 6 per cent to 8 per cent, doubled taxes on bank accounts, raised taxes on cigarettes and alcohol—in those days the State could tax cigarettes and alcohol—and introduced a new tax on petrol, a new tax on car parts designed by Nick Greiner himself and a new tax on car registration. In fact, in its first year alone the Greiner Government increased electricity bills by 9.8 per cent, adding \$48 to the typical bill—

Mr John Brogden: Point of order. In the spirit of the House that you are seeking to establish from the commencement of question time, which is adherence to the standing orders—

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

[Interruption]

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

Mr John Brogden: My point of order relates to relevance. I asked the Premier if he intends to increase taxes in the budget. He is not answering it.

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

[Interruption]

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

Mr BOB CARR: Increased electricity bills, increased water rates by 12 per cent, and increased public transport fares by an average of 12.5 per cent with some rising as much as 100 per cent.

Mr SPEAKER: Order! I call the Leader of The Nationals to order. I call the honourable member for Lachlan to order.

Mr BOB CARR: The only relevant bit of fiscal news is the savage treatment inflicted on New South Wales families by the Howard Government through its cuts. Would you not think that the State Opposition would do what I did as State Opposition Leader and side with the Government of the day in pressing the New South Wales case against Canberra?

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

Mr BOB CARR: I always did it: loyal to a fault to the great State of New South Wales.

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

Mr BOB CARR: It is very interesting that, to support me in my comments today, we have the former member for Pittwater, the Hon. Jim Longley, returned to the gallery. I quote what Jim said when he was here fighting away in government. You all know your *Hansard*, you will remember his speech on 20 May 1993 when he said that the Federal Government of the day was guilty of "unjustified discrimination against New South Wales taxpayers". That is the sort of spirit, regardless of party politics, we should be pressing for in the New South Wales case against Canberra.

The former Leader of the National Party, the honourable member for Upper Hunter, has gone quiet. He is studying his brief. Well might he do that. When he was Minister for Finance he made a notable contribution—Luna Park would not be what it is today without George's \$50 million, nor would Eastern Creek. He said, "New South Wales has been robbed of billions of dollars, which rightfully belong to the taxpayers of this State." Today I will launch a petition putting our case for a better and fairer distribution of our taxes to benefit the families of New South Wales, and I want everybody in New South Wales to sign. It is addressed to the Prime Minister, John Howard, MP, Canberra.

Mrs Jillian Skinner: Point of order. You have ruled out the use of props in this House. I ask you to be even handed and rule the Premier out of order.

Mr SPEAKER: Order! The honourable member for North Shore should consult the dictionary as to what constitutes a prop.

Mr BOB CARR: The petition of certain citizens of Australia draws to the attention of the House—

[Interruption]

Don't make fun of the honourable member for Wakehurst! He had a tragedy on the weekend: his personal library burnt down. All two books have gone. He has not had anything to do with his crayons since. The petition will go out across this wide brown land seeking signatures from citizens of this State objecting to the Federal Government's plan to slash \$376 million a year from the New South Wales budget which, I might remind the House, is equivalent to the wages of 5,600 nurses. I thank the House for its attention.

WESTERN SYDNEY PUBLIC SCHOOLS ACADEMIC ACHIEVEMENTS

Mr RICHARD AMERY: I direct my question without notice to the Deputy Premier, and Minister for Education and Training. What is the latest information on the academic achievements of public school students in Western Sydney, including schools in the Mount Druitt area? Some of those students are in the gallery today.

Dr ANDREW REFSHAUGE: I thank the honourable member for his ongoing interest in education in the region. The information we have is very good news.

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

Dr ANDREW REFSHAUGE: It is a great story. It is a story about a regular group of students and teachers doing absolutely extraordinary things.

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

Dr ANDREW REFSHAUGE: Representatives from some of the 49 schools in the Mount Druitt area are in the gallery today. Every one of those 49 schools has had significant improvement in academic results. It is the greatest improvement the region has experienced in its history. We are talking about improvements across the whole of the education system from kindergarten to year 12. We have improvements in kindergarten primary reading, years 3 and 5 basic skills tests in literacy and numeracy, years 7 and 8 English language literary assessment, secondary and numeracy assessments, the School Certificate and the Higher School Certificate [HSC]. These schools are delivering because of hard work and persistence, and the desire to turn around the often negative perception of education in Western Sydney.

This is a very intriguing and inspiring story. It is a combination of using innovative programs that focus on lifting the results of all students, particularly those who have not done so well; working together and sharing

good teaching practices across all of the 49 schools; setting clear and achievable targets, which has simply meant lifting the marks by 2 or 3 points; seeing what can be done and achieving it; and spurring students on to do even better. Every step along the way, no matter how small, was acknowledged and celebrated. These great improvements have also been the result of sheer determination from an impressive group of students, teachers, principals and officers from the department. Students were encouraged to believe in themselves, to believe they could do better and that they could achieve.

Hard work and dedication in each and every one of those schools have created a new culture for learning in the entire Mount Druitt area. The momentum for achieving is unstoppable. Their achievements are not only a credit to themselves but they will provide a great boost to students who are still in the system and those who will follow them. Let us consider a snapshot of what the students and their teachers in this area have been able to achieve. For the first time in the history of the area a record number of students are achieving their HSC and excelling in all subjects against the State average, with dramatic improvements in science, society and culture, and visual arts. The percentage of HSC students achieving results in the highest skill bands has increased threefold from 10 per cent to almost 30 per cent.

Five outstanding young HSC students won academic scholarships to local universities and TAFE. The Mount Druitt campus, which caters for students to School Certificate level, has students achieving in the top academic bands for the first time. A record number of students are enrolled in kindergarten, year 1 and year 2, and are meeting and exceeding the State standards in reading. Year 3 students have achieved the best-ever results in numeracy and literacy. Year 5 students are also excelling in numeracy and literacy. It is critical to note that the improvements are not just by the students at the top end. The biggest improvements have been made by the lower-performing students. It is not just the top end and academically gifted students who have made improvements, but students at every level. We are not leaving people behind. In many cases 50 per cent of the students have moved from the lowest academic bands into the middle or even higher. These are dramatic results.

I hope the entire House will join me now in paying tribute to the hardworking students, teachers, principals and departmental support staff who have achieved these fantastic results. Today in the public gallery we have students and teachers representing the 49 Mount Druitt area public schools from Chifley College Mount Druitt Campus, Erskine Park High School, Tregear Public School and Hebersham Public School, and I congratulate them. They have done more than hard work; they decided to lift the bar. The teachers knew that their students could do better and that they could do better for their students, and they have delivered outstanding results. Even taking into account the disadvantage faced by some students in the area, the teachers knew that they needed to improve their results and show the students that they could succeed. So began the relentless focus on learning.

I acknowledge the highly successful government initiative, the Priority Schools Funding Program, which was brought into play in schools in the Mount Druitt area. The program has worked with other programs in the area to deliver additional funding, additional resources and additional teachers to the schools that are most in need. Every teacher and every staff member has been encouraged to show initiative and come up with new ideas on how to improve learning. For example, Hebersham Public School and Tregear Public School have dedicated two hours each morning to literacy learning. That time is sacrosanct for teachers and students. There are no interruptions for teachers and students during the two hours of dedicated literacy learning. After recess the teachers and students have another two hours dedicated to numeracy. That happens every single day of the week. The schools are focusing on what is needed.

The results are excellent. Glen Lumanta climbed out of his sick bed to sit the year 5 basic skills test and scored a triple band 6 in literacy, numeracy and writing—the highest possible score. He was at home in bed, sick, but decided that the test was so important that he got out of bed and took the test. That was a great achievement. Joanne Chantarat and Anita Saravanamuthu, who are both in year 9, are getting ready for some sibling rivalry. They want to beat their brothers, Darshan and Jason, who last year achieved high bands for the School Certificate.

Ms Sandra Nori: No trouble!

Dr ANDREW REFSHAUGE: The Minister for Women believes they will do it, no trouble at all. Hayley Foley is in year 6 at Tregear Public School and has taken out the dramatic improvement category in reading, writing and mathematics. Only recently St Clair High School was named the national winner of the Australian Business Week Awards. St Mary's Senior High School took out seven of the top awards at the annual Higher School Certificate Society and Culture Awards, including first and fourth in the State in this course.

What fantastic results! That is the second year in succession that St Mary's Senior High School has had a student placed first in the State in this course. Their teacher, Julie Pyne, deserves special praise because she helped the students to get there. An outstanding teacher at the William Dean Public School, Narelle Sarcozi, has achieved particularly good results in numeracy.

Teachers throughout those 49 schools have focused on delivering these results in conjunction with their students. I want to particularly thank a number of teachers who are present in the public gallery and who represent all the teachers in the Mount Druitt area: Jenny Rouge, David Galea, Sue Connell, Vivienne Branch, Chris Pain, Sean Addy, Dianne Cannell, Joan McLean, Tway Moi and Lachlan Olive. These teachers are also great leaders in the Mount Druitt area and they are showing what can be done. They are lifting the results of their students. I also thank Lindsay Wasson, a former district superintendent who was unable to attend today, and the school education director, Eric Jamieson, who is present in the gallery, for their sterling support for schools and students in the Mount Druitt area.

On behalf of all members of this House, I thank all the teachers and departmental personnel for the work they have been doing. Their achievement will serve as a great model for others to follow. We all know that education is the way to create opportunities, broaden experience and ultimately change lives. The Mount Druitt education district is an inspiration for all young people who doubt that it is possible to succeed. The teachers and students of the district have shown that it can be done.

DEATH OF MS CAROLINE ANDERSON

Mr ANDREW STONER: My question is directed to the Premier. In view of the deputy Coroner's findings today regarding the tragic death of Warren mother, Caroline Anderson, in which he stated, "If ever there was a case of a patient falling through the cracks in the health system, I think this is such a case", noting that she had been seen by five doctors at three hospitals over 25 days and was still not correctly diagnosed, will he now concede that a royal commission into New South Wales Health is required, and not just a narrow inquiry into Campbelltown Hospital and Camden Hospital?

Mr BOB CARR: I am advised that the Coroner's report will be forwarded to the Health Care Complaints Commission. When the Government has had the opportunity to fully analyse the Coroner's findings, however they might relate to public hospital care, I will be happy to provide a further response on this aspect.

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

Mr BOB CARR: The public does not want a one-off royal commission which would easily cost \$100 million in legal fees.

Mr SPEAKER: Order! I have given several warnings in relation to members interjecting. I now place the Leader of The Nationals and the Leader of the Opposition on three calls to order.

Mr BOB CARR: The public does not want a royal commission that conceivably would cost \$100 million when that money would be better spent on hospitals rather than on lawyers' fees. What is needed is a continuing body that is able competently, with good resourcing, to carry out any investigations that are required as a result of a complaint over health care. In that context and to meet that need, I and the Minister for Health announced yesterday the details of reforms to the Health Care Complaints Commission.

Mr SPEAKER: Order! A number of members are deliberately attempting to flout my rulings. They appear to be provoking the Chair into taking action which they will regret. I again warn members that question time will proceed in an orderly fashion. Questions and answers will be heard in silence. I now place all members who have been called to order on three calls.

Mr BOB CARR: A royal commission into something as vast as the health system, like a royal commission into the police system, easily would cost \$100 million, the bulk of which amount would be invested in lawyers' fees. The public would rather have that money invested in health care where it needs to be invested, especially in view of the latest Commonwealth cut in this State's grants and \$105 million that has been carved off our health funding. Furthermore, what is needed is not a one-off royal commission but a permanent body, a standing body, which is well resourced, properly staffed and with appropriate powers. That is what we are doing with reform of the Health Care Complaints Commission.

Mr SPEAKER: Order! The Leader of the Opposition will cease interjecting and show some leadership.

Mr BOB CARR: On the matter raised by the Leader of The Nationals I am able to further report that, parallel to the coronial process, departmental and area health service investigations have resulted in a number of recommendations that have been implemented or are well advanced in implementation. Since April 2003 the Macquarie Health Service, which incorporates the Dubbo Base Hospital, has successfully rolled out an improved patient safety framework incorporating the appointment of a patients safety manager.

The New South Wales Department of Health, through its private health care branch, undertook an investigation of practices at the Prince of Wales private hospital relevant to the care of Ms Anderson. As a result, recommendations have been made regarding a range of clinical patient record systems, management policies and practices and related monitoring mechanisms. The private health care branch has monitored the implementation of those recommendations and is continuing to work with the Prince of Wales private hospital to address residual issues. Any recommendations made by the Coroner at the completion of his inquest will, of course, be addressed by the appropriate Government agencies.

NATIONAL WATER INITIATIVE

Mr GERARD MARTIN: My question without notice is directed to the Minister for Infrastructure and Planning, and Minister for Natural Resources. What is the latest information on water management issues in New South Wales?

Mr CRAIG KNOWLES: It is appropriate that I report on this matter because over the past week or so there has been a bit of jockeying by various water management interest groups and lobby groups as governments begin to draw to conclusion on the national water initiative. Honourable members would be aware that last year the Government suspended the commencement of the New South Wales water sharing plans under the Water Management Act. That was to give us all the opportunity to work with the Commonwealth Government via the Council of Australian Governments [COAG] process to develop and establish what is commonly known as the national water initiative. One fundamental cornerstone of the national water initiative is to provide greater security and certainty to water users. The COAG communiqué released last year made it clear that Australian governments intended to move from what has been historically short-term licences to perpetual licences and to have regard to issues of structural adjustment, sustainability and compensation by the assignment of risk.

That move, of course, received considerable support from organisations such as the New South Wales Irrigators Council, the New South Wales Farmers Association, the Wentworth Group and, most particularly, the Australian Bankers Association. Frequently the Australian Bankers Association is the lender of big funds for investment. Other environmental groups gave cautious support, having regard to their principal concern about the management of environmental flows. There was solid support for that national initiative. It is timely to record that a right to access water has never been as secure as some people and some organisations would lead us to believe. Since 1912 successive New South Wales Ministers responsible for the water Act have been able to either give or take away a water licence without compensation and without notice. While it is difficult to find examples of that precipitous action ever taking place, most Ministers, bearing in mind the need to sustain reliability and sustainability, have rarely withdrawn licences.

At law there has been little, if any, bankable security associated with water licences for the past 100 years. However, the Water Management Act, which was on hold after passing through Parliament in 2000, established a compensable regime of water allocation and 15-year licences. Compared with the old regime of 1912 it was a major improvement, providing as it did under the legislation for a more robust and bankable asset and asset regime which can serve as collateral for farmers investment loans. However, the Water Management Act 2000 seemed to highlight the lending practices of banks over the previous 100 years. The trading regime under which banks had been happy to lend since 1912 suddenly became unsatisfactory and led to the demand for a more secure investment regime. The opportunity to remedy the situation, to get it right, was to suspend the implementation of the water sharing plans under the Water Management Act because of the national water initiative.

That opportunity has led to further improvement of security for water licence holders to a perpetual licence regime and to add to it the support of the Commonwealth Government. It also led to the better co-ordination of water management between the States to deal with some of the cross-border issues that bubble up from time to time. An issue on the northern border of this State with Queensland at the moment is just one

example. Clearly the Government intends to amend the Water Management Act to provide for perpetual licences. With those changes, we will provide greater security than has historically existed, at least since 1912. Therefore, a register of water licences will need to be established. In order to guarantee the information about a licence that sits on the register, by necessity there will need to be a major clean up of some of the many thousands of licences that have existed—rolled over—since 1912.

In a practical sense, everyone knows that old licences can have inaccuracies in ownership. As a consequence, in order to move towards a guaranteed register, we will have to go through a process of conversion. Recently, the Deputy Prime Minister, John Anderson, launched a report recommending that a modified title system be introduced. His efforts and the collective efforts of governments are supported by the Australian Bankers Association and the New South Wales Farmers Association. Last week the President of the New South Wales Farmers Association, Mal Peters, said:

Given the complex and confused history of water use over the last 100 years, it will be very difficult to achieve a secure Torrens Title system in the short term with the degree of accuracy that is currently available for land.

Inevitably the Government will move towards that but it will require rectification of some of the very old licences that are probably in great-grandpa's name and just rolled over from year to year without the necessary rectification. If we move towards a guaranteed register, those old licences have to be put in order. In some ways I could describe the process of conversion to be a little like the old systems title moving into a Torrens title system—a process logically understood by the industry of moving towards a cleaner title and cleaner conversion. For the great bulk of water licence holders, nothing will change; most licences are in order. Some licences will need to be cleaned up, to be rectified.

The establishment of the perpetual licence regime will underpin and strengthen the opportunity for investment and economic growth in the rural sector. For the first time since 1912 farmers will have something they can really bank on. A perpetual licence will assist in building the market regime, which underlies the national water initiative. Farmers have been buying and selling water licences—trading licences, if you like—for a long time. It is not a new practice but one that has been formalised under the national water initiative. For a long time banks have been lending on the strength of those practices, but without a great deal of security. The national water initiative is an opportunity to amend legislation in all States—in this State, the Water Management Act—and to make sure that we vastly improve the investment underpinning and the security for rural communities around Australia.

STAMP DUTY

Mrs SHELLEY HANCOCK: My question without notice is directed to the Premier. Given the Minister's promise in July 2003 to cut stamp duty, will he now guarantee that he will cut stamp duty in the 2004-05 budget—just a yes or no, please?

Mr BOB CARR: First of all, what I said last year was "when budgetary circumstances permit". It is on the record. That is what I said.

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

Mr BOB CARR: I did not announce in the middle of last year a budget measure for the next year any more than I announced today a budget measure. I said, "When budgetary circumstances permit, our priority in tax reduction would be—"

[Interruption]

I did not say "just in stamp duty"; I said "stamp duty for first home buyers". The member's research is very inadequate. She should not stand up and read out inaccurate questions prepared by her staff.

Mr SPEAKER: Order! The Premier will be heard in silence. I call the honourable member for Wakehurst to order.

Mr BOB CARR: I would welcome the member's signature on our petition seeking from the Federal Government proper treatment of New South Wales families and New South Wales taxpayers.

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

FEDERAL GOVERNMENT HEALTH FUNDING

Ms TANYA GADIEL: My question without notice is directed to the Minister for Health. What is the Government's response to community concerns about further Commonwealth cuts to health funding in New South Wales?

Mr SPEAKER: Order! The Minister will be heard in silence.

Mr MORRIS IEMMA: Not being content with having held a gun to the State's head last year and forcing the State to sign an inadequate funding agreement—

[Interruption]

Does the Opposition think it was an adequate deal, that it was sufficient? Not being satisfied with forcing an inadequate five-year funding agreement on our hospitals, not being satisfied with a \$300 million cut imposed on New South Wales in September last year for health funding—\$1 billion across the country, for all States—

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

Mr MORRIS IEMMA: The interesting thing about that agreement is that the Prime Minister does not deny that \$1 billion was taken out of the Commonwealth Government's forward estimates to fund the health care agreement over the next five years. Not satisfied with that \$1 billion cut for all States—it meant a \$300 million cut for New South Wales—the Prime Minister, like the burglar that he is, recently inflicted another \$105 million cut. Last year the States warned the Commonwealth Government that the formula used in that agreement was inadequate, outdated and irrelevant, and that it would lead to a reduction in the funding that is needed to support our public hospitals. The first revision that will take place under that agreement will yield exactly what the States predicted: a reduction in funding.

The first revision is to the wage cost component of that formula. Four years ago the States also warned the Commonwealth Government that unless it got rid of its wage cost index formula we would suffer a severe financial penalty under the five-year agreements. Mr Ian Castles, an independent arbiter, was appointed in 1999 to review the wage cost index part of the formula. He recommended that the wage cost index should change because it was not fair and it did not reflect a true measure of wage movements in the health sector. Those recommendations were ignored. The warnings were clear: If the Commonwealth Department of Finance continued to insist on using the wage cost index in the formula, it would cause a reduction in funding for the States because it was not a true and accurate measure of wage movements in the health industry. That is exactly what happened.

The first revisiting of the formula has seen the Commonwealth Department of Finance revise downwards the wage cost index at a time when public sector health wages are going up. We are proud to support wage increases for our hardworking nurses, who have had a cumulative 19 per cent increase in wages over the past 12 months. Over the past 12 months, wages in the public hospital sector have increased overall by 12 per cent. The Commonwealth revised down its wage cost index in the funding formula on the basis that the movement in wages had not been as high as predicted, in particular in New South Wales. So down went the wage cost index part of the formula, which represents a \$105 million cut—\$5 million this year and the remainder of \$100 million over the course of the next four years.

The Prime Minister was not satisfied with having inflicted on the States the second part of the formula—what is called the utilisation rate, or activity levels in public hospitals. In April last year the Prime Minister said that that part of the formula was being revised down because there was less activity and pressure on public hospitals. The Commonwealth Government adjusted the formula downwards to reflect the fact that there was less activity, pressure and demand on public hospitals because of the existence of the private insurance health rebate and the fact that private hospitals have taken all the pressure off public hospitals. The Prime Minister and his Treasurer are the only two people in the country who believe that public hospitals are under less pressure and that they are less busy. That is not what the official figures show.

After the Prime Minister made his statement and his decision to reduce the utilisation part of the formula, the National Health and Welfare Institute produced figures which showed that, contrary to the Prime Minister's assertion, activity levels in public hospitals had gone up by 2.6 per cent. The formula in the funding

agreement does not reflect increased demands on our public hospitals. The Prime Minister asserted that private hospitals and the private health insurance rebate have taken pressure off public hospitals and, therefore, public hospitals should have their funding reduced. As a result of that part of the formula we copped a \$300 million cut in September when we were forced to sign the agreement. As I said earlier, the second instalment came recently with the wage cost part of the formula. So the utilisation part of the formula has been shown to be false. Activity levels in public hospitals—admissions as well as attendances—are going up. Batemans Bay hospital has seen an 18 per cent increase in emergency department attendances and Lismore hospital has seen a 10 per cent increase.

[Interruption]

The local hospital in the electorate of the Leader of the National Party has seen an 8 per cent increase in emergency department attendances in triage categories four and five. There is evidence of increased attendances, activity, demands and pressures on our public hospitals, but the Commonwealth Government does not recognise that fact. After we signed the agreement all we got from Canberra was a revisiting of sections of the formula, a revision downwards of the figures and more money taken from us. As demands and pressures are increasing and official figures show that more people are turning up, Canberra's response is to take more money from the States.

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

Mr MORRIS IEMMA: The Commonwealth Government is simply rubberstamping 7 per cent to 8 per cent increases for private health insurance based on the increasing costs of providing health care and increasing administration costs for those companies. Incredibly, the Commonwealth's own insurer, Medibank Private, has had a 25 per cent increase over three years. So a private health insurance company is able to increase its premiums in the face of increases in delivering health insurance, reflecting the general rise in health care costs. Those applications are not even scrutinised; they are simply rubberstamped. The pleas of hospitals in the public sector for additional funding fall on deaf ears. The Commonwealth Government has revisited the current agreement and revised downwards the agreement that the States have signed.

When the States signed those agreements they told the Commonwealth Government that the funding was inadequate. However, they signed them because if they did not they would have faced penalties starting from \$1 million a week. New South Wales signed the agreement but it told the Commonwealth Government that it was an inadequate agreement. Two parts of the formula are false. First, it is a lie to suggest that there is less activity and less pressure on public hospitals. Second, we know that the formula for the wage cost index is wrong.

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

Mr MORRIS IEMMA: It does not accurately reflect increases in wages and salaries in the public hospital sector. New South Wales told the Commonwealth Government as soon as it signed the agreement and within months it revisited the wage cost part of the formula and down it went. That is exactly what the Commonwealth Government was told by the independent arbiter. Private health insurance companies are not scrutinised and no questions are asked. The Commonwealth Government says, "Give us your request for an increase and we will give it to you based on the increased costs in delivering health care." When it comes to health care there is one law for the private health industry and a cut in funding for public hospitals by the Commonwealth Government.

COUNTRY TOWNS WATER SUPPLY AND SEWERAGE PROGRAM

Mr TONY McGRANE: My question without notice is directed to the Minister for Energy and Utilities. Has there been any change in government policy regarding the Country Towns Water Supply and Sewerage Program in the Wellington Council area?

Mr FRANK SARTOR: I thank the honourable member for Dubbo for his question and for the enormous energy with which he pursues a number of issues in this area.

Mr SPEAKER: Order! The Minister will be heard in silence. I call the honourable member for Upper Hunter to order.

Mr SARTOR: Before I refer specifically to the honourable member's question I will put this matter in context. As I said last week, 560 projects throughout New South Wales have benefited as a result of this

scheme. This Government contributes more than \$1 million in funding to programs throughout the State. Eighty-seven water supply schemes have been completed, benefiting more than 650,000 people. Another 103 sewerage schemes have been completed, benefiting more than 600,000 permanent residents. In relation to Wellington Council, I inform the House that neither of the two projects that are being undertaken by that council has been affected by the current moratorium. Wellington Council has two current projects: the Wellington sewerage project and the Geurie sewerage project. Funds for the Wellington sewerage project have not been frozen. In January 2003 Wellington Council was offered funding of \$225,000 by the State Government.

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

Mr FRANK SARTOR: This funding was for the completion of pre-construction activities for the Wellington sewerage project. I am advised that the council is currently conducting detailed design work and does not expect to apply for the balance of funding for the construction phase until later in the year. I would be surprised if the work of the task force results in its being ineligible for funding for the additional part of the project. In 1998 Wellington Council was offered \$60,000 for the Geurie sewerage project, and a further \$20,000 was approved in March 2003. The council is considering its options and has yet to apply for further funding. I am advised that we do not expect to receive an application until later in 2004, and it, too, will be considered at that time. I am confident that there will be no problems in either case.

REGIONAL TOURISM

Mr NEVILLE NEWELL: My question is addressed to the Minister for Tourism and Sport and Recreation. What is the latest information on promoting tourism in regional areas?

Ms SANDRA NORI: Domestic and international tourism to regional New South Wales has grown strongly, for a range of reasons. It is fair to say that the decision by this Government in 1995 to increase dedicated spending on regional tourism by 60 per cent—and that increase has been maintained—has provided nine years in which to develop a critical mass for our promotional efforts. This has resulted in some very strong growth. In 1999 tourism to the bush was worth \$7.9 billion and it is now worth \$12 billion. International visitors now stay 6.8 million nights in regional New South Wales each year, which is worth \$1.1 billion.

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

Ms SANDRA NORI: There were 496,307 international visitors to regional New South Wales in the year ending September 2003. We have run a myriad campaigns over the past couple of years, including Touring by Car, Drive New South Wales, the Seniors Card promotion, Farm Stay and so on.

Mr SPEAKER: Order! I call the honourable member for Murray-Darling to order.

Ms SANDRA NORI: Our budget for promoting regional New South Wales is \$8 million. Honourable members may be surprised to know that our dedicated budget for Tourism Sydney is \$5 million, half of which is industry funded. That is okay because the industry in Sydney is better able to afford it than the industry in the bush. In addition to the Government's dedicated campaigns, most campaigns are joint efforts, designed to attract people to Sydney via regional New South Wales. Our latest push, which will be rolled out over the next three years at a total cost of \$12 million, will be based on the themes of beaches, discovery, food and wine, and driving and nature, and will cover all parts of New South Wales, including the outback. That is a thumbnail sketch of the campaigns—if Opposition members do not want that I am happy to give them a long session. We also run a program known as regional flagships events. Therefore, I was a little surprised to hear the Leader of The Nationals whingeing about the fact—

[Interruption]

Mr SPEAKER: Order! The Minister will be heard in silence.

Ms SANDRA NORI: The Leader of The Nationals was whingeing about the fact that we are going to promote a festival in Sydney at Easter. He said that a similar event should be held in the bush. I do not know what he thinks the Tamworth music festival is, but we will leave him to decide—after all, he is only the Leader of The Nationals. He is whingeing about an event that will bring 27,000 people to Sydney and generate about \$47 million for our economy. He is whingeing about a festival that will give us an opportunity to promote into

Brisbane and Melbourne, bringing fresh dollars to New South Wales. The Leader of The Nationals is whingeing about the fact that we are having one festival in Sydney when we have funded 144 festivals in regional New South Wales in the past few years. We fund at least 18 festivals in the regions every year, and this year we are funding 24. In fact, we even funded a festival in the electorate of the Leader of The Nationals, but I doubt that he remembers it. The Leader of The Nationals is not only appallingly ignorant about the facts; clearly, he understands zero about marketing tourism.

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

Ms SANDRA NORI: If the Leader of The Nationals knew anything about tourism he would understand that what works well in Sydney may not work so well in the bush, and vice versa. That is why programs in the bush are separate from those in Sydney. We pitch the bush to people who have a propensity to travel, such as the empty nesters and families. Our new campaigns are all aimed at the bush. We could not run those campaigns in Sydney because they simply would not work here. It is important to realise that every destination and every region has a role to play and a unique contribution to make to the growth of tourism throughout the State. However, each region can make its contribution and that can be maximised only if we dedicate our marketing efforts and recognise that each destination and region has an optimal market niche.

BULAHDELAH MOTOR VEHICLE ACCIDENT

Mr JOHN TURNER: My question is directed to the Minister for Roads. Why has nothing been done to improve safety at Keel's Road intersection on the Pacific Highway at Bulahdelah, where three people were killed last Friday, despite assurances given to me by his Parliamentary Secretary last November that the Minister had asked the Roads and Traffic Authority to ensure that adequate safety facilities were in place at the intersection?

Mr CARL SCULLY: On behalf of the House, I express condolences to the family of the three people who were tragically killed just a few days ago. The causes of that terrible accident are not yet known. The police have obviously attended the scene and are conducting detailed investigations. There will be a coronial inquiry. The circumstances, as we can glean at this stage, appear to be that a large vehicle collided with a stationary vehicle that was waiting to turn right. It is not known why that heavy vehicle collided with a stationary vehicle and then with two other mobile vehicles. The reasons why that occurred are not yet known and are obviously a very important part of the investigation. It is also not yet known whether the design of the intersection was a cause of, or a contributing factor to, that accident. That will obviously also be part of the investigation.

The honourable member for Myall Lakes wrote to me on 23 August last year. My office received that letter on 26 August. On 27 August the honourable member received an acknowledgement of the receipt of the letter by my office. On 26 November—three months later—a letter was sent under the hand of my Parliamentary Secretary advising the honourable member for Myall Lakes that the Roads and Traffic Authority [RTA] would undertake an examination in respect of the Keel's Road-Pacific Highway intersection. I advise the House that that examination took place and that the RTA formed the view that the site distances were adequate and that the intersection treatments were appropriate relative to an intersection of that kind.

Without pre-empting the results of investigations that are obviously continuing, the RTA has decided to lower the speed limit in the vicinity of the intersection from 100 kilometres per hour to 80 kilometres per hour. Additional signage will also be put in place. The RTA has given consideration to whether the right turn into Keel's Road should be closed off. The initial advice from the RTA is that, while possibly a superficially attractive interim road safety measure, this may result in increased illegal and unsafe U-turns. Therefore, at this stage the advice is that that option should not be pursued.

I think it is very important that honourable members resist the temptation to jump to conclusions, join the dots and arrive at the outcome that the intersection and its design is the cause of, or a contributing factor to, the accident. It may have been; we do not know. None of us here is skilled in the expert field of serious accident investigation. That is primarily a matter for the police and for the State Coroner's Office, with the assistance of the RTA. I assure honourable members that we treat most seriously correspondence such as that which I received from the honourable member for Myall Lakes. There is hardly a member in this place who has not at some stage over the years brought a road safety matter to my attention. I treat each and every issue very seriously, as I have done on this occasion. I ask that honourable members allow the police, the Coroner and the RTA to get on with their business. We await the findings of that investigation.

SMALL BUSINESS AND UNSOLICITED EMAILS

Mr MATTHEW MORRIS: My question without notice is directed to the Minister for Small Business. What is the Government's response to community concerns about unsolicited emails and their impact on small business in New South Wales?

Mr DAVID CAMPBELL: I thank the honourable member for his interest in issues affecting small business. Most people find the seemingly endless stream of junk emails absolutely infuriating. They are expensive. They cost business money by gobbling up the time of employees. Junk emails advertise a wide range of products, including cheap holidays, get-rich-quick schemes, gambling and untested medicines. Most honourable members would be familiar with the term "spam" but may not know its origins. The term is widely accepted to have been derived from a Monty Python sketch that had a group of Vikings singing a chorus of "spam, spam, spam". They got louder and louder, drowning out all conversation—a bit like some of the interjections from the Opposition.

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

Mr DAVID CAMPBELL: Effectively, junk cyber mail drowns out the normal use of the Internet. The makers of that fine meat-based product of the same name do not object to the use of the word "spam" to describe junk email, provided that it is spelt in the lower case. Spam has a detrimental effect on business and email users in general. Looking on the bright side of life is hard when one is bombarded with unsolicited, unwanted electronic messages. A recent survey by the Institute of Enterprise and Innovation of the University of Nottingham in England revealed that one-third of respondents believe that staff spend 60 minutes a day dealing with unwanted emails. Closer to home, an April 2003 report of the Australian National Office for the Information Economy found that spam represented at least 20 per cent of all email traffic, and this proportion appears to be growing rapidly. The dollar cost of spam is said to be inherently difficult to estimate. However, a 2001 European Union study estimated the worldwide cost of spam to Internet subscribers would be the equivalent of \$A18 billion each year. A recent study from Ferris Research estimates that American companies alone lost more than \$15 billion in 2002.

The New South Wales Government, through the Department of State and Regional Development, will conduct a study into the impact of spam on small business. The study will give us an insight into the extent and cost of spam to businesses in New South Wales. It will also help the State formulate its response to the Federal laws, which are to be reviewed after April 2006. Significantly, it will allow us to properly assess the effectiveness of new Federal anti-spam legislation due to come into effect on 10 April. The Spam Act 2003, to be enforced by the Australian Communications Authority [ACA], will ban unsolicited commercial electronic messages from an Australian link. Australian companies could face fines of up to \$1.1 million for contravening the new laws. For the record, the anti-spam laws came after a year of lobbying by Federal Labor and its spokesperson, Senator Kate Lundy. Worldwide, the United States of America is ranked as the worst generator of spam, followed by Canada, China and Russia. Australia comes in in tenth place.

I am pleased to note the comments of Mr Haydon from the Australian Communications Authority that the ACA is aware of significant offenders and will, as he put it, be working to help get them in line after the new legislation takes effect. The Government study will provide a substantial base from which to track the effect, if any, of the new anti-spam laws. It will show the real impact of spam on business in New South Wales and give us a solid platform for dealing with this problem in the future, including further legislative reform from the Federal Government.

Questions without notice concluded.

BULAHDELAH MOTOR VEHICLE ACCIDENT

Personal Explanation

Mr JOHN TURNER, by leave: The widower of the woman and grandfather of the children who died in the accident that was discussed during question time has brought to my attention that the Minister for Roads has accused me of using this tragic accident for my own personal and political gain. I totally refute that assertion. I assure honourable members that I treat the tragedy that occurred to these people with the dignity with which it should be treated.

CONSIDERATION OF URGENT MOTIONS

Commonwealth Grants Commission Recommendations

Mr JOSEPH TRIPODI (Fairfield—Parliamentary Secretary) [3.34 p.m.]: This motion is urgent because the Howard Government has a very unhappy agenda for New South Wales. It has already slashed affordable housing to New South Wales, it has slashed \$900 million from health funding to New South Wales and it has slashed affordable health care by trying to dismantle bulk-billing and Medicare. Now Howard and his henchmen on the Commonwealth Grants Commission are going to slash funding to the people of New South Wales by another \$376 million every year, which equates to the wages of 5,600 nurses. The people of New South Wales have had enough of Howard hammering them with funding cuts. This Labor Government will do everything in its power to fight for the people of New South Wales. It will defend them to the last against Howard's attacks on their standard of living.

This motion is urgent because we are at war with the Federal Coalition Government, which does not support the people of New South Wales. On behalf of the people of New South Wales I ask Coalition members: Whose side are they on? Do they support the people of New South Wales or do they support their Coalition partners in crime, Howard and Costello? This motion is urgent because John Howard and Peter Costello have misled the Australian people and we need to expose them. Howard and Costello have tried to slither and slide away from the truth. The decision as to whether the people of New South Wales should be robbed of \$376 million is in their hands. It is their choice. If Howard and Costello do not overturn the funding cut to New South Wales they will be responsible for New South Wales missing out on money that could fund the wages of 5,600 nurses.

Mr SPEAKER: Order! I remind the House that several members are on three calls to order.

Mr JOSEPH TRIPODI: This motion is urgent because the people of New South Wales already face a higher cost of living than people in other States. Howard's funding cuts are going to make life harder.

Mr SPEAKER: Order! I have already reminded the House that a number of members are on three calls to order. Although question time has concluded and the House is now considering urgent motions, the calls to order from question time will stand.

Mr JOSEPH TRIPODI: This motion is urgent because the Howard Government is pickpocketing the people of New South Wales to buy votes in other States during an election year. We must stop the Howard Government. It is important for us to know whether the Coalition will put the people of New South Wales before its political masters in Canberra. This motion is urgent because we must expose the gobbledygook group of Howard Government appointed bureaucrats who hatched this scheme to swindle the people of New South Wales out of \$376 million. Most of all, this motion is urgent because the hardworking taxpayers of this State deserve more than what the Federal Government has offered. The taxpayers of New South Wales work hard for their money, and they expect and deserve good services from government in return for their taxes. The families of New South Wales do not deserve to be robbed, swindled and pickpocketed out of \$376 million worth of services by the Howard Government.

Mr Daryl Maguire: Point of order: I point out that the clock has stopped.

Mr JOSEPH TRIPODI: This motion is important because the Treasurer and the Government are trying to put together a budget to deliver to the people of New South Wales. Meanwhile, the people in Canberra are trying to steal what the people of New South Wales have earned. We want to give the people of New South Wales what they deserve and what they have earned and produced. We want our fair share of the tax revenue to come back to this State. We want our fair share of services to be delivered to the people of New South Wales. We want the health, housing and transport money back in New South Wales. Today we have an opportunity to call on John Howard to be fair and to not follow the recommendations of the commission. He should give New South Wales what it has earned, generated and deserves. I commend my motion to the House.

Director of Public Prosecutions and Tayyab Sheikh Retrial

Mr ANDREW TINK (Epping) [3.39 p.m.]: My motion is urgent because last Friday night the Director of Public Prosecutions told *Stateline*—and *Stateline* alone—that he would not be seeking leave to appeal to the High Court against a court decision overturning the conviction of Tayyab Sheikh on a charge of rape and ordering a retrial. The motion is urgent because the Director of Public Prosecutions should not have made his announcement exclusively through one media outlet. The motion is urgent because the Director of Public Prosecutions, in making that statement exclusively to one media outlet, acted partially. He used one media outlet when he should have issued a general press release to media across the board.

A decision on whether or not to take a matter of this importance to the High Court is a matter of general public interest. I could not imagine a matter in the portfolio of the Director of Public Prosecutions being of

greater public interest and importance. It is important to debate this matter because the Director of Public Prosecutions should have issued a press release to all the media at one and the same time. Those comparatively few people who watch *Stateline* should not have been given the first opportunity to hear the announcement by the Director of Public Prosecutions of a decision that he had taken: Everybody deserved to get this information at the same time. In giving it to *Stateline* alone I believe the Director of Public Prosecutions was acting partially. That is a serious accusation, but I trust in future any announcements by the Director of Public Prosecutions about prosecutions or decisions in relation to prosecutions will be made across the board, to one and all, so that the public of New South Wales will, as it is entitled, be informed at the same time about such a decision.

This matter is also urgent because, with great respect to the Director of Public Prosecutions, he has made the wrong decision in this case. I respectfully believe that the majority decision of the Court of Criminal Appeal was wrong and that the judge in the minority, Justice Sully, got it right. It is urgent that the House debate my motion because special leave to appeal the decision should be sought from the High Court on this one point: the right of juries to have their verdicts treated as final verdicts, on the presumption that jurors reach their verdicts based on what they hear in court—and ultimately assess what they hear in court, and in accordance with directions from a judge in court—free of any influence from outside media. My very strong view is that every member of this Parliament should support a presumption that a jury is to be taken as having reached a verdict free from interference by the media—unless there is very specific evidence that a particular jury or juror was influenced by something heard or seen in the media. In the absence of such specific evidence, the presumption should be that the jury got it right and reached its decision free from influence. The matter is urgent because what I have put is the High Court test set out some years ago by Justice McHugh, who said:

Put bluntly, unless we act on the assumption that criminal juries act on the evidence and in accordance with the directions of the trial judge, there is no point in having criminal jury trials.

I believe not only that that is the correct position but that in the case in question there is an opportunity to apply that principle, and there is still an opportunity for the Attorney General to seek leave to take this matter to the High Court. There is still an opportunity to differentiate between, on the one hand, the jury verdict in that case, reached in the absence of any evidence whatsoever that any or all of them were influenced by information or comment in a particular media outlet, and say that verdict stands, and, on the other hand, a verdict in a particular case where, perish the thought, a jury or juror has been influenced by a particular media report. That matter ought to be taken to the High Court. I could not imagine a more important matter for the High Court to deal with. It goes right to the heart of the administration of justice.

With great respect to Sir Laurence Street, I was very concerned to read this morning that he thinks retrials should be conducted by judges alone. I think every member of this Parliament should stand up for the central role of the jury—the ordinary men and women—making the key decisions on who is guilty and who is not. That is not the role of judges. Nor is it the role of judges to decide whether those matters should be taken on appeal—as did two of the three judges in the Tayyab Sheikh case—substituting their views about what a jury may or may not have taken on board from the media. That is not for the judges to decide. Every member of this Parliament should uphold the presumption that the ordinary men and women of a jury get it right, unless there is specific evidence to the contrary. We should stand up for juries and send a message to the judges. [*Time expired.*]

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

The House divided.

Ayes, 51

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

Noes, 36

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

Pairs

Mr Bartlett	Mr Cansdell
Ms Saliba	Mr Hartcher

Question resolved in the affirmative.

BUSINESS OF THE HOUSE**Urgent Motion: Suspension of Standing and Sessional Orders**

Mr CARL SCULLY (Smithfield—Minister for Roads, and Minister for Housing) [3.53 p.m.]: I move:

That standing and sessional orders be suspended to allow six additional speakers to the motion for urgent consideration.

Mr ANDREW TINK (Epping) [3.53 p.m.]: We do not oppose the motion. I trust that a few Government members might tell us what the Premier is doing to pull Mr Beattie into line. We need to know why these banana benders are duping Labor. Carr and Egan are doing over the clubs and Beattie is doing over Carr and Egan. Get on with it. This show is a joke.

Mr Joseph Tripodi: Point of order. The honourable member is not speaking to the suspension of standing and sessional orders. He is speaking to the substantive motion.

Mr SPEAKER: Order! The point of order taken by the honourable member for Fairfield has substance. The honourable member for Epping will resume his contribution.

Mr Andrew Tink: The point of order seemed to be that the honourable member for Fairfield does not like it, and what he does not like is that Beattie is doing Labor over.

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

Mr Alan Ashton: Point of order: You have already ruled on this. The honourable member for Epping said that the Opposition does not oppose the motion moved by the Leader of the House. He should continue on that.

Mr SPEAKER: Order! I have heard enough. The question is, that the motion moved by the Leader of the House be agreed to.

Motion agreed to.

COMMONWEALTH GRANTS COMMISSION RECOMMENDATIONS**Urgent Motion**

Mr JOSEPH TRIPODI (Fairfield—Parliamentary Secretary) [3.55 p.m.]: I move:

That this House:

- (1) calls on the Prime Minister to reject the recommendations of the Commonwealth Grants Commission; and
- (2) expresses its alarm at their financial impact on New South Wales.

The Howard Government plans to slash \$376 million a year from the New South Wales budget. I am happy to hear that the honourable member for Epping agrees with this side of the House that New South Wales is being done over. But he needs to be corrected on who the culprit is: It is not the Premier of Queensland but the Prime Minister of Australia and the Treasurer, Peter Costello. The Prime Minister and the Treasurer are involved in this conspiracy to rip off the taxpayers and residents of New South Wales. Obviously, \$376 million is a lot of money. To put that into perspective, it is equivalent to the wages of 5,600 nurses.

The decision by John Howard's Commonwealth Grants Commission is outrageous. New South Wales will get a smaller slice of the Commonwealth pie. We are \$376 million worse off as a result of the Grants Commission decision, despite the fact that it costs more to run hospitals, schools and a good transport system in this State than it does in other States. Great slabs of our taxes are being sent to Queensland while the amount of money returned to the people of New South Wales from their taxes is getting smaller and smaller under this Commonwealth Government. The decision to cut the New South Wales share of Commonwealth taxes has been revealed in the Grants Commission five-year review.

Mr Andrew Constance: This is gobbledygook.

Mr JOSEPH TRIPODI: That is exactly what they are pouring out of Canberra—gobbledygook. The report states that New South Wales residents should pay \$110 million more in land tax, \$153 million more in stamp duty on homes, \$302 million more in insurance taxes and \$202 million more in financial transaction taxes. That is what John Howard is considering and that is what, in New South Wales, our Government rejects. This shows just how out of touch John Howard and his Canberra colleagues are becoming. The Commonwealth Government is punishing New South Wales for keeping taxes down and the budget in surplus. Canberra has failed to understand the unique demands on the New South Wales budget and the challenges this Government is trying to come to terms with.

One challenge is population pressure: 40 per cent of migrants who come to Australia annually settle in New South Wales. Because Sydney is Australia's biggest and oldest city it costs more to replace infrastructure in this State than in any other State. We are proud of the higher wages we pay our teachers, nurses and police in New South Wales, but their rates of pay are necessary to secure the appropriate work force to provide services to New South Wales. According to New South Wales Treasury, the cost of building one kilometre of underground motorway is \$330 million compared to \$38 million per kilometre for a motorway above ground. The cost of running Sydney's bus fleet is 20 per cent more than the cost of running a bus fleet in other cities because of traffic volume. The cost of maintaining Sydney's rail lines is \$250,000 per kilometre compared to \$40,000 in smaller cities and regional areas.

Let me examine the Commonwealth Grants Commission. It is a society appointed by the Commonwealth Government, and its members include academics, retired bureaucrats and the former mayor of Woollahra. It recommended the carve-up to the States of approximately \$40 billion of Prime Minister John Howard's goods and services tax [GST] revenue and other payments. The commission released its five-yearly review of the way it cuts the revenue cake. The result is a very sad one because the share for New South Wales has been reduced by \$376 million. New South Wales taxpayers will send 37 per cent of the nation's GST revenue to the Prime Minister, John Howard, but he will send back only 28 per cent of GST revenue to New South Wales, which represents a 9 per cent shortfall.

This means that New South Wales will be subsidising other States to the tune of \$2.9 billion, and \$780 million of the total will go to Queensland—a wealthy State with a smaller population than New South Wales and without the problems faced by New South Wales, for example, the challenges of high immigration and congestion. That means that every person in New South Wales will be sending \$114 to Queensland whereas last year the amount was only \$76. The rip-off and conspiracy against this State continue to worsen.

Who are the members of the Commonwealth Grants Commission? Alan Morris, the chairman, is the former executive director of the European Bank for Reconstruction and Development. Professor Ken Wiltshire is the professor of public administration at the University of Queensland business school. Len Early is the former deputy secretary of the Commonwealth Department of Finance and Administration. Hylda Rolfe is a former mayor of Woollahra and a former director of public and private sector corporations. Professor Ross Williams is the former dean of the Faculty of Economics and Commerce at the University of Melbourne. There are a lot of formers in this secretive group that is producing gobbledygook formulas.

The New South Wales Government is asking the Prime Minister, John Howard, to override the ridiculous decision that has been made by the commission. We ask the Prime Minister, John Howard, to listen to

the voices of the people of New South Wales who are asking the Commonwealth Government to give us back our fair share of revenue distribution. The Prime Minister is ultimately responsible for the cut of \$376 million, and the New South Wales Government asks him to intervene and urgently rectify this grossly unfair situation.

Mr ACTING-SPEAKER (Mr John Mills): Order! There is too much interjection from the Opposition benches.

Mr JOSEPH TRIPODI: Once again, the Prime Minister, John Howard, has misled the Australian people. The Prime Minister, John Howard, and the Federal Treasurer, Peter Costello, have tried to mislead the people of New South Wales by denying any responsibility for the slashing of their lifestyles by \$376 million. The truth is that the bureaucrats appointed by the Howard Government have made a recommendation to swindle the taxpayers of New South Wales out of \$376 million and it is the responsibility of the Howard Government to reject, or accept, that recommendation. There is no hiding behind the commission on this matter: It is a decision of government whether it adopts the recommendation. It is a decision of the Commonwealth Government whether it rips off the taxpayers of New South Wales.

It is Prime Minister Howard and Federal Treasurer Costello who will dismantle the services that are provided in this State, and it is they who will choose whether to accept these unjust recommendations of the Commonwealth Grants Commission. The cut in revenue is part of Prime Minister Howard's assault on this State. The assault by the Prime Minister, John Howard, on the quality of life of the people of New South Wales becomes apparent when we examine his recent funding record to New South Wales. Recently we found that Prime Minister Howard cut \$105 million in funding from the New South Wales health system. This will result in less elective surgery for those who need it. It will also mean that Prime Minister Howard has slashed the equivalent of 6,400 hip replacements from the New South Wales health system.

The Howard Government has denied the people of New South Wales affordable housing by slashing funding to the Commonwealth-State Housing Agreement. It is the Howard Government that is trying to deny the people of New South Wales affordable health care by dismantling Medicare and bulk-billing. This State has had enough of unfair treatment at Prime Minister Howard's hands. The Prime Minister is exploiting the people of New South Wales. The New South Wales Government is asking the New South Wales Opposition to oppose this action. The Prime Minister, John Howard, is picking the pockets of the people of this State to buy votes in other States in an election year.

Mr Peter Black: Gobbledygook!

Mr JOSEPH TRIPODI: That is what it is—gobbledygook. He is picking the pockets of the taxpayers of this State so that he can buy votes in other States. The New South Wales Government is asking the New South Wales Liberal Party to put New South Wales first. The Prime Minister, John Howard, has revealed to the families of this State that he does not value them; he values the votes of people in Queensland and Western Australia more. [*Time expired.*]

Mr JOHN BROGDEN (Pittwater—Leader of the Opposition) [4.05 p.m.]: Are these the words of John Brogden?

To my intense relief [Howard] says he won't—cannot—overturn a recommendation of the Grants Commission unless the States are unanimous. Strong. Fair. I won't hear ill of this man.

No, they are the words of the Premier, Bob Carr! In April 1999 the Premier, Bob Carr, wrote in his diary—a great cure for insomnia—when the Commonwealth Grants Commission found in his favour. The proposition is simple for the Premier and the New South Wales Labor Government: It cannot criticise a body's decision when it is bad and accept it when it is good, and that is what this Government is seeking to do. When a decision suits this Government, it shuts up and takes the money, but when it does not, it attacks everybody involved.

[*Interruption*]

The honourable member for Kiama should be directed to occupy a place on the Government side of the Chamber.

[*Interruption*]

I do not want the honourable member for Kiama, if that is the help the Government is sending me. Give me a break! The proposition is clear. The Commonwealth Government, through the Federal Treasurer, Peter

Costello, has said time and again that if the States come to the Treasurer with a renegotiated formula, he will sign it off. He did not say that he will discuss it or think about it; he said that he will sign it off. The problem is that the New South Wales Premier, Bob Carr, has been beaten up by the Queensland Premier, Peter Beattie, which is a matter of intense embarrassment to the New South Wales branch of the Australian Labor Party. The Cheshire grin from Queensland has had a win over the undertaker from New South Wales, and the New South Wales Government does not like it. But why does the New South Wales Government attack Prime Minister Howard and the Federal Treasurer, Peter Costello?

Why does not the Premier, Bob Carr, pick up the phone or write to Premier Rann in South Australia and Premier Gallop in Western Australia, join with Premier Bracks in Victoria, and, most particularly, Peter Beattie—as well as the other Labor Government also-rans—and say, "Let us get together, comrades, and put together a new formula for the Commonwealth Grants Commission." That has not happened. I inform the House that today's ABC radio reports tell us that Peter Beattie is in Sydney, so it will not even cost the price of a phone call for Premier Bob Carr to speak to him about this. Premier Carr could wander down to Peter Beattie's tourism launch in Sydney and say, "Let us have a chat. Let us have a herbal tea together, Peter. Let us get the crystals out together, Peter. Let us look in the mirror together and let us together fix this problem." That is not going to happen.

Over the past week we have seen an elaborate attempt by Premier Carr and Treasurer Egan to try to shift the blame to the Commonwealth Government for the impending deficit in New South Wales. In December in his mid-term review, Treasurer Michael Egan, Scrooge-like just before Christmas, delivered the shocking news to New South Wales that the 2004-05 budget will be his tenth budget, and also his first budget that will be delivered in deficit to the tune of \$275 million. What the Labor Party does not understand is that after nine years of this Government receiving a golden flow of stamp duty revenue, after years of New South Wales taking every cent of the goods and services tax [GST] disbursements, and after nine years of absolute windfalls in payroll tax, people are asking where all the money has gone. The good news is that I can answer that question for the people of New South Wales.

Mr ACTING-SPEAKER (Mr John Mills): Order! The honourable member for Fairfield will cease interjecting. He has a right of reply.

Mr JOHN BROGDEN: Some of the figures are: \$117 million was wasted on the Liverpool to Parramatta bus-only transitway; \$86 million on the Millennium train stages one and two and another \$2.6 million on the Millennium train maintenance bill to June 2003; \$17.4 million on displaced public servants; the State Debt Recovery Office mismanagement cost \$32 million; the Hunter and outer-suburban train carriages blow-out was \$78 million; the Treasury managed fund blow-out was \$51.9 million; the EnergyAustralia loss on PowerTel investment was \$96 million; transport consultants and legal fees cost \$43 million; the Pacific Highway blow-out was \$600 million; the northside storage tunnel blow-out was \$166 million; the Parramatta rail link blow-out was \$780 million. Will someone get me a glass of water? I do not think I can get through this!

There are so many examples of the Government's waste. Consultants' bills for 2002-03 were \$99 million; the Rehome Media Monitoring bill was 43.2 million; the Sydney Water billing disaster cost \$51 million, and is growing; the blow-out in the Sydney Water sewage pumping upgrade and wastewater programs is \$82 million. The total is about \$3 billion—and it is growing. At the same time, the total tax take in New South Wales has increased by 30 per cent, so under the Premier and the Treasurer the people of New South Wales are the highest-taxed citizens in the country. The tax paid by New South Wales taxpayers to the Government has increased to \$2,051 per head. While the Premier is crying poor to Canberra, his stamp duty revenue has increased by 84 per cent. Taxes on gaming have gone up by 41 per cent, taxes on insurance have gone up by 43 per cent, land tax has gone up by 17 per cent and payroll tax has gone up by 10 per cent.

[Interruption]

Bring back Deirdre Grusovin! At least she whined in tune. The Government has had a golden flow of revenue from the taxpayers of New South Wales and, what is worse, guess what is sitting in the Premier's back pocket—a \$420 million health nest egg that he is keeping until the 2007 State election. We know our health system is in crisis, but the Government thinks that money is for a rainy day. It is pouring in New South Wales now! The Premier should access those funds now and fix the problems. He should not hold onto that money. Hanging onto that money is morally unjust; the people of New South Wales need it now. People are dying unnecessarily in our hospitals. However, the greatest revelation so far was the Premier's refusal today to rule out tax increases. When I asked the Premier whether he would cut taxes, he refused to answer my question.

Mr Peter Black: Gobbledygook!

Mr JOHN BROGDEN: At least I can pronounce "gobbledygook". In politics that means only one thing.

Mr Peter Black: What did George Souris do to you at the last election?

Mr JOHN BROGDEN: A whole lot less than Johnny Walker has done to you for the last 30 years! When I asked the Premier if he would rule out tax increases in the June budget, he refused to answer. In politics that means one thing: New South Wales is heading for tax increases. There will be no tax cuts; there will be tax increases. The greediest Premier in the country, the highest-taxing Premier in the country, and the highest-taxing Premier in the history of New South Wales, will increase taxes in the coming budget. It will be a horror budget for the people of New South Wales, and it was always going to be a horror budget from the mid-year forecast. From December last year we knew that we were facing a \$275 million deficit. The Government has bragged about its expenditure, its taxes and its financial management. All that is washed away by one deficit at a time when every family, every person, in New South Wales wants an answer from the Premier to one question: Where has all the money gone?

Where has all the revenue from that massive tax increase gone? We do not have a good hospital system. We have great doctors and nurses, but our health system does not support them. We have great staff on our rail network, but the Government will not support them. We have great teachers, but the Government will not fund them or reward them for excellence. The Government has a hide, and the Premier is whingeing like a spoilt brat to Canberra that he wants more money. He has had a golden flow of revenue, courtesy of the people of New South Wales. The Premier has never seen a tax he did not like, and the Treasurer has never seen a tax he did not hike. The Government is in love with tax, and when given the opportunity to cut taxes, to fix problems, time and again it has rejected that opportunity.

Mr Joseph Tripodi: Where is your loyalty, to Canberra or New South Wales?

Mr JOHN BROGDEN: My loyalty is to fair government, to cutting waste. My loyalty is to cutting tax. That is what the Liberal Party and The Nationals are about, and that is what the Labor Party cannot get its head around.

Mr GRAHAM WEST (Campbelltown—Parliamentary Secretary) [4.15 p.m.]: One of the first truisms of economics from arguably the father of economics, Adam Smith, is that it is not from the benevolence of our baker that we get our bread. And it is also true that there is no way that Western Australia or South Australia and others will get together to negotiate. The Prime Minister, the Federal Treasurer and the Leader of the Opposition know that. More importantly, none of them has mentioned that they do not have to negotiate. The power to change the Commonwealth Grants Commission formula rests with the Prime Minister. He has the power under existing legislation to change the formula that determines what the States will get; he has the power to step in and overturn this unfair cut to New South Wales.

By taking the line it has, the Opposition is saying that the people of New South Wales should be penalised. The Opposition says that it supports New South Wales residents paying \$110 million more in land tax, \$153 million more in stamp duty on homes, \$302 million more in insurance taxes and \$202 million more in financial transaction taxes. The Opposition and the Federal Government have demonstrated their failure to understand that population pressures in New South Wales force our costs to rise. Of Australia's annual immigration intake, 40 per cent settle in New South Wales. Sydney has more expensive infrastructure. Because it is the biggest and the oldest city in Australia, replacement of infrastructure costs more. New South Wales has higher wages for teachers, nurses and police than the other States.

According to Treasury, building one kilometre of an underground motorway in New South Wales costs \$330 million compared to \$38 million for an aboveground motorway—and we have to put motorways underground in Sydney. The cost of running Sydney's bus fleet is 20 per cent more than other cities because of the traffic volume. The cost of maintaining Sydney's rail lines is \$250,000 per kilometre, compared to \$40,000 in smaller cities and regional areas. Announcements by the Prime Minister and the Federal Government completely ignore the current legislation. At 6.30 a.m. on 4 March on radio station 2BL, Mr Howard, in trying to wash his hands of responsibility for a \$376 million funding cut to New South Wales, said:

This is not a Federal Government decision. We make all of the GST and other money available and the Grants Commission, an independent body, determines the allocations.

On 3 March, on radio station 2SM, the Federal Treasurer, Peter Costello, said:

It's not done by me. It's not done by Mr Howard.

Let us look at the facts, the legislation and the agreements. Mr Howard and Mr Costello know that all the Grants Commission does is report to the Commonwealth Government and make recommendations to it. Mr Howard has the final say on how much money each State gets. His powers and Mr Costello's powers are set out in a series of documents. I am happy to remind them and the Opposition of those documents. The Commonwealth Grants Commission Act 1973 states:

Assistance to States

The Commission shall inquire into and report to the Minister.

The Commonwealth Grants Commission annual report states:

The Commission's main function is to recommend the States' shares of the pool of goods and services tax revenue and health care grants made available by the Commonwealth.

Furthermore, Mr Howard's pride and joy, the GST legislation, states that the Commonwealth has the final say on how much money each State gets. A New Tax System (Commonwealth-State Financial Arrangements) Act 1999 states:

Financial assistance payable to a State under this Act is to be paid in such amounts, and at such times, as the Treasurer determines in writing.

The intergovernmental agreement that accompanies that legislation states that the share of GST revenue that each State or Territory receives is based on population share, adjusted by a relativity factor that is recommended by the Grants Commission but determined by the Commonwealth Treasurer. Mr Howard and Mr Costello are trying to pretend that the Grants Commission's recommendations cannot be rejected, but the documentary evidence—their own legislation—shows that they are clearly wrong.

In his 1996-97 budget papers, Peter Costello revealed that he and the Prime Minister gave extra money to the Australian Capital Territory and the Northern Territory. Mr Howard is raiding New South Wales taxpayers' money and using it to buy votes in other States. He should come clean and admit that he, as the Prime Minister, decides how much money New South Wales gets. The hardworking people of New South Wales are entitled to a fair share of the nation's revenue. This State has balanced its books and paid off its debt. Mr Howard should not punish the people of New South Wales for that.

Mr ANDREW STONER (Oxley—Leader of The Nationals) [4.20 p.m.]: This year New South Wales is getting more than it did last year in Commonwealth grants. The Federal Government is not taking money away from New South Wales, a matter that is continually misrepresented by members of the Australian Labor Party. The Commonwealth grants formula reflects the wishes of State and Territory governments. What is the Federal Government's view of the Commonwealth Grants Commission? On 30 November 2001 Peter Costello said:

The Commonwealth view has always been that, whatever the methodology, it has to be agreed between all of the States ... And if they can come to an agreement on a new formula for the Grants Commission, we would follow the Grants Commission, as we always have.

Why does the Premier not lobby his State Labor colleagues for a new formula? For political gain he would rather whinge and blame the Prime Minister. The honourable member for Campbelltown said that New South Wales should be recognised as unique by the Grants Commission. New South Wales is unique. New South Wales is indisputably the highest-taxed State in Australia. According to the Commonwealth Grants Commission, over the past five years the total tax take per head has gone up by 30 per cent to \$2,051 per head. Stamp duty has gone up by 84 per cent to \$552 per head. Taxes on gambling have gone up by 41 per cent to \$212 per head, and there is more to come. The poor old clubs are about to be bashed even more. Taxes on insurance have gone up by 43 per cent to \$76 per head. Land tax has gone up by 17 per cent to \$173 per head. Payroll tax has gone up by 10 per cent to \$619 per head.

Mr ACTING-SPEAKER (Mr John Mills): Order! The honourable member for Kogarah and the honourable member for Murray-Darling will cease interjecting. They may seek the call at the appropriate time if they wish to contribute to the debate.

Mr ANDREW STONER: As the Leader of the Opposition said earlier, the Premier has never seen a tax he did not like and the Treasurer has never seen a tax he did not hike. New South Wales is unique. Arguably, it also has the worst financial management in Australia. The Government is guilty of gross financial mismanagement. That is why Government members are squealing like stuck pigs. The Government has wasted the stamp duty windfall of an average \$1 billion per year over the past eight years instead of investing in much-needed infrastructure projects across the State, for example, more water storage facilities for rural and regional centres, better water efficiency technology, safer country roads and upgrades to country hospitals.

Instead, the Government has simply wasted the money on a number of poorly managed projects. I give as examples the \$117 million blow-out on the Liverpool to Parramatta bus transitway; the \$86.6 million blow-out on the Millennium train, stages one and two; the Millennium train maintenance bill to June 2003 of \$2.6 million; the \$17.4 million cost of displaced public servants; State Debt Recovery Office mismanagement, \$32 million—

Mr Matt Brown: Point of order: I do not know whether the Leader of The Nationals just picked up the speech of the Leader of the Opposition, but he appears to be going through it word for word. He should not be repetitive.

Mr ACTING-SPEAKER (Mr John Mills): Order! There is no point of order. The Leader of The Nationals has the call.

Mr ANDREW STONER: The honourable member for Kiama does not want to hear about the waste and mismanagement of the Government. The figure has exceeded \$3 billion. The Carr Labor Government has foregone an additional \$72.3 million in Commonwealth funding by refusing to renew the Australian National Training Authority agreement. The Commonwealth offered 2.5 per cent in growth funding under the new agreement if the States contributed 1.5 per cent. Instead, the funding provided by the Carr Government for vocational education and training resulted in a decline in real terms over the revised budget for 2002-03. The increase amounted to only 0.3 per cent.

The Government has foregone \$72 million, which should have gone towards traineeships, apprenticeships and TAFEs, which are under the gun throughout this State. Again, that is because of the financial mismanagement of the Government, which is desperate for money to fill the black holes in the budget caused by its own mismanagement and waste. When it learns that it is not getting as much as it budgeted for, it claims there has been foul play. Instead of whingeing and blaming the Federal Government it should do two things. First, it should haggle with Peter Beattie and its other State Labor mates over the Grants Commission formula. Second, it should reduce the billions of dollars it is wasting through appalling financial mismanagement.

Miss CHERIE BURTON (Kogarah—Parliamentary Secretary) [4.25 p.m.]: I will not bother to comment on the contribution of the Leader of The Nationals. He and other members of the Opposition have no credibility. When the Federal Government rips valuable and much-needed funding out of New South Wales, Coalition members sit silently on the Opposition benches; they never support the people of New South Wales. They sit there smirking and are only after political gain; they do not have the interests of the people of New South Wales at heart. They are nothing more than a bunch of cowards and sycophants. They are either too lazy to do the necessary research on this issue, or they are as ill researched as the Leader of The Nationals. Either they have no understanding of the issue or they are a bunch of gutless sycophants who are unable to support Government members in taking the fight up against John Howard.

The Leader of the Opposition referred to Federal Treasurer saying, "If the States come to me and agree on a funding formula, I will sign off on it." What a cop-out! If members do their research—and Opposition members obviously cannot do their research because they are not out of bed before midday—they will find that division 3, section 19 of the Act entitled A New Tax System (Commonwealth-State Financial Arrangements) Act 1999, which refers to the payments of grants, clearly states that the Treasurer may fix amounts and times of payments of "financial assistance payable to a State under this Act in such amounts and at such times as the Treasurer determines in writing". That blows the away the rubbish espoused by Opposition members.

Mr Matt Brown: Those are the facts.

Miss CHERIE BURTON: Those are the facts, and they are contained in legislation. For the benefit of Opposition members, who do not understand the meaning of the word "legislation", I am referring to the law.

The Leader of the Opposition asked earlier, "Where has all the money gone?" Let me tell the honourable member for South Coast where all the money has gone. She should listen carefully as she obviously has no idea. I feel sorry for her constituents. Since 1995 the Government has carved more than \$8 billion off general government debt. It cut the Federal Government's interest bill by \$1 billion a year, making more money available for schools and hospitals.

[Interruption]

I will put all these details into a newsletter and circulate it in the electorate of the honourable member for South Coast. The Government is the first government in this State's history to reduce debt rather than not add to it. It has had seven successive balanced budgets and an eighth is on its way. After eight Carr Government budgets we have a \$3.7 billion combined cash surplus. After seven Coalition budgets we had a \$5.5 billion combined cash deficit. So we should not hear anyone asking who can manage the State's funds—it is certainly not members of the Opposition—and who cannot. Since 1995 the Government has added over \$30 billion to the value of New South Wales public assets. Every year since 1999 the Government has cut taxes. In 2003-04 those tax changes were worth an accumulated \$1.4 billion, not including taxes removed after the introduction of the GST.

The Government abolished payroll tax on apprentices and has more than halved stamp duty on general insurance. It has cut payroll tax to 6 per cent—down from a high of 8 per cent under the former Government. New South Wales is now the only State without a tax on bank accounts and credit cards and it has the lowest stamp duty on general insurance. Since July 2000 the Government has also provided over \$320 million in stamp duty concessions to 114,000 first homebuyers under the most generous first homebuyer assistance scheme run by any State government.

[Interruption]

Opposition members do not like to hear that. But wait, there is more! Capital works spending in 2003-04 is at record levels. Some \$28.8 billion will be spent over the next four years, which is equivalent to building more than 20 new Sydney Opera Houses at today's prices. Some \$7.1 billion will be spent in 2003-04, which is an increase of more than \$700 million on last year and an increase of 57 per cent on our first budget in 1995-96. Recurrent spending on health is \$9.28 billion, which is an increase of 75.2 per cent on 1994-95. Some \$8.25 billion will be spent on education, which is an increase of 57.9 per cent in 1994-95. Funding for police is \$1.85 billion, which is an increase of 74.7 per cent on 1994-95. Roads funding stands at \$1.81 billion, an increase of 80 per cent on 1994-95. Some \$2.5 billion will be spent on public transport, which is an increase of 67 per cent on 1994-95. Community services and disability funding is at \$2.2 billion, which is a 122.7 per cent increase on 1994-95. I can continue. Capital health funding is \$458 million. Capital education funding is \$445 million, which is a 41 per cent increase. Some \$540 million will be spent on public order and safety. Opposition members should go back and tell their leader that that is where the money has gone. But where will we get the funding to continue our great work of the past nine years?

Mr RICHARD TORBAY (Northern Tablelands) [4.30 p.m.]: Judging from the debate in this place, it is little wonder health services are in such difficulty. The Government asserts that New South Wales is not getting an equitable share of funding, which is what the motion points out. Regardless of political partisanship and the history of these issues, that is a fact. The inequity was acknowledged even by the Leader of the Opposition in this place today, who said that, in political terms, Peter Beattie has won out. That translates to an admission that New South Wales is not getting an equal share of resources for the provision of health services.

I am not here to consider the rights and wrongs of the political debate. I am here to say that according to the independent analysis that has been reported and discussed in the metropolitan media, including some editorials, New South Wales receives a little over \$7.50 for every \$10 in tax that it pays to the Commonwealth. One does not need to be Einstein to work out that that causes problems in New South Wales. Am I saying that the New South Wales Government cannot improve conditions and deal with the many significant health issues? No, I am not saying that. I am saying—and I think reasonable people around New South Wales would agree with me—that we need to get an equal share of the resources to start the debate. We cannot begin the process with less than our fair share, and New South Wales is not getting a fair share.

If the Government's position is that we need an equal share and the Opposition's position, as outlined in this place today, is that we can get that fair share simply by asking—I think two Opposition speakers said that—why do we not pack a scrum on this issue, head off to Canberra, work out exactly where to sign the documents

and then get on with the job of making the Government accountable for spending those resources in New South Wales? Honourable members cannot claim in this place that receiving \$7.50 for every \$10 in taxation is a good deal for New South Wales. No member elected to this place from any electorate should defend the Commonwealth position simply because he or she must toe the party line. That is not appropriate. All members in this place should put the people of New South Wales first.

Health needs in rural and regional areas are significant. It is a challenge to overcome metro-centric thinking when allocating resources to rural and regional areas. How much more difficult does that task become when New South Wales is not receiving an equal share of Commonwealth funding? I have heard Opposition members' taunts that the State Government is the highest-taxing Government in New South Wales history. To be fair, we must say also that the current Commonwealth Government is the highest-taxing Federal Government in Australian history. We must consider those issues in the context of fair and equitable funding distribution to New South Wales. Much funding for all sorts of fundamental services in this State flows from the Commonwealth Government. It is the role of State Parliament to ensure that the State Government is held accountable for the expenditure of that money. I will never support our starting the debate from a position that is not equitable for the people of New South Wales. No member elected to this place who calls for better health and other local services, who wants to develop a better skills base in rural and regional areas—

Mr Joseph Tripodi: Support the motion!

Mr RICHARD TORBAY: I assure the honourable member for Fairfield that I will certainly support the motion, as every member should. If people are to have credibility in this debate they must say, "We expect 100 per cent of our tax to be returned to our State." It is appropriate that each member defends his or her electorate in terms of the funding allocation. How many members call in this place for more and better health services in our State? I support them in that bid, but for goodness sake let us have some credibility in this debate and demand an equitable share of funding for New South Wales in the first place.

Mr MATT BROWN (Kiama) [4.35 p.m.]: I am pleased to support my parliamentary colleagues the honourable member for Fairfield, who moved the motion. I am also pleased to speak after the honourable member for Northern Tablelands, who put this debate in context. I am happy that the honourable member highlighted Federal Government taxes. It has been reported time and time again as being the highest-taxing government since Federation. It is hypocritical in the extreme for the Commonwealth Government to accuse the State Government of having high taxes. I represent a regional electorate, comprising the Illawarra and the Shoalhaven. I understand only too well the devastating impact of the funding decision by the Howard Government and the Commonwealth Grants Commission.

Our State, particularly regional areas, will bear the brunt of the unfair funding distribution. We will be forced to deal with a \$376 million funding shortfall—a tremendous amount of money that could be spent on New South Wales schools, hospitals and roads. We are desperate for additional expenditure on the Princes Highway from Illawarra to the Victorian border. I have campaigned long and hard on that issue in this place and I expect my parliamentary colleagues who represent the electorates of South Coast and Bega to support this motion, as they also want additional expenditure for the Princes Highway.

It is important to note that the \$376 million shortfall could be used to employ more than 5,000 nurses. Instead the money will be shipped to other States. In fact, New South Wales will subsidise other States by the tune of nearly \$3 billion, and about \$780 million of that total will go to Queensland. If no changes are made to the funding distribution, every person in New South Wales will send \$114 to Queensland next year, compared with only \$76 last year. Queensland is already wealthy. It has a smaller population than New South Wales and does not face the challenges we face, such as immigration and congestion. Queensland is in quite good shape economically, whereas New South Wales has tremendous financial demands.

A quick look at the Queensland budget web site reveals plenty of positive economic information. However, the Queensland Government does not reveal that its economic success has been assisted by New South Wales taxpayers. New South Wales taxpayers are helping Queenslanders in many ways. We are helping Queensland to create new jobs. In the past financial year an estimated 55,000 new jobs were created in Queensland, accounting for almost a quarter of all new jobs in Australia. In 2002-03 Queensland's yearly average unemployment rate fell to 7 per cent, which is its lowest level for 13 years. New South Wales has also helped the Queensland economy to grow. It has exceeded the national forecast of 3.25 per cent, with solid growth of 4 per cent. Growth in household consumption and business investment is also forecast to exceed national performance in 2003-04. New South Wales has helped the Queensland Government to deliver a sound

economy. A general government net operating surplus of \$153 million and a cash surplus of \$152 million are forecast in the upcoming financial year. The State's net worth is budgeted to grow from \$58.7 billion to \$60.3 billion.

We have helped to deliver more competitive taxes. Taxpayers in other States will pay on average 28 per cent more tax than Queenslanders. New South Wales helps Queensland invest in skills and innovation. The Queensland budget includes \$100 million over four years for measures to increase the effectiveness of public and private research and development. New South Wales helps build Queensland's regions. Capital spending will be boosted to \$5.3 billion in 2003-04, supporting some 44,500 full-time jobs. Time and again New South Wales has received a raw deal from the Commonwealth Grants Commission. We now have a chance to put it right. So far the Opposition has simply said, "Why don't you get together with all the other Premiers?" Members of this House want to do the best by New South Wales. Treasurer Costello and Prime Minister Howard can change the formula. They need to understand that they are hurting families and the working people in this State. I ask them to fix the problem.

Mr DAVID BARR (Manly) [4.40 p.m.]: It is a pleasure to debate this startlingly important issue. This is the latest in a long line of examples where New South Wales is being screwed by the Federal Government in the revenues it gets back for all sorts of needs across the State. The Federal Government should look at the taxation mix for the States and arrive at a much better formula not just in relation to the Commonwealth Grants Commission grants but also the collection and disbursement of taxes and who has a say in them. At the moment the Federal Government has too much control—it is a particularly stingy Federal Government. The Federal Government is misallocating resources in the health budget in relation to Medicare and private health funds. It is also misallocating resources in relation to education, particularly with respect to the lack of adequate funding for our universities. Therefore, sooner or later a lot of young students are forced to cough up a lot of money to pay for their education. The Federal Government's priorities are totally wrong. These are important matters for debate, particularly during a Federal election year.

I refer to the notion of horizontal fiscal equalisation of grants and claimant States such as Western Australia—it was Queensland—Tasmania and South Australia. New South Wales has been getting a raw deal because the formula that is applied has meant that it has subsidised other States, apart from Victoria. Western Australia no longer gets the benefit, but the basis of the formula is skewed and as a consequence the taxpayers of New South Wales are not getting back their fair share of taxes they have paid. The Coalition talks about going down to Canberra to speak to the Government to try to get a deal signed, but so far the Federal Government has been intractable. It is a difficult issue and the Coalition should back the people of New South Wales, not its party political colleagues in Canberra. This is not a party political matter—it is not Liberal, Labor or Independent. It is about the people of this State getting a fair deal from the Federal Government, which is screwing us down and, in the process, is making it difficult for us to fund our schools, hospitals and the services that the people of this State have a right to expect, given the generous contribution they have made to the rest of the country since Federation.

The notion of horizontal fiscal equalisation is sound. There is no reason why the poorer States should not get more of the largesse than they pay out, the basis on which the Commonwealth of Australia is run, but it must be fair and equitable. The notion of horizontal fiscal equalisation is that each State should be able to provide, without imposing taxes and charges, all levels not appreciably different from the levels of taxes and charges imposed by other States, and government services and standards not appreciably different from the standards of the government services provided by other States. In other words, the people of Tasmania or South Australia have the right to the same equality of services as the people of New South Wales. The way it is going, the people of New South Wales will be suffering the consequences and have a diminution in the services to which they are entitled because we subsidise other States.

This fundamental issue involves some hundreds of millions of dollars. It is something that the Federal Government cannot and should not be allowed to walk away from; it is something for which the State Coalition should fight. This is not a party political matter; it is about the rights of taxpayers to get a fair deal. New South Wales is not getting a fair deal. Coalition members stand up for their constituents, just as those of us who have been calling for the Federal Government to change its position have been doing. This critical issue relates to the quality of services, and fairness and equity for the people of New South Wales.

Mr PETER BLACK (Murray-Darling) [4.45 p.m.]: The Leader of the Opposition and the Leader of The Nationals are the only two Opposition members to have contributed to this debate. The honourable member for Northern Tablelands and the honourable member for Manly have spoken in the debate, and I expect the

honourable member for Port Macquarie to speak. In other words, the silence of the Opposition in this debate is deafening. The Commonwealth Grants Commission, a five-member body appointed by the Commonwealth Government, has released its five-yearly review of funding distribution for the States. It recommends the carve-up of about \$40 billion of GST revenue and other payments. Its treatment of New South Wales is nothing short of disgraceful, and John Howard is doing nothing.

Our share has been reduced yet again, this time by \$376 million. I want all of the shires in my electorate to know that the taxpayers of New South Wales will send 37 per cent of the nation's GST revenue to John Howard, who will send back only 28 per cent of total GST to New South Wales. Therefore, New South Wales will be subsidising other States by \$2.9 billion, \$780 million of which will go to Queensland, a wealthy State with a smaller population without the problems faced by New South Wales. For example, I refer to high immigration and congestion. Queensland is in great shape economically; New South Wales has tremendous financial demands. The decision of the Commonwealth Grants Commission and John Howard means that every person in New South Wales will be sending \$114 to Queensland. Last year they sent \$76.

I draw the attention of the House to a closely related matter, something about which I have a particular passion: the cost shifting report that has been handed down and the response of the Commonwealth Government. I refer to the proposal to change the way that it delivers its financial assistance grants [FAGs]. Recommendation 16 of the report includes centralising the distribution model in Canberra and abolishing the interstate per capita shares; abolishing the safety net of the minimum grant, which currently protects 22 shires; collapsing the general purpose and local road components into one, to which I am not opposed; and using a socioeconomic status model to distribute financial assistance grants to the States.

In basic terms, it means that New South Wales councils lose \$50 million, or 10 per cent, of the grants they currently receive. Obviously, this is of great concern to me. Councils such as those in my electorate will be most affected. In fact, it is a well-known fact of life in the bush that many country councils rely on these grants for up to 30 per cent of their income. Councils such as Central Darling rely upon FAGs and road grants for almost 90 per cent of their income. Though that is a fact of life in the real world, the Commonwealth is denying it. Obviously the New South Wales Government will oppose any move to strip Federal funding from the country councils of New South Wales. Where does Deputy Prime Minister John Anderson stand on this matter? He is saying nothing.

Today we have had a pathetic display from the so-called Leader—this week's leader—of The Nationals. He repeated the speech made by the Leader of the Opposition. Today he has shown himself to be nothing more than the poodle of the Leader of the Opposition, John Brogden—doddering along behind, muttering the same words, using the same terminology and espousing the same implications for this State. But what does he say about protecting country New South Wales? One would think the Leader of The Nationals in this Parliament would be standing up for country constituents and saying no to the Federal Government's proposal because we want our fair share of funding—as the honourable member for Manly so eloquently put it, we demand our fair share.

Who will be hurt most by these Federal Government funding cuts? The bush. I bring the financial assistance grants and the related untied roads grants into this discussion quite deliberately because I believe one cannot discriminate between GST funding and untied grants to local government. Why should our councils be penalised? They may not mean much to the city, because the city councils do not rely on roads grants. But councils in the bush certainly do. A cut of \$50 million, or 10 per cent, will crucify many of my shires. [*Time expired.*]

Mr ROBERT OAKESHOTT (Port Macquarie) [4.50 p.m.]: I support the call for the Prime Minister to reject the recommendations of the Commonwealth Grants Commission and to express alarm at their financial impact on New South Wales. I support the call as one touching on the biggest issue that I consider to be facing Australia today: reform of Commonwealth-State relations. We can have debates about republics and monarchies, and about a whole range of other issues, but the one aspect of public policy in Australia today that is in need of fundamental reform is that relating to the relationships between the Commonwealth and the States, particularly New South Wales, and as a spin-off of that the relationship of the Commonwealth with local government.

We in Australia are overgoverned today. However, we can make major structural reforms to the benefit of all members of our community and to the benefit of all areas of public policy. It is frustrating for me, and I am sure for many other people, that there continues to be a reluctance on the part of Commonwealth

governments and State governments to even look at addressing this issue, let alone bringing about the fundamental reforms that will give us a better future. I support the motion. I think it would be very difficult for anyone in this Chamber not to support more money for New South Wales and ipso facto more money for their individual electorates. I, for one, certainly always support more money and more services, whether they be in health, education, roads, police and so on, for the Port Macquarie electorate, because it is an electorate in need. By all means, if this motion is a way of getting more money for the Port Macquarie electorate, and ipso facto more money for New South Wales, I certainly support its call.

In my view, it is a historical hangover that, since Federation, New South Wales has been propping up the so-called smaller States or the so-called growth States. This anomaly has been with us for 100 years, yet it is still to be addressed by those in positions of authority, whether they be Premiers or Prime Ministers, with an ounce of vision for a better future for New South Wales and Australia. Having said that, and having said that I support the motion, I note that the timing of the call by the Premier and the Treasurer, as well as the sentiment of the call, is a matter that this House can view with some cynicism. It is only two months before the Government will bring down what is widely regarded as being a very tough State budget. But, despite the wrongs of the formula used by the Commonwealth Grants Commission, despite the inadequacy of funding to New South Wales compared with the funding of other States, I understand the Commonwealth Grants Commission allocation to New South Wales is a \$4 million increase in real terms, and the State coffers will have enough money to shape a decent budget to provide for a whole range of services under the control of New South Wales Ministers.

There is a question mark about the timing of this motion, and I think we can be cynical about something of a smoke-screen campaign by the Premier and the Treasurer to get themselves out of trouble regarding what will be a difficult budget. Many of us are frustrated at the lack of major structural reform in just about every area of government in New South Wales. As I said, I understand that the Commonwealth Grants Commission allocation to New South Wales this year is in real terms a \$4 million increase compared with last year's allocation. Despite that fact, the allocation to New South Wales this year is not as good as those of other States. So, yes, in principle I support the call for rejection of the Commonwealth Grants Commission formula and trying to get it to use another and fairer formula.

However, I think we are entitled to be cynical about the timing of this Government motion. Its actions or, perhaps more accurately put, its lack of actions to address this issue is also a matter about which we are entitled to be cynical. If the Premier, the Treasurer and the leaders of this State are serious, they will create a forum for major structural reform in both New South Wales and Australia to address Commonwealth and State relations. If they are not serious about this issue, they will simply squeal to try to get themselves out of a problem caused by their budget—something of a butt-covering exercise regarding a tough budget—and we will have nothing but words flowing from both the Premier and Treasurer and their teams to the effect that all is not fair and the sky is falling in. [*Time expired.*]

Mr PAUL LYNCH (Liverpool) [4.55 p.m.]: I support the motion. The Prime Minister and the Federal Government are going on like thieves in the night. They are slinking around, trying to steal from the people of New South Wales their fair share of revenue. They are behaving like good old-fashioned burglars: they are being very deceitful and dishonest; they are trying to pretend that somehow or other what is happening is inevitable because of the position of the Commonwealth Grants Commission. The commission, of course, is appointed by the Federal Government. What is more, the Federal Government—and specifically the Treasurer—has an option to reject or accept the recommendations of the Commonwealth Grants Commission. So there is no basis for Prime Minister Howard and his cronies in Canberra to avoid responsibility for what is about to happen.

Before I get to the substance of the arguments in favour of the motion, I turn briefly to the position put by the Opposition in this debate. There is a quite schizophrenic character about the arguments that have been put up by the Leader of the Opposition and the Leader of The Nationals. On the one hand, the Leader of the Opposition, and his supporters by interjection, was saying, "Look, the Labor Party ought to go and sort it all out with Beattie; it is all his fault". In effect, he was conceding that the claim that the New South Wales Government makes is correct: that is, that New South Wales is not getting its fair share. That is the only clear inference that can be drawn from the comments coming from both the Leader of the Opposition and the Leader of The Nationals. On the other hand, they go on and say, "No, hang on, you really are not being serious about this." The Leader of The Nationals in fact said that New South Wales is getting more money than it got last year; that is, that there has been no substantial loss to this State.

In addition, both the Leader of the Opposition and the Leader of The Nationals talked about alleged waste, about this being the highest taxed State in the country, and so on and so forth. There is a fundamental

inconsistency in the arguments that they put up here. On the one hand, they are saying, "Yes, New South Wales is getting short-changed." On the other hand, they are saying, "No, we are not." It would help public debate in this State if they could work out what their position actually is, so that at least we would have some logical and rational position to argue with. The other comment I would make about some of the arguments they put up is this pathological opposition they seem to have to the Liverpool to Parramatta transitway. It is almost as if they think it is somehow an offence to Western civilisation that Western Sydney is to get some decent public transport resources. The mantras that they kept coming out with about the Liverpool to Parramatta transitway were just extraordinary.

I return to the substance of the motion. The aim of the Commonwealth Grants Commission and its funding structure is to ensure that each State effectively gets the same level of service. In that aim it has clearly failed. Historically, New South Wales has subsidised the other States. That was seen, I guess, as part of a nation building exercise. As the Premier has been wont to say—and perhaps this is the only time that he has ever agreed with Jack Lang—Lang is famous for having said that Federation was a conspiracy against New South Wales; that, from the moment of Federation, New South Wales has been subsidising other parts of this country. As I say, that historically has been seen as part of a nation building exercise.

The problem now is that the balance has gone too far. As a result of this process it is no longer the case that this State is getting its fair share. Clearly, the formula is not working and does not reflect the reality of how this country operates. The consequences of the current structure are that New South Wales will have its funding cut by \$376 million a year, while funding to Queensland and Western Australia will be increased by \$273 million and \$235 million respectively. New South Wales raised 30 per cent of GST revenue, but only 28 per cent of it will be returned. Queensland will receive extra money for rail track that does not exist, while the formula used by the commission assumes that a portion of people in every suburb of Sydney catch trains and contribute revenue to the State budget, notwithstanding the fact that some parts of Sydney do not have rail services at all. Queensland will get money for buses it does not have, while New South Wales has 40 per cent more buses than the commission is prepared to fund.

The other fundamental problem about the way in which the money is worked out is the absurdity that because Sydney and New South Wales are bigger than the other capital cities and States it is cheaper to do things here. In many ways the reality is the opposite. There is a whole range of diseconomies of scale, and to ignore that is to indulge in fantasies of economic rationalism without understanding the real world. A number of things that have to be done in this city are more expensive than similar projects in other places. A road transport system to service south-west Sydney—the M5 East—required burrowing underground to build tunnels, which is a whole lot more expensive than road construction in other parts of the country. Widening Hoxton Park Road required property acquisition and, as honourable members know, the cost of property is greater in New South Wales than it is in any other State. It is irrational to say that we can do it cheaper because we are bigger.

Mr JOSEPH TRIPODI (Fairfield—Parliamentary Secretary) [5.00 p.m.], in reply: It is disappointing that we have had Stoner—stone—silence from the other side. It is embarrassing that we have heard contradictions from Opposition members. The Leader of the Opposition said that his loyalty is to cutting taxes, but he would not disagree with the Commonwealth Grants Commission recommendation that proposes to increase taxes to cover the \$376 million it intends to take out of this State. The report of the commission suggested, and John Howard is considering, that New South Wales could increase taxes by \$110 million on land tax, \$153 million on stamp duty, \$302 million on insurance taxes and \$202 million on financial transactions. The Leader of the Opposition must make up his mind: loyalty to the people of New South Wales or to his political masters in Canberra? He cannot support tax cuts and at the same time support a report that proposes to take \$376 million out of New South Wales, increase taxes and punish the people of this State.

The Leader of the Opposition must reconcile his loyalty to his political masters in Canberra and the job he has been charged with as Leader of the Opposition in this State and decide whether he will put the interests of New South Wales before the political interests of his friends in Canberra. What the Labor Government gives the Howard Government will take away. It has been a sorry story in New South Wales since John Howard was elected eight years ago: he has created perpetual holes in the welfare net of this State. Time and again people have told us the Federal Government has cut dental services and other subsidies, funding to the shires and local government. They want to know whether we can help them out. New South Wales is continually asked to fill in the gaps created by the Federal Government. The proposal to take \$376 million from the State budget leaves us with a giant hole to fill. It is not a one-off reduction of \$376 million but recurrent for the next five years. New South Wales will find it very difficult to meet the challenge. The Leader of the Opposition criticised this Government for its increased expenditure. He asked where the money had gone.

Mr Brad Hazzard: Waste.

Mr JOSEPH TRIPODI: We spent \$230 million more than the previous Government on teachers, \$155 million more on education and \$70 million more on nurses. I disagree with the honourable member for Wakehurst that giving nurses pay rises is a waste. We spent \$71 million more than the previous Government on transport, \$52 million more on disability services and \$64 million more on police. We are proud of our high level of expenditure, and we do not apologise for it. We did it while the Commonwealth was pegging us back year after year. We had to find the money. The recommendation of the report is to tax the people of New South Wales even more. It is what John Howard is considering, but we do not want to be put in a position where the \$376 million of New South Wales taxpayers is made up from the tax base in this State. Taxing the hell out of New South Wales is not good for the economic prosperity of this State or this country.

Motion agreed to.

CHILD CARE PLACES

Matter of Public Importance

Ms VIRGINIA JUDGE (Strathfield) [5.06 p.m.]: I ask the House to note as a matter of public importance child care places, an issue that is close to the hearts of many Australian families. I will read an excerpt from a letter I received recently from a new mother in my electorate, which states:

I am writing to you as a member of the public concerned about the appalling lack of child care places, especially for babies under two years old. I am the mother of a seven-month-old son, and completed my maternity leave entitlements in April this year. I intend to return to work at this time, but to date have been unable to place my son into child care to enable me to do so. This has not resulted from disorganisation on my part, as I have had him registered at 15 different child care centres and 3 different areas for family day care since I was 8 weeks pregnant, that is 14 months ago.

This is a professional woman, a scientist, who carries out leading research at one of our universities. The last paragraph of her letter states:

I know many other new parents who are also unable to find child care at this time, and I commend this matter to your immediate and urgent attention.

This new mum is not alone. At the time of the 2001 census 1,887 children in the seat of Strathfield were under two years of age. According to a quick ring around last week by my office, only 95 places were available in the area for children in this age group but 500 children were on a waiting list. Although it is impossible to know how many parents of the 1,887 children balked at the long waiting lists and made other plans for the care of their children, one thing is absolutely certain: the Federal Government has failed to provide adequate child care places for children under two.

[Interruption]

The honourable member for Wakehurst may laugh and think it is a big joke, but mums and dads in the community do not think it is any laughing matter. Of the 22 long day care centres in Strathfield, only a few offer places for this age group. A survey by my electorate office of the child care centres listed on the Data Diction LINCS [Local Information Network for Community Services] web site for the local government areas of Ashfield, Burwood and Strathfield revealed the situation to be dire indeed. Kiddies Capers Learning Centre in Ashfield and the Lingwood Pre Kindergarten Centre in Strathfield had no places for the under twos. Hosanna Child Care Centre in Ashfield had five places, but none was available this year. Weldon Occasional Care Centre, the Burwood Childcare Centre in Burwood and Active Kids in Homebush had 10 places and a long waiting list. Daisy Day Care in Burwood had seven places and described its waiting list as "very long".

Magic Kids in Ashfield had 10 places, and the names of 150 kids on the waiting list. Ashfield Early Learning Centre had 12 places and the names of 90 kids on the waiting list. Learning and Development Centres at Ashfield had 21 places and the names of approximately 200 kids on the waiting list. Strathfield One-Stop Childcare Service in Homebush West had 10 places and over a year's wait for a place. At Mary Bailey House at Strathfield there is a waiting period of at least two years. This means that if a woman living in Strathfield were to find out today that she was pregnant and immediately placed her expected child's name on a waiting list at every child care centre in the Strathfield electorate that has the capacity to care for children under two years of age it is highly unlikely that a place would become available in time for her to return to work at the end of her maternity leave entitlements—provided she has some.

If the Federal Government is really serious about supporting working families—that is, working mothers and working fathers—and about ensuring equal opportunity for women in the workplace the provision of affordable child care should be a priority. The New South Wales Government is committed to supporting children's services, including preschools, long day care, occasional care, mobile services, family day care, home-based care and vacation care. It directly funds preschools, some long day care services, mobile services and vacation care. It is the role of the Commonwealth Government to provide eligible families with a subsidy, which is known as the child care benefit, to assist in reducing the cost of child care for families using child care services; to implement a national accreditation system for long day care, family day care and outside school hours care services; and to provide funding to some children's services to assist children with additional needs.

It is a responsibility of the Commonwealth Government to fund places for children in the nought-to-two-years age group. This matter is of great concern to me and to many of my constituents. It is another area in which the Commonwealth Government falls far short of fulfilling its responsibilities to babies and their parents. It is not only those who live in my community who know this; the Federal Government knows it, yet it has done very little about it. A recently leaked Commonwealth Cabinet document entitled "Work and Family—Initial Report of the Inter-departmental Taskforce", which was drafted by the Department of the Prime Minister and Cabinet, the Department of the Treasury, the Department of Finance and Administration, the Department of Employment and Workplace Relations, and the Department of Family and Community Services, states:

There is anecdotal evidence that places for children aged under two are difficult to locate. Places for these children are more expensive to provide as they require a higher staff-to-child ratio, but do not attract any higher level of subsidy.

The latter part of the document is significant:

Further, even if the overall demand for care is currently satisfied, individual families in particular locations may still face difficulty accessing care.

That is an acknowledgement by the Commonwealth Government's own document, based on its own research. The Commonwealth Government's report also acknowledges that one of the most significant areas of demand for formal child care continues to be access to child care for children under two years of age. While the Commonwealth Government recently announced some increased child care places in the form of out-of-school-hours care and family day care, that still does not address an important area—the shortage of places for parents who are trying to get their babies into long day care.

These shortages in long day care appear to be greatest in low-income metropolitan and regional areas. The cause of this shortage appears to be related to the Commonwealth Government's withdrawal of capital grants and the removal of operational subsidies to child care centres in its early years of government. This means that new services are being set up only in higher-income areas or with the backing of major investors. The shortage in long day care places is related also to the establishment of caps that the Commonwealth Government put on child care places, which produce limited access to these places. In its first four years the Howard Government cut \$850 million from the Federal child care budget.

Earlier today many speakers referred to the cuts recommended by the Commonwealth Grants Commission. But what about the \$850 million that the Federal Government sucked out of the communities, families and children—the future of this country—represented by members of the Coalition? Members of this Chamber are nodding in agreement because what I am saying is the truth, and the truth speaks eloquently. What I am saying is true—\$850 million has been sucked out of child care allocations by the Federal Government, and the Coalition cannot argue against that. The Federal Government's action is obviously no help to struggling families and women who are desperately trying to get back to work. I received a letter from a very talented woman who has been denied the choice of returning to the work force because of the insensitivity of the Federal Government's policies.

Mr DEPUTY-SPEAKER: Order! The honourable member for Wakehurst will curb his interjections and remain silent.

Ms VIRGINIA JUDGE: Data from the Australian Bureau of Statistics show that the cost of child care has increased by 33 per cent since September 2000—after the introduction of the goods and services tax [GST]. The report entitled "Australia's Welfare 2003", which was released in December last year by the Australian Institute of Health and Welfare, highlights how child care is becoming less and less affordable for Australian families. The report states:

Between 2000 and 2002, however, affordability declined for families using all types of long day care services ... Child care became less affordable over this period because fees rose more than the CCB (child care benefit), which is indexed to the Consumer Price Index ...

This is a real, daily issue for many families, for many working mums—talented women who have many skills and a great deal to offer the community—and dads who want to get back into the work force. I show honourable members a letter I received on 2 March. This letter, which is one of many I have received on this subject, sets out the problems. Members opposite are obviously not listening to the needs being expressed by their constituents. There are thousands of families in New South Wales who cannot access quality affordable child care for their young children who are aged from nought to two years. There are also many families who have a parent at home but who want to access the early development programs that long day care services provide.

If the Commonwealth Government is genuinely concerned about the wellbeing of young families and young children, it must move to expand the number of families who are able to receive the child care benefit to enable them to access long day care, and it must address the higher cost of care for these future members of our community—our wonderful babies in the nought to two years category. Let us stop pussyfooting around. Let us put the money where it should be and do something to support the entire community so that we can be proud of our successful State and nation. Let us look after our young families.

Pursuant to sessional orders business interrupted.

PRIVATE MEMBERS' STATEMENTS

LAKE MACQUARIE CLEAN-UP PROGRAM

Mr JEFF HUNTER (Lake Macquarie) [5.15 p.m.]: On a number of occasions over the past few years I have taken the opportunity to inform the House of the great work that is being done to improve the health of Lake Macquarie. Today I wish to bring members up to date on the results that are being achieved. Since 1999 a major clean-up has been under way of Lake Macquarie. As honourable members would be aware, the State Government is contributing approximately \$10 million towards the Lake Macquarie clean-up program, together with industry and local residents who are contributing through a lake levy that has been arranged by the Lake Macquarie City Council.

The millions of dollars of State and local government funds that are being spent on the lake's clean-up program are getting results, according to the Lake Macquarie and catchment co-ordinator, Mr Jeff Jansson. I might add that his views are backed up by the finding of last year's community survey, which showed a significant increase in the number of people who believe that the health of the lake is improving. One example of the improved health of the lake is the reports of fish returning to the upper reaches of Mudd Creek at Blackalls Park following improvement works in the area. Meanwhile, in the nearby LT Creek and Edmund and Fennell bays, an extensive dredging operation has begun for removal of up to half a metre of sediment in specific areas to enhance water quality of the bays.

The works are part of a \$1.5 million Fennell and Edmund Bays Management Plan that also includes construction of stormwater treatment devices, foreshores stabilisation and vegetation restoration in the area. These restoration works follow other successful projects around the lake at Shingles Splitters Point, Wangi Wangi, Balmoral, Toronto, Toronto West, Booragul, Speers Point, Valentine, Pelican, Swan Bay, Swansea Channel, Coon Island, Black Neds Bay, Swansea Flats and Cams Wharf, to name just a few of the areas where works have taken place.

At Fennell Bay a gross pollutant trap and dedicated swale have been installed. A gross pollutant trap has also been installed at Thorne Street in Toronto, and flow enhancement devices have been installed at Mudd Creek, Blackalls Park. A stormwater treatment facility has also been installed at Blackalls Park, and \$60,000-odd has been spent on another gross pollutant trap at Fennell Bay. Approximately \$10,000 has been spent on rehabilitation works in the upper LT Creek and Mudd Creek area, and the list of improvements goes on and on. That work has been undertaken since July last year.

At Toronto West some \$360,000 was spent on constructing a wetland near Keith Barry Oval, a joint project of the Lake Macquarie clean-up program, the Federal Government and Lake Macquarie City Council. As of March this year the Lake Macquarie Project Management Committee has completed more than 13 kilometres

of foreshore stabilisation and vegetation and improved water quality with 24 constructive wetlands and stormwater improvement devices. The project management committee was formed in 1999 to implement the recommendations of the Premier's task force on Lake Macquarie. In May 2002 the Premier visited Lake Macquarie to announce the extension of the program for a further three years. On that occasion he described the project as "a model partnership between State and Local Government, Industry and the Community".

Although the clean-up program is getting results there is still more to be done. Last week I inspected the foreshore stabilisation and regeneration project at Spears Point together with the Lake Macquarie and Catchment Co-ordinator, Jeff Jansson, and Councillor Alan Hunter. The work that has been done has made a magnificent improvement to the foreshore and water quality in Cockle Bay. Certainly more work needs to be done. Jeff Jansson explained to me that restoration works are set to run well into 2005. I congratulate all involved in this worthy project, including the Government, the council, industry and, importantly, community volunteers who played a major and important role, on a job well done. They have the support of the State Government and the members of Parliament representing the Lake Macquarie area. We are achieving results in returning the health of Lake Macquarie to what it was many years ago, before white settlement.

WATER RESTRICTIONS

Mr STEVEN PRINGLE (Hawkesbury) [5.20 p.m.]: Honourable members would be aware that gardening—together with its associated activities—is one of our most popular hobbies. Nationally, the nursery industry is worth some \$5.7 billion. The New South Wales and Victorian industries comprise about 60 per cent of that total; that is a massive \$1.8 billion or so injected into the New South Wales economy each year. The nursery, garden and landscaping industries employ at least 9,000 people in New South Wales. In my electorate the nursery, turf, landscaping and irrigation industries are extremely significant employers and are all important to the Sydney economy. Honourable members would be aware that stage one water restrictions came into force in October 2003.

As a result, people involved in the industry have seen a 30 to 40 per cent reduction in sales. Unfortunately the water restrictions were introduced without consultation with the green industries that are so vital to the New South Wales economy. Not enough alternatives were investigated and they certainly have not been considered since. Unfortunately, as stated in the *Sunday Telegraph* a few weeks ago, stage two restrictions are proposed. These restrictions will probably result in a total ban on using hoses; so we will be able to use only buckets. One does not have to be a genius to work out that that will have an absolutely devastating impact on industry and the economy. The public will be discouraged from purchasing plants, because they know that the plants will not survive the limited watering that will be available.

Many garden centres have already promoted the benefits of water storage agents, mulching and drip irrigation systems but, unfortunately, their take-up has been relatively low. Further, many industry operators will not be able to water their plants, except during exempted hours. Honourable members who have been to Richmond recently, and those who have looked at weather maps, would have noted the heatwave conditions of the past few months. Stock will die, and there will be no customers. Clearly, this is a major problem. The current 30 per cent loss in sales will blow out to at least 60 to 70 per cent. Many operators will be forced out of the industry, and the New South Wales economy will suffer commensurately.

Earlier today I received a telephone call from Matthew, an operator in the irrigation industry. He is now working out of Melbourne, because his business would have disappeared if he had continued in New South Wales. Our neighbouring State has similar water problems, yet Matthew is able to continue his business. In the face of massive restrictions, local green groups have come together. The green industries group represents the New South Wales Turf Growers Association, the Nursery and Garden Industry Association (New South Wales and the Australian Capital Territory) the Australian Institute of Horticulture New South Wales Branch, the Irrigation Association of Australia, and the Landscape Contractors Association of New South Wales.

The industries have come together with some major initiatives. Their strategies are contained in their proposal entitled "Improving the efficiency of outdoor water use", which is designed to be a collaborative partnership between the green industry and the Government, utilising the industry's expertise and direct relationship with consumers to bring about real water savings in the Sydney, Blue Mountains and Illawarra regions. The convenor of the New South Wales green industries group, Jolyon Burnett, stated:

Improving the efficiency of outdoor water issues will improve the efficiency of Sydney's mandatory water restrictions, and will bring about long-term behavioural change in the way we water lawns and gardens.

For some weeks the group has tried to talk to the Premier and the Minister, but its pleas have fallen on deaf ears. Tonight I ask that the Minister meet with the association, because at least 9,000 jobs are at stake. We know that the Government's budget has already blown out, and it will blow out even further if we do not listen to the industry association and take action to ensure that we have water restrictions that work. [*Time expired.*]

OBERON TO BATHURST BUS SERVICE

Mr GERARD MARTIN (Bathurst) [5.25 p.m.]: Two innovative public transport services have been introduced in the Bathurst electorate, and both are by-products of the Parry report. One service, connecting Bathurst and Oberon on six days a week, is operated by Newman's Bus Company of Blayney. Newman's is successfully run by Jim Newman and his son Paul, and they work also in the fuel distribution industry. To promote the new public passenger service between the towns the Government has agreed that non-student passengers can ride free for the first three months of operation, that is, until April. This innovative route combines school runs with new passenger services, allowing Oberon residents to use public transport to access the many services and amenities on offer in Bathurst, some 45 kilometres away, and one of Australia's fastest growing inland centres.

The Oberon to Bathurst bus service will operate nine runs on weekdays and two on Saturdays, stopping on demand along the route. It will transport about 160 students from both public and private schools from Oberon and O'Connell to Bathurst and will eliminate the transfer of 50 students at O'Connell. Newman's has invested in two new 61-seat buses and one new 20-seat bus and will consolidate four overlapping school services into one. The service will provide regular access to Bathurst's medical and educational facilities, retail outlets, movie theatres and government offices. It will provide opportunities for Oberon businesses to promote their goods and services to Bathurst residents and will eliminate or reduce the payment of private vehicle conveyance subsidies for 41 families. Of course the new service provides incentives to Newman's to grow and maintain patronage.

One of the key recommendations of the Parry report into public transport funding was the development of local and community transport plans to improve the provision and co-ordination of transport services within government departments. This company is an excellent example of a public-private alliance. The Oberon to Bathurst bus service is a model for the kinds of inventive transport solutions required in regional and rural communities. This is the first of these services to flow out of the Parry report. Previously the transport links between the two centres consisted of two school services, including the transfer of 50 students at O'Connell, a fortnightly community transport funded service for the transport of disadvantaged people and private buses operated by two non-government schools. This has now been consolidated into one regular service.

Buses used by Mr Newman to ferry students at the start of the day and that remained idle in Bathurst until the end of the day will now be utilised during the day. As a by-product of this innovative service between Bathurst and Oberon, the Bathurst Community Transport Group has been able to free up a bus that was servicing Oberon. It is now able to offer a service to Hill End residents. Honourable members would be aware that Hill End, one of the historic goldmining villages in New South Wales, is located 60 kilometres from Bathurst. To date, Hill End has had no public transport services. Disadvantaged residents in Hill End will now be provided with a service once every fortnight, thus giving them access to facilities in Bathurst.

The bus, which will be staffed by volunteer drivers from the Bathurst community transport system, will operate once a fortnight—on pension Thursdays. It will depart from Hill End at 9.00 a.m. and return at 2.30 p.m., giving people ample opportunity to conduct business in Bathurst, have a day out, have lunch, or whatever. This shows the benefit of local integration. The Ministry of Transport is working with local providers to improve public transport services. This service, which will connect public and private infrastructure, has flowed as a result of recommendations in the Parry report. The Newmans, by providing this innovative service between Oberon and Bathurst, have freed up another resource. The Bathurst Community Transport Group is now able to provide this service to Hill End. People in Hill End, in particular pensioners, will welcome this service. All those people who maligned the Parry report should reread it and establish how this community bus option will help disadvantaged people in rural areas.

NARROMINE WATER QUALITY

Mr IAN SLACK-SMITH (Barwon) [5.30 p.m.]: Constituents in the Narromine area, which I represent, and constituents in the electorate of the honourable member for Dubbo have a water shortage crisis. We have just had the worst drought for well over 100 years. Water is an important ingredient in any community,

especially in rural New South Wales. Without water, stock, people and crops will die. Water—no matter the quality—is the lifeblood of any community. Underground water reserves in Narromine have been depleted over the past few years as a result of the drought and excess water extraction. Farmers who received the permission of the Government to irrigate their land are entitled to do so—and they must do so—if they are to continue making payments to their banks.

One of the biggest problems in Narromine is salinity, which has become quite unacceptable over the past few months. A water analysis report produced by NSW Agriculture's Diagnostic and Analytical Services Environmental Laboratory, Wollongbar, shows that in November last year the electrical conductivity count of one bore was 900, and two months later the electrical conductivity count was 5,700, which is frightening. Water aquifers in this area have been reduced to such an extent that farmers now have salinity problems. People cannot drink the water and they cannot use it to wash. The salty water is killing gardens. It is unacceptable. The Government must urgently investigate salinity problems in the Narromine area. Narromine council, which is dependent on bore water, does not have a filtration plant so the quality of water in Narromine is poor. The Government must conduct an urgent investigation to determine why there is a lack of quality water in this area. If this problem continues, in a few years time the water in a vast region of this State will be unfit for human consumption or use.

WALTCORP PTY LTD DEVELOPMENT CONSENT COMPLIANCE

Ms KRISTINA KENEALLY (Heffron) [5.35 p.m.]: I refer to a problem caused by a developer in my electorate and to the steps I have taken with affected constituents to resolve it. On 31 July 2003 I received correspondence from Mr Andy Davey on behalf of the executive committee of the Nova building in Victoria Park. Mr Davey sought my assistance and advice on an issue in which a developer had not complied with council's development consent. On 13 August I met with Mr Davey and Mr Clinton Allardice, residents of the Nova building, in my electorate office. They told me that the developer of their building, Waltcorp, sold exclusive-use contracts for visitor car spaces in the Nova building.

Apparently, Waltcorp offered exclusive-use contracts for specific visitor car spaces to some people who purchased units in the Nova building. It also sold exclusive-use contracts for disabled parking spaces. My subsequent conversations with residents showed that residents had each paid up to \$30,000 for the exclusive use of a car space. South Sydney City Council's development consent required that the Nova building house 20 visitor car spaces. Apparently, 20 visitor spaces were marked when council inspected the building and issued an occupational certificate. It seems that after council completed its inspection, Waltcorp changed the physical environment and replaced the visitor car space markings with exclusive-use markings for specific units.

After meeting with Mr Davey and Mr Allardice I visited the Nova building and saw for myself the changed parking spots. Within a week of my appointment with Mr Davey and Mr Allardice I had spoken to officers in the office of the Minister for Fair Trading, the Minister for Local Government, and the Minister for Planning. This was an unusual situation. It appeared that no developer had ever tried to undertake this sort of action. After several discussions with these officers it was determined that the most appropriate agency to handle the problem was the Office of Fair Trading. By the end of September a Fair Trading investigation was well under way. As part of its investigation, the Office of Fair Trading obtained files from South Sydney City Council on previous Waltcorp developments and discovered that the developer had sold similar exclusive-use contracts for visitor spaces in another building—the Atlas development.

The Office of Fair Trading met several times with Waltcorp and its lawyers. During those meetings Waltcorp advised that it proposed to contact residents who had exclusive-use contracts for parking spaces and offer to buy back those spaces. That has now happened in the Atlas building. However, in the Nova building there is a move to lodge a section 96 application to council to amend the development consent application and to limit the parking spaces to only 10 visitor spaces. That would mean that Waltcorp would not need to purchase as many spots to meet development consent conditions. Such an application would have to be agreed to by the owners' corporation. Council, in a transparent process that allowed residents to make submissions, would then make a determination.

However, those who bought spaces now face the loss of their car spaces. Some of these residents rightly feel aggrieved at the loss of what they thought was a validly purchased amenity. Others bought units with the legitimate expectation that 20 visitors spaces would be available and moved in to find only five. I have been advised by the Office of Fair Trading that it is proposing to take further action in respect of this matter, most likely by way of enforceable undertakings pursuant to the Fair Trading Act. Any such undertakings will be framed to ensure that there is no recurrence of misconduct.

I am also pleased to report that my advocacy on behalf of the residents of the Nova building has prompted the Minister for Fair Trading to introduce legislation that toughens the requirements for developers to disclose any exclusive-use contracts that might affect the sale of a property. The Strata Schemes Management Bill, about which I spoke in the House recently, will protect future purchasers in strata schemes from this sort of action by a developer. This legislation is important as we in Heffron prepare for the Green Square master plan and other large strata developments in South Sydney. I want to send a clear message to developers that our community demands that they adhere to planning processes and respect the development consents that our councils place on them. I will continue to fight on behalf of all Nova residents to resolve the situation and I will keep a watchful eye on developers in the electorate of Heffron.

VASEY HOUSING ASSOCIATION NEW SOUTH WALES THIRTY-FIFTH ANNIVERSARY

Mr ANTHONY ROBERTS (Lane Cove) [5.40 p.m.]: On Monday 8 March I had the privilege and distinct pleasure of attending a ceremony held at the Vasey Housing Association's Lane Cove retirement village to mark the thirty-fifth anniversary of its opening by His Excellency Sir Roden Cutler on 7 March 1969. A plaque unveiling was the highlight of the ceremony. That was preceded by some words from Vasey's chairman, Brigadier Bruce Trimble, and me. The General Manager of Vasey Housing, Mr David Elkins, was also in attendance. Lady Joan Cutler, a wonderful and gracious lady, unveiled the plaque commemorating the thirty-fifth anniversary. With the formalities out of the way, guests were invited to inspect the property and that was followed by the serving of morning tea.

The Vasey Housing Association has a long and proud history and continues to maintain its not-for-profit status while holding true to the ideals of its founder, Mrs Jessie Vasey, who was the widow of Major General G.A. Vasey. Vasey has five retirement villages throughout Sydney, all of which are located in some of the city's most sought-after and picturesque suburbs, offering comfort and security as well as value for money to those over the age of 55. It is important to go into some of the history of the Vasey Housing Association New South Wales. It was named after its founder, the late Mrs Jessie Vasey, B.A., C.B.E., who was the war widow of one of Australia's most distinguished soldiers, Major General George Vasey, C.B., C.B.E. and D.S.O., M.C. (Greece), D.S.C. (USA), Commander of the 6th and 7th Division of the Second A.I.F., who was killed when his aircraft crashed in the mouth of the Barron River near Cairns on a flight to New Guinea on 5 March 1945.

Major General Vasey was one of Australia's finest and best-loved soldiers. His concern for his men and their dependants caused him to ask his wife to do all that she could to help the wives and widows who had been left behind. Mrs Vasey helped to establish the A.I.F. Women's Association, and was, therefore, already heavily involved in work of this kind. After the death of her husband she started to fight for the thousands of war widows who were living in near poverty on a pension that had remained unaltered, save for a rise of three shillings, from 1916 to 1945. In 1945 she formed the War Widows Guild in Victoria, and by 1947 the guild became an Australia-wide organisation and a recognised force in the fight for better conditions for war widows and their families.

In the years following the war it was difficult for war widows to obtain war service homes because of the large number of servicemen returning to civilian life. Flats and houses were at a premium. By 1950 the guild was constantly receiving calls from some of its older members who were living alone and found it impossible to find accommodation within their means. Mrs Vasey felt that the solution would be to start building homes for war widows over 60 years of age. In 1962 Vasey Housing was incorporated in New South Wales as the Vasey Housing Auxiliary and in 1975 it changed its name to the Vasey Housing Association New South Wales.

When the scheme first started accommodation was made available to war widows only. Later, as accommodation became available and in accordance with the memorandum and articles of association, eligibility was extended to include beneficiaries other than war widows. Beneficiaries included any person over the age of 60 who, first, had served in the defence forces of the Commonwealth of Australia or of any member of the British Commonwealth of Nations; secondly, is related whether by blood or marriage to a person described above; thirdly, was wholly or partially dependent upon a person described above; fourthly, because of poverty, sickness, destitution, helplessness or other distress, is, in the opinion of the board, deserving of charity within the spirit and intention of the laws relating to public charitable trusts in New South Wales. It was a policy of the board to give preference to war widows, widows of ex-servicemen and to ex-servicewomen.

A contribution decided by the board from time to time provides life residency in a Vasey unit. Over the years the association has constructed retirement villages at Concord, Epping, Hunters Hill, Lane Cove, Maroubra and Waitara, comprising a total of 272 self-contained one-bedroom units. In 2002 the association sold

its smallest village at Concord after relocating residents to other villages. Today, with more than 40 years experience in the retirement industry, Vasey Housing maintains its not-for-profit status and continues to offer greater value as well as comfort and security to its residents. With the passing of time and the declining number of surviving war widows, to ensure that its work could continue the Vasey Housing Association decided to open its doors to both single men and women over the age of 55 who wish to enjoy an independent and dignified lifestyle.

A board of directors, whose members—I am proud to know many of them—possess skills in law, accounting, engineering, management, property and marketing, governs the association. Some of the current directors have a proud military service background. Over the years distinguished servicemen have continued to ensure Vasey's strong defence force connection. Past chairmen include Major General Sir Ivan Dougherty, Lieutenant General Sir John Northcott, Major General John Bishop, Major General Ray Sharp, and the current Chairman, Brigadier Bruce Trimble. I am proud to be associated with this organisation and I am particularly proud that two of the villages are located in my electorate. I commend the board's vision and good management and the wonderful sense of community, belonging and friendship that it has nurtured in its five retirement villages. The residents, administrators and the board have a wonderful sense of family and belonging.

NEPEAN HOSPITAL VIRTUAL CRITICAL CARE UNIT

NEPEAN CANCER CARE CENTRE

Mrs KARYN PALUZZANO (Penrith) [5.45 p.m.]: I recently attended two events in my electorate that exemplify the Carr Government's commitment to quality health care outcomes. The first event was the launch of the virtual critical care unit at Nepean Hospital in November last year. The New South Wales Minister for Health launched the unit via a virtual link with the Attorney General, and Minister for the Environment, who was at Blue Mountains District Anzac Memorial Hospital. This unit not only is a great win for Penrith but also has the potential to benefit thousands of people throughout the State and the country as a whole.

The virtual critical care unit is a system that allows doctors in the Blue Mountains District Anzac Memorial Hospital to be connected via high-speed Internet links with specialist doctors at Nepean Hospital. Using this high-speed hook-up, doctors at Blue Mountains hospital are able to converse in real time with doctors at Nepean Hospital. The most important feature of the virtual critical care unit is the access to patient information by doctors at Nepean Hospital. The monitors show pulse and blood pressure in real time and a camera allows access to file notes, electrocardiograms and X-rays. The real-time camera is positioned at the foot of the bed so the doctor at the Nepean unit has the same view of the patient that he would have if he were at the patient's bedside at Blue Mountains hospital.

During the 10-minute demonstration doctors at Blue Mountains hospital simulated a critical care situation involving a seriously injured patient. The doctors at Nepean were able to view the wounds and speak to the doctors at Blue Mountains hospital in real time. This technology is a world first. It uses second-generation broadband Internet technology that is far superior to anything else available. The links can carry 3,000 times the information that can currently be transferred using ISDN. When honourable members ponder the potential uses of technology such as the virtual critical care unit throughout the State they will no doubt be excited. The New South Wales Government committed \$1.2 million to this pilot project but similar units may soon be available to be installed across the State in remote and isolated areas where specialist medical treatment may not be readily available.

This technology gives patients at Blue Mountains hospital the benefit of Nepean Hospital specialist emergency and intensive care expertise at any time of the day or night. Doctors previously needed to speak over the telephone, wasting a great deal of time. Time is of the essence in critical cases. I commend those involved with the virtual critical care unit. I particularly thank Heather Gray, the Chief Executive Officer of the Wentworth Area Health Service; Dr Pat Cregan, the Wentworth Area Health Service Director of Surgery; Dr Stuart Stapleton, the Wentworth Area Health Service Director of Trauma; Dr Laurie Wilson, Convener of the Centre for Networking Technologies for the Information Economy, which is also known as CeNTIE; and Dr Terry Percival, the Director of CeNTIE.

The second event, which happened last year, was the announcement of \$1.4 million new funding to the Nepean Cancer Care Centre. The extra funds will be used to expand the clinic space and pathology collection area, upgrade staff and patient amenities, improve the reception area to increase the comfort of patients, provide additional tutorial rooms for staff, and upgrade the radiation planning area, in which I am particularly interested.

Those projects will further improve the health care facilities available to people in Penrith and to the wider Greater Western area. In the 12 months to June 2003, the Nepean Cancer Care Centre provided more than 32,500 cancer treatments, including 5,000 chemotherapy and 11,500 radiotherapy treatments. The extensions will continue to allow the centre to treat as many people as possible. I have great pleasure in informing the House of that funding because it is especially pleasing to have new technologies used for the advancement of health services in Australia. I commend the Government for continuing to provide quality health care services for the people of New South Wales. I also thank the hardworking health care professionals who work daily to ensure our health standards remain as high as those anywhere in the world.

CAPTAIN COOK'S LANDING PLACE

Mr MALCOLM KERR (Cronulla) [5.50 p.m.]: Last year before the State election the Premier announced \$5 million in funding for the upgrade of the grossly neglected Captain Cook's Landing Place at Kurnell. Captain Cook's Landing Place has profound cultural and historical significance. It is a symbolic meeting place of cultures from the first meeting between Captain Cook and indigenous Australians. The proposed scheme was to include construction of a jetty, guided walks describing the significance of the site for Aboriginal people and European settlers and rehabilitation of Cook's stream, which was a source of fresh water for Aboriginal people and the site where Cook and his crew replenished fresh water for their voyage up the east coast of Australia.

The National Parks and Wildlife Service has prepared a master plan for the site, which is to now be known as the Meeting Place Precinct. To hundreds of thousands of Australians this place is known as Captain Cook's Landing Place. The site was proclaimed on 18 December 1899 as a public reserve under the name "Captain Cook's Landing Place" and dedicated for the use and enjoyment of the public for all time. The name "Captain Cook's Landing Place Historical Site" is also included on the Register of the National Estate. All Australians, whatever their background, have a unique and deep attachment to this land. It also attracts interstate and overseas visitors as a site of great discovery. The term "meeting place" is open to a number of interpretations, from a face-to-face meeting or to encounter in opposition or conflict.

The master plan also includes recommendations for a cafe on the site for the purchase of food and drink, and that the use of Aboriginal names for food and drink should be used in the cafe. The consultants state that there are Aboriginal names for coffee and tea. This leads to the ridiculous concept that the original Aboriginal occupants of the land were cappuccino drinkers and pasta eaters. When Sutherland shire councillor, Tracie Sonda, proposed that Cook's head on the council logo be replaced by a dancing dolphin, community outrage was expressed not only in the Sutherland shire, but all over New South Wales and the rest of the country. It also extended to international media, and most people found the proposal shameful.

The master plan also proposed the removal of all trees that are not part of the known vegetation communities and which are not commemorative plantings. The removal of trees which have taken decades to grow and whose only crime is that they are not indigenous to the local area could be considered an act of vandalism. A far more sensible proposal would be to adopt a planting scheme of indigenous trees and shrubs with the long-term plan of replacing non-indigenous species when they reach the end of their natural life.

The existing Discovery Centre was opened as a museum and information centre in 1967. The master plan proposes that a new cultural centre be built on site with a keeping place for Aboriginal artefacts. There is no mention, however, of keeping the museum that has, over the years, displayed hundreds of items relating to the Cook expedition. One of the most significant of those items is one of the original canons from the *Endeavour*. Six canons from the ship were thrown overboard near Cooktown when the *Endeavour* was grounded on the Great Barrier Reef. For nearly 200 years the canons lay on the ocean floor before being discovered and restored. It is disturbing that the master plan does not make any mention of such an important item as the canon. The master plan recommends keeping any form of display to a minimum. The plan proposes that audio-visual material is preferable, as it will limit the need for static display, which may require security, environmental controls and increased staffing.

The Kurnell canon is a great treasure and must stay at Kurnell. The Government must give an assurance that it will not be carried off in the dark of night to join the hundreds of other items that have been moved from the Kurnell museum. Cook had a vision for Australia, confident that one day it would be a flourishing civilisation, bountiful in the fruits of labour and the soil. Cook was a great man. The people of Australia have underwritten their achievements in relation to Cook's optimistic forecasts of Australia's potential. As the *Daily Telegraph* stated at the time of Tracie Sonda's dancing dolphin scandal:

History cannot be censored in order to placate groups it may offend. Denial of history does not change its course, only the ability of the individual to establish the truth.

I am sure all honourable members would agree with those noble sentiments. [*Time expired.*]

BATTLE OF CONSTITUTION HILL BICENTENARY

Ms PAM ALLAN (Wentworthville) [5.55 p.m.]: I refer to a matter that is dear to the heart of the honourable member for Liverpool and many others in Sydney, that is, the celebrations last Saturday to mark the Battle of Constitution Hill. Last Saturday, which was wet, marked the half-way point of the celebrations of the 200th anniversary of the Battle of Vinegar Hill. Last Saturday also marked the 200th anniversary in the electorate of Wentworthville of the Battle of Constitution Hill. A ceremony occurred and various events marked the significance of that date. In the past few years I have spoken about this matter on various occasions in this House. On one occasion I referred to a book by Lynette Silver which described the preliminary skirmish to the Battle of Constitution Hill, when the irate Irish convicts intended to swoop down on the central business district of Parramatta and torch it. However, according to Lynette Silver, they were enjoying themselves so much that they got drunk and were unable to fulfil their revolutionary objective. They then straggled off towards Castle Hill and joined other forces and were effectively defeated by the redcoats at the Battle of Vinegar Hill.

Bearing in mind the wet weather last Saturday I can understand why one would have been tempted by the bottle 200 years ago. It was a severe day on which to try to enjoy the delights of a bush band, an Irish band, Irish dancing and other Irish events that were taking place at the peak in my electorate—the Caloola Road reserve at Wentworthville—to celebrate the Battle of Constitution Hill. I take this opportunity to congratulate the Government on the recent grant of a 40-year lease from Sydney Water to Parramatta City Council to ensure that this peak site at Caloola Road remains in public ownership as public open space. That has been so for 10 years and the lease has recently been renewed for 40 years.

The celebrations on Saturday would not have taken place without the support of many people. First, I thank the Lord Mayor of Parramatta, Paul Garrard, and his events staff, who successfully organised the various events on that day. I thank Mike Bailey, who compared the occasion. As I remarked to him, he did not have to bring the rain with him. However, he did, and he gave his services in an honorary capacity. The mayor of Holroyd, Councillor Malcolm Tulloch, was also in attendance, together with Anne Webster, the Irish Consul-General. We enjoyed the speeches given by those three people on that occasion.

I want to mention particularly the committee, which has worked so closely with Parramatta City Council and the events staff to organise last Saturday's celebrations. The chair of the committee is Councillor Paul Barber of Parramatta City Council. The honorary secretary is myself, Pam Allan, the local member of Parliament. Other members of the committee are Councillor Chris Worthington of Parramatta City Council, community representatives Phil Mahoney Ian Caruth, representatives of the Resident Action Group, Alex Balanda, David Webb and Lorna Porter, and the principal of Darcy Road Public School and other school principals, who worked so capably to ensure that schoolchildren had their own separate celebratory event last Thursday, 4 March, which is purported to be the date of the aborted uprising. They held a successful event at the same location last Thursday.

I move on to mention briefly last Sunday's events at Vinegar Hill, or Castle Hill. I would like to congratulate Barbara Gapps, who chairs the joint local government committee for the celebrations. Barbara is an outstanding councillor on Blacktown City Council and has organised those events in conjunction with her son, who acted so successfully as the leader of the rebels. People might have seen his comments in last Sunday's media. I would also like to mention two private sector sponsors, Baxter Health Care at Toongabbie and Alcoa, which has an aluminium refinery at Yennora. Both Baxter and Alcoa were major sponsors of last Saturday's events. I congratulate all those who participated, and I look forward to the next celebratory event.

COFFS HARBOUR HELICOPTER SERVICE

Mr ANDREW FRASER (Coffs Harbour) [6.00 p.m.]: I again raise the issue of the Westpac Life Saver Rescue Helicopter Service and the proposed location of a helicopter at Coffs Harbour. In doing so, I compliment Lisa Cleveland and the students of the Southern Cross University Union, who so far have collected close to 5,000 signatures on petitions. Those petitions, which I have presented daily to this House on their behalf, seek to ensure that the service has an opportunity to locate in Coffs Harbour. Reid Harris and Associates carried out a review of aeromedical services in New South Wales and in 1994 recommended the establishment of a facility based in Coffs Harbour. In 1999 members from the Westpac Life Saver Rescue Helicopter Service and I met with the then Minister for Health, the Hon. Craig Knowles. We agreed to keep politics out of this issue and to work on it on the basis of a service of need on the North Coast, which we have done quietly ever since. We have not put this issue on the front pages of the media as a political issue. This is a needs issue, and one that would cover Port Macquarie, an area represented by the honourable member for Port Macquarie.

Over the Christmas break there were some five road accident deaths between Macksville and Coffs Harbour. Some of those road accident victims would have benefited from transportation by an aeromedical wing. Yet the Government still refuses to fund a helicopter on a tasking per use basis. The Westpac Life Saver Rescue Helicopter Service has set up a fund-raising organisation in Coffs Harbour. In that it has the wholehearted support of not only the Coffs Harbour community but people in Grafton, Nambucca Heads, Kempsey, et cetera. Those people are putting their hands in their pockets and saying they are prepared to support this facility.

It is my understanding, after talking to Perry Wells, the chief executive officer of the service, that it will have, in the not-too-distant future, a helicopter that can be based at Coffs Harbour. It is currently looking to purchase another helicopter, and when that purchase is complete the other helicopter could be based in Coffs Harbour. The Coffs Harbour City Council has offered land at the airport, which has hanger facilities. The service has the support of the local medicos. Local Ambulance Service officers sometimes speak of this service in terms of competition. It is not. Given the terrain on the mid North Coast and roadworks going on in the area, it would be far quicker and safer if retrievals were carried out by helicopter. All these things point to the need for this service.

All we are asking the Minister to do is give a guarantee that he will task the helicopter once it is located at Coffs Harbour. It will not cost the Government anything. In fact, it is my understanding that the Westpac Life Saver Rescue Helicopter Service is happy to have the service there until 2005 and to fund it from the organisation's existing budget, as long as it gets the tasking and a return on the tasking of this helicopter. These helicopters save lives. I have mentioned before in the House a number of people who have been rescued by helicopter. One fellow, who I am sure will not mind me mentioning his name, is Maurie Connell from Bellingen. Three or four years ago he had a horrific car accident near Dorrigo. Anyone who has travelled down Dorrigo Mountain would know it is about 10 kilometres of fairly narrow and winding road. It is a dangerous road. To get someone who is critically injured to Coffs Harbour Base Hospital, which has all the services to assist accident victims, presents difficulties for the patient because of the nature of the terrain.

Because a helicopter was in the area, Maurie was able to be transported from the top of Dorrigo Mountain down to the Coffs Harbour Hospital. I have no doubt today that his life was saved because that retrieval was able to be done by helicopter. I have raised the issue of a footballer injured in the rugby league grand final last year at Orara. We had to wait for the helicopter from Lismore. In another incident only a couple of weeks ago the helicopter was turned back because of bad weather. The weather improved, and the helicopter came back. It took well over an hour to get the helicopter there. If it had been based locally, it would have been there in five minutes. I implore the Minister to listen to what Perry Wells and his organisation are saying on behalf of the people of Coffs Harbour and to task the helicopter so that it can be on the ground at Coffs Harbour and serve the whole of the North Coast from the north of Grafton to Port Macquarie as soon as possible.

FLOOD PLAIN MANAGEMENT MANUAL GAZETTAL

Mr ROBERT OAKESHOTT (Port Macquarie) [6.05 p.m.]: I fully support the campaign by the honourable member for Coffs Harbour regarding the mid North Coast air retrieval service based at Coffs Harbour. Tonight I wish to talk about the lack of gazettal of the flood plain management manual that was passed by the Parliament in 2001. I understand it has been through the Cabinet process. However, for some reason, three years later it is yet to be gazetted. That is placing local mid North Coast communities, such as mine, in a difficult position. I am referring not only to local landholders who live on flood plains and are unsure about their rights should a natural disaster occur, but also to the sale of their property and the implications of that. I speak also from the local council perspective: the implications for local councils and councillors in their decision-making processes regarding approvals on flood plain lands.

The flood plain management manual released in March 2001 simply has not been gazetted. Prior to the release of the New South Wales Government's 1984 flood-prone land policy and the 1986 flood plain development manual, development on flood plains was undertaken through a prescriptive approach based upon flood maps. Those maps were based solely on the likelihood of flooding, generally in a 1-in-100 year flood. In the face of intense community dissatisfaction with that approach, the Premier at the time directed that the maps be destroyed and that future flood plain management be merit based. The 1986 manual achieved that by considering both the consequences and likelihood of flooding.

A key element of the merit-based approach is the indemnity provided under section 733 of the Local Government Act 1993 to councils for decisions they make in accordance with this flood plain management

manual. The importance of the 2001 flood plain management manual cannot be over-emphasised. It was jointly released publicly by the then Minister for Land and Water Conservation and the Minister for Urban Affairs and Planning, to replace the 1986 manual. That release was accompanied by the fanfare at that time of the public announcement.

The 2001 flood Plain management manual remains merit based, but builds on the experience of the 1986 manual. It was extended specifically to consider flood risk above the 1-in-100 year event and local overland flooding, and it adopted a more strategic and integrated approach to flood-risk management, which is something I am sure everyone in this House would support. As I understand it, Cabinet approved the gazettal of the 2001 manual. Unfortunately, it has not been gazetted. Until the 2001 manual is gazetted councils that follow it are not indemnified. The non-gazettal of the 2001 manual is a key issue for the flood plain management authorities of New South Wales, and has been the subject of ongoing representations to the Minister by several members in this place.

I understand that the Crown Solicitor has advised that the non-notification of the 2001 manual may breach the Government's duty of care to councils under section 733 of the Local Government Act, which creates a significant potential liability for the Minister and the Government. I understand that the Crown Solicitor advised, "The most certain method of minimising or avoiding the risk of future liability is to place a notice of the publication of the manual in the gazette"—that is, gazettal. What is most concerning to me and, I am sure, to many people in this place is that the manual is not of the Minister's liking, and that is the only reason it has not been gazetted. It is considered by the Minister to be too conservative and restrictive. As a result of problems relating to a development of the Penrith Lake site, the Minister has declined to approve its gazettal. The advice of the Crown Solicitor is being sought. I hope that the Government gazettes the manual as a matter of urgency. It is very important to local councils on the mid North Coast, local communities and individual land-holders. [*Time expired.*]

BENDEMEER

Mr PETER DRAPER (Tamworth) [6.10 p.m.]: I inform the House of the Carr Government's complete disregard for the small country community of Bendemeer, which is a picturesque village of 200 residents set on top of the Moonbi Ranges, 40 kilometres north of Tamworth. Although it is only 40 kilometres from Tamworth and it is in the electorate of Tamworth, Bendemeer may as well not exist so far as the Government is concerned. Bendemeer is in a different rural lands protection board area from Tamworth. The faceless bureaucrats have informed the Minister for Education and Training that the drought in Bendemeer has ended. Apparently, therefore, the school at Bendemeer will not be considered for drought exemptions and its teaching staff will be halved.

As a direct result of the drought the school will lose three children and one of its two teachers will be forced to move. What happened to the Labor Government's pre-election promise to review the staffing formula for small schools? If the department had tried to run down the school deliberately it could not have been more effective than to take away half of the teaching staff. Despite repeated representations to the Department of Education and Training, the needs of the community have been ignored. A representative from the school informed me that the decision had been made to take the teacher, and the new school to which the teacher had been allocated was decided two days before I was advised of this fact by the department. The situation is made even more galling for parents and other community members because a number of other small schools around the district that have fallen below the magical number of students have received special circumstances drought exemption to retain their extra teacher. The people of Bendemeer rightly feel that the Government is discriminating against its community. As parent Jo Osborne said in an email to Minister Refshauge:

How do you suggest we explain to the parents and students of Bendemeer Public School that the Department and the Government do not recognise we have been affected by drought? Sir, let me tell you, that all through the winter for the past two years, I have stood out in the cold and mixed molasses to feed our stock and keep them alive. Up until January this year my husband and I have hand fed stock every second day for two years. Do you know how much it costs us to buy hay? We did not put our hands up for government relief; we spent our savings to get us through. And now you and the Government have the hide to tell us we are not drought affected. And to add insult to injury, you want us to stand aside and accept the decline of our school, our most valuable possession, while you sit in your cosy little office and ignore rural education. Why don't you invite yourself to Frank Sartor's office and make a cup of tea from the water sample we sent him? Ask Frank how dirty the water is, and what sort of nasty bacteria are floating around in it. We are forced to drink this, bath in it and wash in it.

The Government is not only taking the teacher, but it appears to be making it almost impossible for the community to attract more residents to build up the school numbers. What incentive is there to move to a community in which every drop of water has to be boiled? Mothers in Bendemeer are forced to put Dettol in

their children's bathwater because of the smell and the risk of disease. It is impossible to get clothes clean in Bendemeer because of the appalling water quality. Community members sent the Minister for Energy and Utilities a sample bottle of water from a typical Bendemeer tap to highlight the disgraceful state of the water supply. I presume that it is still sitting on his desk, together with a request for assistance to fix the water supply that Parry Shire Council sent to Minister Sartor in June last year. How long do these people have to wait for clean water? Is this the Carr Government's vision for country New South Wales in the twenty-first century?

The financial sector is also contributing to the problem. People who want to buy in Bendemeer cannot get finance without a very high mortgage insurance component. I have received a number of complaints from people wanting to purchase property in Bendemeer, but both the banks and the Government are putting too many barriers in their way. Bendemeer is a proactive and responsive community. They held the Grey Fergie Tractor muster last year, which attracted more than 4,000 visitors and many Ferguson tractors. The local drama group, the Hourglass Players, holds regular performances. The community started a co-operative to market local goods and services. Their football club has been successful in recent years. Despite the best efforts of the community, I am at a loss as to how they can get the attention of this Government. They look around at other small communities in a similar situation and see that they are being treated favourably by the Department of Education and Training, yet Bendemeer loses a teacher.

They look at other communities where the Government has assisted with water quality, yet the needs of Bendemeer are being ignored. Their water is not fit for consumption. Ministers Refshauge and Sartor are helping to destroy this small rural community. It is about time they realised the impact of their decisions or, in Mr Sartor's case, lack of decisions. This Government should have the decency to give Bendemeer a fighting chance to recover from the drought. As a matter of urgency, funds should be allocated to fix the Bendemeer water supply, and the difficulties experienced by the community due to the drought should be recognised. The people of Bendemeer want a decent water supply and they want the Government to give them back their teacher. I sincerely hope that the Government will listen to the community, which is planning a rally this week in Tamworth to try to inform the community of its plight. I hope the Ministers will listen to the community's plea and respond.

Private members' statements noted.

[Mr Acting-Speaker (Mr Paul Lynch) left the chair at 6.15 p.m. The House resumed at 7.30 p.m.]

BUSINESS OF THE HOUSE

Matter of Public Importance: Suspension of Standing and Sessional Orders

Motion by Mr Bob Debus agreed to:

That standing and sessional orders be suspended to postpone the resumption of the interrupted discussion of the matter of public importance until a later hour of the day.

PARTNERSHIP AMENDMENT (VENTURE CAPITAL FUNDS) BILL

Second Reading

Debate resumed from 27 February.

Mr ANDREW TINK (Epping) [7.32 p.m.]: The Coalition does not oppose the Partnership Amendment (Venture Capital Funds) Bill. At present the Partnership Act provides for two forms of partnership: law partnerships and limited partnerships. The bill provides for a new form, an incorporated limited partnership, which, unlike the other two forms of partnership, is a separate legal entity from its partners. It complements the Commonwealth Taxation Laws Amendment (Venture Capital) Act 2002, which provides tax breaks for investors in high-risk projects, particularly from overseas, in areas that often require years of research and development before investors see returns. An incorporated limited partnership can be used only by the venture capital industry; it aligns the liability regime for limited partners with the international preferred vehicle for venture capital investment. An incorporated limited partnership consists of at least one general partner who manages the business of the partnership and at least one limited partner who contributes investment capital to, but does not manage, the business.

An incorporated limited partnership addresses the issue of liability as a limited partner is an investor in the partnership only, and is only liable for losses caused by him or her to another person. However, the bill

prescribes certain activities within which the limited partner can oversee his or her investment. It sets out that the firm is primarily liable for the debts of the partnership but that the general partners are personally liable to the extent that the firm cannot satisfy the debt. An incorporated limited partnership must be registered with the Director-General of the Department of Commerce and the Commonwealth's Pooled Development Fund Board. That board ensures that an incorporated limited partnership meets the Commonwealth's requirements for qualification as either a venture capital limited partnership or an Australian fund or funds.

Reference has already been made to research conducted by the Australian Venture Capital Association Ltd which found that New South Wales would financially benefit from these reforms. Through incorporated limited partnerships, New South Wales will be in a better position to attract both domestic and foreign capital investment in New South Wales growth companies, particularly in the field of medical technology and biotechnology. The introduction of incorporated limited partnerships complements recent Commonwealth legislation and brings New South Wales into line with the accepted overseas model in respect of venture capital investment funds. A similar bill was assented to in Victoria on 2 December 2003. For those reasons the Coalition does not oppose the bill.

Mrs KARYN PALUZZANO (Penrith) [7.37 p.m.]: I am glad to have this opportunity to speak to the Partnership Amendment (Venture Capital Funds) Bill. The venture capital industry is one of high risks, with the possibility of high returns. Investors search for small, innovative organisations that do not have the capital to develop their own product. With assistance from venture capital investors, these organisations receive business assistance and advice, and the required funds to take their idea from innovation to market.

The Australian Bureau of Statistics reports that in 2002 investors had \$6.9 billion invested in Australian venture capital projects. With over 40 per cent of the venture capital activity in New South Wales, this bill will assist in ensuring that Australian ideas are developed here. I congratulate the Government on introducing this bill to make venture capital investment more attractive for overseas investment. In 2002, 91 per cent of venture capital investment came from Australian sources. The Australian Venture Capital Association Ltd believes that if this bill is introduced, the overseas portion of investment in New South Wales will grow by up to \$400 million.

Currently overseas investors are put off by the types of investment structures in place. The incorporated limited partnership entity that the Government is introducing in the bill will improve the industry by providing a structure that is internationally known and attractive to overseas investors. We will be aligning ourselves with the dominant position in the United States and the United Kingdom. The bill specifically allows an overseas investor using an international incorporated limited partnership to directly invest in New South Wales, without having to reincorporate. This is a streamlined process designed to ensure that investors get a minimum-fuss scheme. It is important to attract this type of international investor to New South Wales.

Globalisation has allowed businesses to sell their ideas anywhere in the world. The Econotech Services Ltd study, which was commissioned by the Australian Venture Capital Industry Association, suggests that by adopting this structure for venture capital Australia can expect more than \$1 billion in international investment and an additional \$35 million in gross domestic product. I wish to give a local flavour to the purpose of the bill by mentioning a local company at Emu Plains, Freshwater Environmental Management. Two years ago the company commenced to trade with private capital and it invented, developed and produced an aquatic plant harvester that is designed to remove aquatic weeds from waterways. The State Government gave a grant to the Penrith City Council for this company, which was selected by the council, to harvest aquatic weeds in a stretch of water from the Victoria Bridge to the Penrith Valley Bridge in the Nepean River. Major recreational pursuits are undertaken in that stretch of water, especially rowing and canoeing.

The main aim of Freshwater Environmental Management's system is to develop its business not only in Australia but overseas. The company has an intellectual partnership with a New Zealand company and wishes to develop markets overseas. It is a small company and it relies on private funds. One of the purposes of the bill, besides providing an opportunity for overseas venture capital to invest in such companies, is to offer a tax rate that is equivalent to a personal income tax rate as an incentive for overseas companies to invest in New South Wales businesses. As I have said, the structure of this legislation is similar to legislation that applies in the United States. This bill will enable companies such as Freshwater Environmental Management to take advantage of favourable conditions for developing the international market potential of their business.

Earlier today I spoke to a representative of the company who stated that when the company is ready to enter the large United States market by offering the aquatic weed harvester for sale it will be grateful for any

assistance the State Government may be able to provide in making New South Wales businesses more attractive to the venture capital industry. Given that more than 40 per cent of Australian venture capital activity occurs in New South Wales, this State can only benefit from the Partnership Amendment (Venture Capital Funds) Bill. I support the bill. I applaud the Attorney General and the Government for their commitment to the New South Wales economy and the venture capital industry in this State.

Mr BOB DEBUS (Blue Mountains—Attorney General, and Minister for the Environment) [7.42 p.m.], in reply: I thank the honourable member for Epping and the honourable member for Penrith for their contributions to the debate. The issues they canvassed sufficiently explain the entirely significant and uncontroversial purposes of the Partnership Amendment (Venture Capital Funds) Bill. I take very great pleasure in commending the bill to the House.

Motion agreed to.

Bill read a second time and passed through remaining stages.

CHILD CARE PLACES

Matter of Public Importance

Debate resumed from an earlier hour.

Mr BRAD HAZZARD (Wakehurst) [7.44 p.m.]: The Liberal Party and The Nationals share the concerns of the community in regard to ensuring that sufficient child care places are provided in New South Wales to assist families. There can be no more import role than ensuring that our children are cared for, either in a family environment when that is possible or in an environment that is nurturing and encouraging when it is not possible for a member of a child's family to take a full-time caring role. The issue of child care places is a little more complicated than represented to the House by the honourable member for Strathfield, who effectively embarked upon a partisan debate by attacking the Federal Government. Child care should be beyond politics and it should certainly be beyond the partisan style of politics exhibited by the honourable member for Strathfield.

I reiterate that the Opposition shares the community's views on the need for child care. However, we certainly feel some hesitation when a member of the Labor Party uses debate on a matter of public importance to attack the Federal Government. The provision of child care places is an issue for which both levels of government—State and Federal—must take responsibility. It appropriately should be a partnership between both levels of government in each government's area of responsibility to provide child care services. On the very day that the honourable member for Strathfield attacked the Federal Government, the *Sydney Morning Herald* published a report that stated:

An extra 20,000 taxpayer-funded child-care places have been foreshadowed by the Federal Government ...

The article also stated:

The Minister for Children and Youth Affairs, Larry Anthony, said yesterday that he would argue for the extra places before the budget in May.

I remind the House that in recent years a substantial increase in the number of child care places has occurred. I acknowledge that not enough at either State or Federal level has been done to provide adequate child care places, but there certainly has been an increase in the provision of child care. The increase essentially has been sourced from additional Federal funds. Anyone who knows anything about child care would know that there has been a burgeoning of child care centres, principally through private enterprise and additional funds that have been contributed by the Federal Government. Whether those facilities are enough is always the issue. On behalf of the Coalition, I indicate that I share the position adopted by the honourable member for Strathfield: Both the State and Federal governments need to find better ways to deliver more services for families who need child care places.

The honourable member for Strathfield cited the waiting list of centres in her electorate, and I could take up the time of the House by citing similar examples in my electorate. When I was first elected to Parliament in 1991 I raised this issue and I continue to do so. I remain concerned—as do many of my Coalition colleagues and, I am sure, Government members—about the need for more child care places. The Coalition recognises that there is a particular issue in relation to the provision of child care places for children in the nought to two years

of age category for the reason mentioned by the honourable member for Strathfield. The staffing formula for that category makes the provision of child care places more expensive for providers of child care. However, the honourable member for Strathfield failed to inform the House that the determination and administration of those standards are placed fairly and squarely in the hands of the Labor Government of New South Wales.

The Department of Community Services administers the rules applying to staff and client ratios for children in care. Whereas a formula stipulating a small number of children per staff member is desirable, it may in effect not be practicable, and therein lies the problem of the ability of centres to strike the right balance. Today I read a publication entitled "Fairer Taxes and Better Services", which is a submission produced by the Council of Social Service of New South Wales [NCOSS] containing all kinds of wonderful things about the New South Wales Labor Party. I was fascinated to read that even that organisation has identified that the problem of staff to client ratios is fairly and squarely within the bailiwick of the Carr Labor Government—the very government that the honourable member for Strathfield purports to represent in this House. Page 27 of a recently released document entitled "Fairer Taxes and Better Services" states:

Evidence

The NSW Government seems to be confused about its role and goals in relation to early childhood education and care. On the one hand, the Department of Community Services seems to believe that parents should pay for early childhood services at levels well beyond the means of low-income earners, while the Department of Education and Training is actively seeking to establish new, free preschools for families that have previously not been able to afford such services.

Effectively, that is saying that the Carr Labor Government is a Jekyll-and-Hyde government when it comes to child care—but we never know whether we have Jekyll or Hyde. The parents know that they do not have enough child care services. Page 28 contains a table that should be of embarrassment to the honourable member for Strathfield. I hope it is, and I hope she takes this to caucus. I know that she is quite capable of speaking up in caucus. The table states that in New South Wales we spend on average \$225.56 per child, compared with \$831.14 in South Australia, \$862.23 in Western Australia and \$432.70 in Queensland. We spend marginally less than Victoria, which spends \$225.80.

Those figures indicate that New South Wales, under a government that is supposed to have these issues at its forefront, is lagging far behind other States. New South Wales is spending roughly one-quarter of the money spent on child care in Western Australia and South Australia. Anyone who knows anything about child care—I have had children in the system and have been the shadow Minister for Community Services—would know that for the past decade the Carr Government has placed a freeze on money for preschools. A document entitled "Our Boat is Still Sinking!" reflects upon another document, issued prior to the recent New South Wales election, by the preschool movement. It states:

Prior to the NSW election, the discussion paper *Who Sank the Boat?* outlined the reasons why NSW Preschools are struggling to survive.

The Minister responded with a small amount of recurrent funding for 193 preschools and a further \$6m in one off grants to enable some lucky recipients to meet the forthcoming regulations.

However

- The majority of the community based preschools in New South Wales—

and I note that there are 800 of them—

have received little or nothing. The bulk of their funding must still be raised from fees. User pays means that wealthier areas are able to charge more and the gap between rich and poor services is growing.

- The Department of Education and Training is actively establishing new, fully funded preschools to meet what they see as an unmet need for disadvantaged families currently not accessing preschool services for their children. We may lose existing community services because they are not as affordable. This is not a rational way to fix the problem.
- According to the Productivity Commission and the Commission for Children and Young People, NSW spends far less on children's services than any other state in Australia.

What an embarrassment to the Carr Government, and what a sad outcome for the families of New South Wales. Prior to the latest State election, while I was the shadow Minister, the New South Wales Coalition committed to spending \$50 million on improving child care places in New South Wales. We made a major announcement, to which the Government failed to respond. We said that we would recognise that preschools and long day care centres effectively provide part of the continuum of education, not just care, not just looking after them each

day. Although it is important that children are cared for—that is not to be diminished—we said that that care should be under the Education portfolio, and we committed to doing that. Unfortunately, the Carr Government is still in office and nothing much has happened to bring child care centres out of the chaos-ridden management of the Department of Community Services and putting them under Education, or bringing money into the system to make it work. Meanwhile the very valuable and valued people who work in child care have to beg for funding.

Ms Linda Burney: They protested in Canberra yesterday.

Mr BRAD HAZZARD: The honourable member for Canterbury interjected, but she should be aware that the Industrial Commission is looking at State awards to determine what amount should be paid to preschool workers in New South Wales. The Opposition recognises that there is a need for the workers to be paid properly, and that would have been addressed if the \$50 million had been provided. This is a big issue on a lot of fronts. We would like to have this debate over a far longer time than allowed. [*Time expired.*]

Ms LINDA BURNEY (Canterbury) [7.54 p.m.]: I delighted to speak in this debate. I remind honourable members that this matter of public importance is in relation to the availability of child care places for children aged nought to two years. I do not come to this debate from an academic perspective, but as a parent who understands this issue very well. Both my children went into child care at a very early age: my son was four months old when he went into a child care facility at Macdonaldtown, and my daughter was five months old when she went into a child care facility in Eveleigh Street, on the Block. I am sincere when I say that I understand the issues and the importance of having child care places available for that age group.

Many parents choose to return to work, and many have no option, and often both parents return to work. We need to remember that many one-parent families desperately require adequate child care places for children aged nought to two years. That is what we are really talking about: the needs of families. As a mother who put children into care extraordinarily early, I understand the importance of the availability of places, and of the need for peace of mind that the centre is good and provides a quality service. We want skilled teachers. Earlier I interjected by saying that yesterday child care workers protested in Canberra about their terms and conditions of employment. We want to make sure that pre-reading and pre-writing skills are provided throughout that age group. Socialisation aspects are also important, as is the quality of care. Child care facilities need to understand the strain experienced by families from not just an emotional point of view but also a budgetary point of view.

Parents often have difficulty in deciding to put their young children into care. The most important point in this discussion, apart from matters raised by the honourable member for Strathfield, is that not enough places are available. I wonder why today the Commonwealth Government announced an additional 20,000 places when it has absolutely resisted doing that for the past 2½ terms. Of course, that was only a promise—as was the no-GST promise. So we will just wait and see how that promise plays out over the next few months. The New South Wales Government recognises the importance of giving children a good start in life. That is what we are really talking about: giving children a good start in life. That will help solve problems before they become entrenched. I hope everyone in this Chamber would understand that the first few years of a child's life are the most important, when their personality and their views are formed.

The availability of quality child care, particularly when parents make the decision or have no option but to place their child in care, is extraordinarily important. The New South Wales Government understands that importance. This debate is not only about providing a place, but also about making sure that the child's intellectual, physical and emotional development is nurtured. That can happen only when parents feel confident about the places provided. I emphasise that the 2003-04 budget has increased the percentage of child care places to 33.5 per cent since 1995. Once again, I emphasise that the availability of child care places for children aged from nought to two years is crucial.

Ms VIRGINIA JUDGE (Strathfield) [7.59 p.m.], in reply: I would like to rebut some of the erroneous statements that were made earlier by the honourable member for Wakehurst. The honourable member talked about the 20,000 outside school hours care places that were foreshadowed in the May budget. Larry Anthony indicated that he would lobby the Government for those 20,000 outside school hours care places. He could not do that last time, and he now expects families to believe him when he says that he will do it this time. What confidence can we have in those empty promises? It is about time Opposition members stopped all their rhetoric and put their money where their mouths are. Earlier the honourable member for Wakehurst started to compare the cost of various child care places.

Mr Brad Hazzard: I was not sure whether or not to take a point of order, but I will not bother.

Ms VIRGINIA JUDGE: The honourable member did not bother to take a point of order because he knows that I am speaking the truth. He does not want to confront the truth.

Mr Brad Hazard: Point of order: My point of order relates to relevance. An article in today's *Sydney Morning Herald* states:

The Government announced in December that it would spend \$22.3 million over four years creating 10,000 new places in existing child care centres.

Madam ACTING-SPEAKER (Ms Marie Andrews): Order! That is not a point of order. The honourable member for Wakehurst will resume his seat.

Ms VIRGINIA JUDGE: The honourable member, who has been in this House for some time, should be familiar with the code of conduct and procedures of this Parliament. Obviously he needs to read them again. That certainly was not a point of order; it was an interjection. The honourable member was trying to interject because he knew that he had to stop me from speaking the truth in this House. Earlier the honourable member was comparing New South Wales with Tasmania and Queensland. They are all Australian States and they are all great States, but he cannot compare apples with oranges. We are talking about New South Wales, the premier State and the engine room of this nation.

The honourable member referred again—as Opposition members do—to the distinction between Labor and Liberal philosophy. Members of the Liberal Party are always concerned about costs. Members of the Labor Party are talking about quality child care for children aged nought to two years. Mothers and fathers want the best quality child care for their children. When they go off to work they want to be sure that their loved ones are safe and secure, and that they are being nurtured. The wonderful working mothers and fathers in this State need to be supported. The Federal Government is crippling them. The Howard Government has allowed unprecedented levels of unmet demand to build up. It has now reached the stage where something has to be done.

The Federal Government has done nothing for the past six months. These bandaid solutions will not meet these critical levels of unmet demand in the community. Child care should be affordable for everyone who needs it. The Federal Government is not improving the situation for parents seeking child care for children under the age of two. The New South Wales Government maintains high-quality standards for the operation of children's services, including out of school hours care services. In 1993 New South Wales was the first State in Australia to introduce a voluntary code of practice for out of school hours care services. That code, which was developed by the sector in partnership with the Government, set a range of standards and provided best practice guidelines for service operators. We wanted to ensure that we were on the right track. The code was the forerunner of the national standards that were agreed to by community services Ministers in 1995.

Mr Brad Hazzard: Point of order: I point out for the benefit of the honourable member, who does not understand the meaning of relevance, that the former Coalition Government introduced that code in 1993. I thank the honourable member for paying the Liberal Party and The Nationals a compliment.

Madam ACTING-SPEAKER (Ms Marie Andrews): Order! The honourable member for Wakehurst has made his point.

Ms VIRGINIA JUDGE: I will put one of these codes under the honourable member's door tonight so he can have a look at it. The Howard Government has a long and shameful history of failing to provide working families with access to affordable child care, and failing to support child carers and child care centres in their important job of providing high-quality child care. That is what the Federal Government should be doing. Federally, Labor has promised a multimillion-dollar boost for child care. It said that it would end the national disgrace of child care workers being paid less than garbage collectors. On talkback radio this morning I heard about the abysmal wages that child care workers are being paid. I ask Opposition members for their support in this matter. They should lobby their leader and get him to start supporting decent policies for our families. The honourable member for Wakehurst was the shadow Minister who cut \$700 million from the Community Services portfolio. [*Time expired.*]

Discussion concluded.

BILLS RETURNED

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

Animal Diseases Legislation Amendment (Civil Liability) Bill
Crimes (Sentencing Procedure) Amendment (Victim Impact Statements) Bill
Electricity (Consumer Safety) Bill
National Parks and Wildlife Amendment (Kosciuszko National Park Roads) Bill

FOOD LEGISLATION AMENDMENT BILL**Second Reading**

Debate resumed from 27 February.

Mr ADRIAN PICCOLI (Murrumbidgee) [8.06 p.m.]: I lead on behalf of the Opposition in debate on the Food Legislation Amendment Bill. The Opposition spokesman on agriculture, the Hon. Duncan Gay, will give a detailed response to this legislation in the upper House. I take this opportunity today to say a couple of things about it. The Opposition does not oppose the Food Legislation Amendment Bill, despite the fact that it has a number of concerns about it. Opposition members support the general thrust of the bill, which is to streamline the whole process of food safety regulation. However, the Hon. Duncan Gay will refer to the inadequacies in the bill.

On a more general level, I wish to refer to the way in which food safety is regulated in New South Wales. I, and I am sure many other honourable members, have received a large number of complaints about the way in which food safety is regulated in New South Wales. Butchers believe that they are overregulated and that they have to comply with unnecessary, burdensome, complicated and detailed regulations. They, as food experts, believe that the ridiculous monitoring to which they are being subjected does nothing to improve food safety. All that it does is impose another burden on small business, which has enough paperwork to do and enough regulations to comply with. Once again they will be burdened in this area.

Those who handle food at every level, from the paddock to the plate, understand that food safety is important. People die from contaminated food. Professional food handlers such as butchers understand that more than anyone. However, they also know that the regulations with which they have to comply are ridiculous. This legislation will result in increased paperwork. A couple of butchers in my electorate have suggested to me that some of the regulations are so impractical that they are taking up the time of food safety inspectors—time that could be better spent doing more constructive things in the food safety area. According to some people in my electorate, this overregulation is counterproductive. If food safety inspectors were required to do practical things they would be more successful in preventing food contamination. This significant regulatory area needs a lot of reform.

Another significant food safety problem is the insufficient number of food safety inspection staff. We can have the best legislative framework in the world but if we do not have enough staff to conduct inspections it is relatively pointless. The Government is burdening small business unnecessarily and does not have sufficient officers to undertake inspections. That casts doubt on the Government's overly prescriptive handling of the entire food safety area, which has affected not only professional food handlers such as butchers and abattoir operators but also stall operators and local organisations.

Mr Ian Armstrong: The Country Women's Association.

Mr ADRIAN PICCOLI: The Country Women's Association.

Ms Linda Burney: The Country Women's Association!

Mr ADRIAN PICCOLI: Absolutely. The Country Women's Association is required under legislation introduced by this Government to list all the ingredients in food prepared by its members, the date of manufacture, and so on. Labor members might think it is funny but food stalls in the main street on a Saturday morning are major sources of income for many organisations that raise money for local preschools, schools and hospitals. The overly prescriptive food safety system in New South Wales has done significant damage to those types of fundraising efforts. I do not think this legislation will solve that problem. The amalgamation of two authorities will not remove much of the regulatory excess in the New South Wales system.

These are constructive comments. I am simply relaying the views of people in my electorate and throughout New South Wales about food safety regulation in this State. This legislation is an attempt to streamline the entire process and the Opposition will not oppose it. However, the bill should go a little further and, first, properly examine food safety regulation and monitoring in New South Wales; and, secondly, give small business and organisations such as the CWA the freedom to continue the activities they have pursued for many decades. This Government has an opportunity in its dying days to fix a regime that it has got significantly wrong. This legislation is perhaps a step in the right direction but the Government must take at least half a dozen more if it is to resolve the food safety issue.

Ms LINDA BURNEY (Canterbury) [8.13 p.m.]: The honourable member for Murrumbidgee outlined many of the reasons why the Food Legislation Amendment Bill is so important. Probably every member in this place will have suffered from food poisoning at some time or other. I am sure they would agree that when one is suffering its effects one thinks it is the end of the world. By amalgamating the authorities that I shall outline in a moment, this legislation will address the problem of inadequate food standards. The honourable member for Murrumbidgee called for more freedom in the food preparation area but I would not advocate the granting of such freedom in the electorate to which I am responsible. We must ensure that various foods that are probably a little more exotic than those prepared by the Country Women's Association [CWA]—

Mr Ian Armstrong: There's nothing wrong with the CWA.

Ms LINDA BURNEY: I did not say that there was anything wrong with the CWA. I have a deep respect for that organisation. I come from a country town and I understand the good work that the CWA does. By amalgamating two authorities this legislation will ensure that it is a one-stop shop in the food safety area. It is not about streamlining; it is about effectiveness and efficiency.

Mr Adrian Piccoli: Isn't that what streamlining is?

Ms LINDA BURNEY: I know what streamlining is. It is ridiculous to suggest that this legislation is somehow connected with a CWA food stall. It is eminently sensible to join the operations of Safe Food with the food regulatory staff and resources of NSW Health to form the New South Wales Food Authority. I shall list the reasons in support of that move and then return to the fundamental arguments advanced in this debate. First, the bill establishes a comprehensive food authority for New South Wales—the first through-chain agency of its type in Australia. So it is innovative and makes good sense. It is an important step in the evolution of food regulation in this country and it will give New South Wales the appropriate grounding to face the food challenges of the next century.

Secondly, the establishment of the New South Wales Food Authority will deliver essential food safety and consumer protection services in a highly integrated manner, providing a one-stop food regulatory shop for consumers, industry and government—three important elements of this debate. Thirdly, food-borne disease costs Australia \$2.26 billion each year—a fact that we should not gloss over. There have been many discussions in this place about that topic. If we consider also that food-borne disease costs New South Wales \$765 million we begin to understand why this bill is important. Such figures take account of estimates of direct health care costs attributed to poor diet, including hospital costs, medical expenses, allied health professional services, pharmaceutical expenses and nursing homes. Indirect costs are also incorporated, such as those incurred through sick leave and the value of forgone earnings.

This bill delivers an integrated system, focused on minimising such costs through chain. Of all the arguments in support of this bill, I think the latter touches every person directly. The benefits of a through-chain system have been recognised and experienced by our OECD counterparts, including the United Kingdom's Food Standards Agency and the New Zealand Food Safety Authority. We are not leaping into the unknown with this legislation. In fact, countries just like us—in particular, New Zealand—have established similar regulatory frameworks.

The United Kingdom's Food Standards Agency is effectively addressing the systemic problems challenging consumer confidence in that country's food supply as an arm's-length government agency. We would all be familiar with the consumer confidence perspective, which is becoming increasingly important throughout the world. The agency delivers independently and transparently food regulatory enforcement work, policy development and consumer advice through chain, and it is achieving results. It takes a big-picture approach to regulation that has been emulated successfully in other parts of the world.

Similarly, the New South Wales Food Authority will be an arm's-length agency, providing independent expert advice to the Minister for Agriculture and Fisheries. Although the authority's structure and accountability will differ from that of the United Kingdom model, its establishment as a separate statutory authority within the portfolio will underpin its independence and promote food regulation as a core government activity. Importantly, the food industry and consumers can be confident about that body's accountability and authenticity. This will be further aided by the proposed ministerial advisory committee that will provide expert advice to the Minister and the authority on food safety and related matters. This is about not only what happens in the country but also what happens in the city, as we are all consumers of products that are grown within and outside Australia.

New Zealand is experiencing similar benefits of prioritising food regulation within one agency after having implemented a through-chain agency for its lucrative food export market. New Zealand adopted an integrated agency to provide food safety and consumer protection for food issues from production to retail and export. This is a significant development for its food export industry, which provides 80 per cent of all exports, and nearly half its total export income. As honourable members know, prior to being elected to this Chamber I was in charge of a government agency, and I understand the thrust behind a move to bring authorities together. One of the challenges in and across government is to co-ordinate agencies. That becomes an extremely difficult task if there are a number of authorities with similar charters that deal with similar issues, such as the two authorities named in this bill. It also picks up those from the New South Wales Department of Health who work in this area.

If there is a way to make things more effective and appropriate to not only the way in which government operates but also the way in which consumers are honoured and responded to, it is to ensure that authorities work together. This important legislation brings authorities together. It does not result in one becoming the boss of the other; it melds them and improves their effectiveness and operations. It does not apply only to food legislation; it is a rule of thumb across government. If it is possible to achieve that, we should not put irrelevant arguments against it. The catch phrase "paddock to the plate" will probably be used by other speakers. In effect, it describes what this bill is about. This legislation is important not only to the country and to bodies such as the Country Women's Association but also to consumers who live in urban and regional areas. I commend the bill to the House.

Mr IAN ARMSTRONG (Lachlan) [8.23 p.m.]: Before addressing this bill I want to refer to some recent experiences in relation to the preparation, serving and delivery of food. An OECD report released prior to Christmas found that many households have an intolerance to foods that may have minor contamination, and it recommended a much greater exposure to animals, particularly dogs and cats. It also recommended that small children should be allowed more opportunity to crawl on floors, in gardens and in parks in order to build up some antibodies in the gut.

That report, which was widely heralded and publicised, appeared in the Sunday newspapers and was discussed on talkback radio for some days. It may also have featured on television. It made a lot of sense. Despite all the regulations that have been introduced in recent years, food poisoning does not appear to have been curtailed. Why not? Recently I was in a sizeable establishment in which 12 ladies served food. One hand was gloved and the other was not because it was used to take the money. They prepared the food, turned over the sandwiches and cakes, and wrapped them with the gloved hand and took the money and pressed the buttons on the cash register with the ungloved hand. It was a co-ordinated operation. Some months ago I was at the Sydney Fish Markets, which is a big operation. As honourable members can imagine, the gentlemen's toilets are—

Ms Linda Burney: A busy place.

Mr IAN ARMSTRONG: Yes, they are a busy place. There is a staggered corridor leading into the gentlemen's toilets. While I was there an employee came in, dressed correctly, with the regulation hat, apron, gum boots and gloves. He went through the process dressed like that, then he left—and, no doubt, sold fresh fish. Regulations can be put in place but unless there is education and co-operation and they are practical they will not work. The honourable member for Canterbury had difficulty talking about the Country Women's Association [CWA]. I use the CWA as a prime example. What about the farmers markets that the Government supports at Warwick Farm, The Rocks and various other places around the city and in many towns in the State? What about the annual festivals, fetes and agricultural shows? What about the Royal Easter Show, which will take place shortly? Ladies who work for charities—for example, the Red Cross, the CWA and church groups—and sell goods at stalls are now saddled with an extraordinary amount of regulation.

Regulations have led to the closure of many bed and breakfast [B and B] establishments, which are tourist attractions across the State. The kitchens now must have steel skirting boards and both a sink and a hand basin. The retired mum and dad who decide to open a B and B in their big family home because their children have left home have to spend many thousands of dollars to comply with the regulations. Again, it is regulation gone mad. I suggest that honourable members look at regulations and legislation in a practical sense and acknowledge the report of the OECD, which indicates that food poisoning is still a major problem because we have sterilised the gut of many of our consumers and made them extremely vulnerable to the smallest of microbes. When Australians return from overseas they often say that they have managed to travel through India or Asia without getting sick. These days it seems to be a great achievement for a person from Australia, and particularly from New South Wales, to survive international travel.

NSW Agriculture—the former Department of Agriculture—is now being forced to undertake responsibility for the administration of Safe Food—the child of this Government. The move to bring it under the umbrella of NSW Agriculture is not new: it was tried by the bureaucracy when the Coalition was in government in the early 1990s. I make it patently clear that NSW Agriculture is one of the oldest continuous departments in New South Wales. It has always been a department of extension, not a department of regulation. Whilst it has administered regulations pertaining to exotic weeds, domestic weeds, chemical use in agriculture, the storage of grain, hay and other similar products, the use of chemical dips, such as those for cattle and sheep, external parasites on cattle, sheep and horses—such as cattle tick, sheep tick and lice—and various other regulations, they have all been the province of NSW Agriculture.

The department's role has been one of extension. The Department of Agriculture has operated, and now as NSW Agriculture hopefully it will continue to operate, on the basis of research and development and giving advice to the farming, processing and retailing communities and governments on the growth and extension of the animal and food industries. It is not a policeman. The Government has been snowballed by the bureaucracy and lulled into thinking it is a good move to make NSW Agriculture a policeman. If this legislation is assented to and a NSW Agriculture car drives up to the door of a farm or cafe, or is seen going down the local street, people will say, "There are the agricultural police calling in at the local cafe or the local show." Government members may well laugh. But if the department's officers do not do that they will not be doing their job. They will not see a woman at the cafe with a glove on one hand, or go to the local show and see the hot dogs that are sometimes two or three days old.

The Government has fallen for the trap that has been set by the department for at least a dozen years. It will now change the friendly face of NSW Agriculture to a face that many people will resent. Some years ago we saw evidence of that with the New South Wales Meat Industry Authority. Though it did not come under the Department of Agriculture, its chairman did report to the Minister for Agriculture. As a result the Meat Industry Authority became one of the most disliked authorities in this State, because when those inspectors arrived at an abattoir or butcher's shop, in many cases it was thought they were draconian in their approach. To say the bill is a simple measure is a contradiction in terms.

I repeat that the Department of Agriculture, now NSW Agriculture, has always been the most respected bastion of agricultural advice in this State. It is respected nationally. It is a member of the Council of Australian Governments. If it is to retain the confidence of producers and processors in this State it must balance the difficulty of having roles both as a policeman and defendant at the same time. Whilst the Opposition will not oppose the legislation—because it is the Government that has introduced it and will be hoist on its own petard—I issue the warning tonight that if the Government destroys NSW Agriculture the rural communities will not forgive it. I hope the department does not become draconian in its policing of coffee shops, or fruit and vegetable markets at Flemington, or farmers markets at The Rocks or Warwick Farm, or that zealots do not adversely affect the Castle Hill show or the Sydney Royal Easter Show by ordering ladies to put two gloves on, or want to close bread and breakfast establishments because they do not have a sink. Government members laugh, but unfortunately they do not understand the regulations.

Ms Linda Burney: It is legislation.

Mr IAN ARMSTRONG: The honourable member may talk about legislation, but the cafe worker is not supposed to go to the toilet wearing the glove that will be used to handle fish. I urge the Government to look carefully at what it is doing and to be wary of inflicting a different culture on NSW Agriculture, and in particular creating a set of rules and regulations with which the food serving and handling industry has great difficulty complying. I ask the Government to consider the points made in this debate and to have regard to the impeccable history of the Department of Agriculture and the cultural change the bill will bring to NSW Agriculture.

Mr PAUL PEARCE (Coogee) [8.34 p.m.]: I wonder whether we are debating the same bill. I support the Food Legislation Amendment Bill. Its purpose is to repeal the Food Production (Safety) Act 1998 and to amend the Food Act 2003 so as to establish the NSW Food Authority with through-chain responsibility for food regulation in New South Wales, to transfer the appropriate provisions of the Food Production (Safety) Act which enable the establishment of food safety schemes by regulation, including coverage of primary food production, and to enable the transfer of food regulatory staff from NSW Health to the Food Authority. As far as I can see, it is not the purpose of the bill to do what the honourable member for Lachlan said it proposed. It certainly is not to make NSW Agriculture the local rural policeman.

The Food Authority will bring together approximately 70 Safe Food staff and 40 NSW Health staff. The joint consultative committee comprising relevant unions will work through the human resource issues. The significant role of local government, through environmental health officers, will not change as a result of the merger. Indeed, the new agency will work to strengthen the partnership between State and local government in food regulation. I suggest this is a move forward. The key to Safe Food's success has been its co-regulatory partnership with the primary produce and seafood industries. In turn, this partnership was built on the foundation pioneered by Safe Food's predecessors, the Dairy Corporation and the Meat Industry Authority.

The food safety scheme mechanism outlined in the Minister's speech provides the structure upon which industry partnership in food regulation can be built. It embodies a number of key principles. The first is that the paramount purpose of food regulation is to protect public health. The second is that regulatory requirements are based on scientific assessment of food safety risks. Third, regulatory requirements are aligned with national policies and food standards where applicable. Fourth, industry and government share the cost of food regulation under well-established principles. The New South Wales Government is to commit a total of \$9.8 million per annum to fund the Food Authority, comprising the current \$4.5 million funding of Safe Food and \$4.98 million in current food regulatory funding of NSW Health. The industry contribution to the cost of operating food safety schemes, around \$5.7 million per annum, will continue. And, fifth, consultation with industry through formal structures and processes is essential for the development and operation of the food safety schemes.

Over the past five years these principles have underpinned Safe Food's work in the dairy, meat, seafood and plant products industries. Food safety schemes, with formal industry consultative bodies, are in place for dairy, meat, shellfish and seafood products. Consultative committees have also been established to support new scheme development work in the egg and plant products industries. Following extensive research and policy development undertaken through national processes, the Food Regulation Ministerial Council has endorsed a policy guideline for the development of food safety program requirements for identified high-risk service sectors. These include food service to vulnerable populations, such as hospital patients and nursing home residents, and on-site catering to large groups. The new Food Authority will apply the same co-regulatory partnership approach to its work in those industries as that of Safe Food and its predecessors in their work with the primary produce and seafood industries.

I would take issue with some of the comments made by the honourable member for Lachlan about Country Women's Association fairs and fetes, farmer markets and the like. I point out that the food standards, including the labelling requirements, are set out by the national body, Food Standards Australia and New Zealand, and approved by the Food Regulation Ministerial Council. State agencies are then responsible for implementation and enforcement.

Mr Ian Armstrong: Point of order: The point is that it will now be administered by NSW Agriculture, or it is an extension of it and not a regulatory body. The honourable member for Coogee has missed the point.

Mr ACTING-SPEAKER (Mr Paul Lynch): Order! There is no point of order. I call the honourable member for Lachlan to order. In all my time in the chair I have never yet heard him take a valid point of order.

Mr PAUL PEARCE: State agencies will then be responsible for sensible implementation and enforcement. Cake stalls and the like are not subject to onerous labelling requirements.

Mr Ian Armstrong: Yes, they are.

Mr PAUL PEARCE: I point out for the benefit of the honourable member for Lachlan that over my way we have had success with recent cake stalls. During a certain Liberal Party preselection the Labor candidate for Wentworth had a successful cake stall at Bondi. The stall raised funds for public schools in the area. However, Senator Heffernan was not interested in a cake; he stormed past. Furthermore, the Government has

exempted charity fundraising events from the national standard, which requires them to notify details to the State regulatory agency. Food Regulation 2004 exempts the Country Women's Association [CWA], cake stalls and the like from this requirement. I refer the honourable member for Lachlan to Food Regulation 2004 part 2, section 4 subclause (2) (5), which states:

Subclause (1) does not apply to a food business in relation to food handling operations for fundraising events, that is, events:

- (a) that raise funds solely for community or charitable causes and not for personal financial gain, and
- (b) at which all the food sold is not potentially hazardous or is to be consumed immediately after thorough cooking.

This is significant reforming legislation and I commend it to the House.

Mrs JUDY HOPWOOD (Hornsby) [8.41 p.m.]: The Coalition will not oppose the Food Legislation Amendment Bill, but one amendment will be moved by the Hon. Duncan Gay in the other place. The object of the bill is to repeal the Food Production (Safety) Act 1998 and to provide for the matters currently dealt with by that Act to be transferred to the Food Act 2003. The bill amends the Food Act 2003 to establish the NSW Food Authority, which will replace Safe Food Production NSW, extends the operation of that Act to primary food production, transfers to that Act the provisions of the Food Production (Safety) Act 1998 enabling the establishment of a food safety scheme by regulation, and makes other miscellaneous amendments as a consequence of the transfer of those provisions. The bill also amends the Meat Industry Act 1978 to repeal the provisions relating to the Meat Industry Consultative Council, which will be re-established under the Food Act 2003, and removes obsolete provisions.

In 2002 the Kerin review recommended merging Safe Food Production NSW with the food regulatory resources of NSW Health to establish Australia's first through-chain food regulatory agency. In November 2003 the Government announced it would establish such an agency, to be named the NSW Food Authority, which would be directly responsible to the Minister for Agriculture and Fisheries. The authority will merge 70 Safe Food and 40 NSW Health staff. Unions have been consulted about employment issues, and they are apparently happy with the conditions of employment under the new authority. The head office of Safe Food in Newington will become the authority's head office. Rural and regional staff of both agencies will share offices with NSW Agriculture. Government contributions to food safety will remain unchanged, but merged.

The bill sets out regulations relating to the establishment of food safety schemes. The regulations may prescribe food safety schemes in relation to a type, class or description of food, food business or activity carried out in respect of food. In particular, the regulations prescribing a food safety scheme may make provision for or with respect to regulating the handling or sale of food, prohibiting activities in relation to the handling or sale of food, regulating temperatures at which food must be kept, classifying, marking or other identifying of food, requiring the licensing as well as licensing fee, and requiring the preparation, implementation, maintenance and monitoring of food safety programs for food businesses to ensure that the provisions of the Act and the regulations are complied with.

The regulations deal with the manner of taking samples for the purposes of food safety schemes, and methods of analysis to be observed when carrying out analyses for the purposes of food safety schemes. The regulations provide for establishing committees or other bodies with specified functions relating to the monitoring of food safety schemes at a local level and the making of recommendations on the operation of food safety schemes at that local level. They require persons involved in the handling or sale of food to possess specified qualifications, skills, knowledge or expertise, and designate the persons who are to be responsible for compliance with the obligations imposed by the regulations.

The regulations also deal with levies and establish a method of consultation with the relevant industry or sector of industry. They enable enforcement agencies to undertake functions relating to the education and training of persons in safe food practices in respect of the type, class or description of food, food business or activity to which the food safety schemes relates. For the purpose of preventing risks to the safety of food for human consumption the regulations establishing food safety schemes may extend to anything that is intended as food for animal consumption, or the carrying on of a business or any activity involving the handling or sale of anything that is intended as food for animal consumption.

Members on this side of the House are concerned about whether enough staff will be available to carry out the requirements of the legislation. We are also concerned about its impact on small business. There is a branch of the Country Women's Association and a number of parents and citizens groups in Hornsby. Harvest

markets also operate there. I emphasise the importance of appropriate food handling. Some 18 months ago I observed a garage being used for the hanging of chickens and sundry other food activities. Obviously, it was reported and dealt with. It is important to make regulations and pass legislation that can be followed. Other speakers have referred to the importance of community education. I will not go into that because it will be dealt with by the Hon. Duncan Gay in the other place.

Mr MATTHEW MORRIS (Charlestown) [8.47 p.m.]: I am pleased to support the Food Legislation Amendment Bill. It is a shame that the honourable member for Lachlan is no longer in the Chamber. I wanted to thank him for his entertaining contribution, even though it was irrelevant to the legislation. But why should that stop him? The bill establishes the NSW Food Authority, the first through-chain food regulation agency of its kind in Australia. It brings together food regulatory staff from NSW Health and the Safe Food agency. Consumer confidence and protection from food-borne disease is vital. Equally important is the prevention of unnecessary cost burdens on industry when ensuring consumer health.

The new food authority addresses each of those important matters. The former Dairy Corporation and Meat Industry Authority provided the basis upon which the Safe Food agency was built, beginning with the passage of the Food Production (Safety) Act in November 1998. The bill repeals the 1998 Act and transfers the relevant provisions to the Food Act 2003. Extensive negotiations were undertaken with dairy and meat industry leaders in 1998 to ensure that the legislation finally presented to Parliament at that time dealt with their concerns on a range of issues.

The key concerns were to preserve industry identity in the regulatory arrangements, to ensure that the cost burden to industry remains reasonable, and to provide transparency in the use of industry funds. Over the past five years, Safe Food Production NSW has worked hard with the dairy and meat industries through established consultative structures to meet those concerns in a challenging environment. National dairy deregulation came sooner than expected on 1 July 2000. The pressures of industry adjustment were exacerbated by the need to fund the cost of dairy food safety regulation through licence and audit fees rather than through the milk margin. After protracted negotiations, a schedule of fees and charges was agreed through the Dairy Industry Conference. Those charges have not increased in real terms since their implementation nearly four years ago.

The fees and charges inherited from the Meat Industry Authority [MIA], including the meat industry levy, have also not increased in real terms since August 2000, when the MIA was dissolved. Indeed, following the transfer of the National Livestock Reporting Service from Safe Food to Meat and Livestock Australia, Safe Food reduced the total meat industry levy from \$1.6 million per annum to approximately \$1 million, all of which contributed to the cost of meat food safety regulation. Reduced levy rates, equating to an average of \$14 per producer, were agreed through the Interim Meat Industry Advisory Committee. In response to concerns raised by the New South Wales Farmers Association, the Minister requested the establishment of the new Meat Industry Consultative Committee. One of the first tasks of the committee will be to review any potential inequities in the levy arrangements.

The bill repeals part 5 and schedule 2 of the Meat Industry Act. It establishes the new industry consultative committee with the same functions but with a revised composition under the Meat Food Safety Scheme Regulation. In these difficult areas of funding and industry charges, the established consultative structures have proved their value as a forum through which government and industry can work through the issues together. In total, this bill seeks to enhance consultative structures between industry and government and to provide for more effective communication in achieving food safety by way of a chain of responsibility and regulation in New South Wales. It is important to note that this bill is another initiative of the Government that is focused not only on consumer protection but also on a better outcome for the industry. Not long ago—and I am sure all honourable members will recall this—food poisoning was fatal in this nation. That is not acceptable in my view. This bill is certainly a positive step in the right direction, and I commend it to the House.

Mr THOMAS GEORGE (Lismore) [8.52 p.m.]: The object of the Food Legislation Amendment Bill is to repeal the Food Production (Safety) Act 1998 and to provide for the matters currently dealt with by that Act to be transferred to the Food Act 2003. The bill amends the Food Act 2003, which is the principal Act, to establish the NSW Food Authority, which will replace Safe Food Production NSW, to extend the operation of that Act to primary food production, to transfer to that Act the provisions of the Food Production (Safety) Act 1998, enabling the establishment of the food safety schemes by regulation, and to make other miscellaneous amendments as a consequence of the transfer of those provisions. The bill also amends the Meat Industry Act 1978 to repeal the provisions relating to the Meat Industry Consultative Council as that council will be re-established under the Food Act 2003, and to remove obsolete provisions.

Earlier I heard Labor members criticising the contribution to this debate made by the honourable member for Lachlan. I assure this House that the honourable member for Lachlan spoke with the benefit of lengthy experience and that he is one of the most practical members of this House. He based his speech on his experience; honourable members who take the time to walk around their electorates would also gain the benefit of that type of experience. I fully endorse the remarks made by the honourable member for Lachlan: this legislation is long overdue. A former Federal Minister for Primary Industries, John Kerin, recommended it ages ago. The Meat Industry Act will continue to provide that an annual levy is to be paid by livestock producers, collected by rural lands protection boards and used to maintain the Meat Food Safety Scheme.

This is another example of a levy being imposed upon New South Wales producers to contribute to the funding of a scheme. I have received countless representations from organisations that are opposed to the levy scheme. The Minister of Agriculture and Fisheries has agreed to undertake a review of the efficiency, necessity and management of the levy. The Opposition will certainly monitor the process of that review and comment on the recommendations when they are released. I hope this legislation will ensure that the new body will be properly funded. One of its important roles will be the education of representatives of all the industry stakeholders throughout the State. Recently in my electorate a group of butchers drew to my attention a regulation that commenced on 1 March this year, but some butchers did not even know of its existence. Representatives of their peak industry group had been involved in the negotiations leading up to the implementation of the regulation, but the grass roots members of the organisation were not aware of it. When inspectors walked into their business premises and took action, the butchers did not even know of the existence of the regulation. When I later spoke to the Safe Food Production NSW officers at Port Macquarie, whose jurisdiction encompasses the Northern Rivers region, they agreed with me that some form of education was needed. They agreed to visit my electorate and address the issue for the benefit of local butchers and bring them up to date.

I call on the Government to ensure that the new organisation is properly funded. The Government should provide for an education program so that people in the food industry will be aware of the requirements of the legislation and the new organisation. As I said earlier, I am concerned about producers continually being charged levies to fund regulatory schemes. The New South Wales Farmers Association and other organisations continually express concerns about levies being used to fund government organisations. The Opposition will continue to monitor the review that has been foreshadowed and we will comment on the outcomes of that review.

Mr STEVE WHAN (Monaro) [8.57 p.m.]: I support the Food Legislation Amendment Bill. I do not intend to deal with the bill in detail because my Government colleagues have canvassed the issues well. I congratulate the Minister for Agriculture and Fisheries on bringing forward this legislation and for undertaking a consultative process which, as the honourable member for Lismore has said, has been under way for some time. I acknowledge also the efforts made by the honourable member for Mount Druitt, Richard Amery, the former Minister for Agriculture, and the efforts of my father, Bob Whan, who was the former Minister's chief of staff and took a great personal interest in the process of bringing together various authorities that have responsibilities under this legislation. I am sure that my father will be pleased to know that the bill is proceeding through the Parliament.

The Government is undertaking a sensible course of bringing together the authorities that are responsible for the safety of food from its production through to its distribution. That will obviously be of benefit to consumers in the long term and it is an important initiative. Earlier I was listening to the speech made by the honourable member for Lachlan and I wanted to leap to the defence of the honourable member for Canterbury, who originally was a country girl and certainly understands the important role played by the Country Women's Association [CWA] in country communities. I have had no worries whatsoever about the many functions I have attended that have been catered for by the CWA. I have no doubt whatsoever of that organisation's ability to comply with food safety standards. I also wish to defend country agricultural shows, which the honourable member for Lachlan implied were known to sell hot dogs that were three days old. That is an outrageous accusation, and I am sure all honourable members recognise that food stalls at country agricultural shows maintain high standards.

Mr Thomas George: The honourable member for Lachlan knows more about shows than you will ever know.

Mr STEVE WHAN: I acknowledge that, but the honourable member for Lismore is being uncharitable. I acknowledge his comments and those of the honourable member for Lachlan: there needs to be

proper education of people about this process. During the last election campaign I assumed that The Nationals would support this bill because they promised to move this authority to Queanbeyan. The problem with that promise was that the authority was already building its headquarters and it would have cost the Government a huge amount of money to move the headquarters. Another promise to the people of Monaro suggested that the staff of the authority would move to Queanbeyan. However, as any sensible observer would know, in reality the staff are scattered around regional and metropolitan New South Wales inspecting food and food production. The Nationals did not mention that promise tonight.

This bill is a sensible measure. The honourable member for Lachlan suggested that NSW Agriculture would now become the police and enforce the process. My understanding is that the new authority is established as a separate agency with its own funding source and will report directly to the Minister. It does not come under NSW Agriculture, as may have been implied by members earlier. I urge honourable members to support this sensible bill, which brings together the food safety authorities and, importantly, will benefit the people of New South Wales by making them more confident about the food they purchase.

Mr DAVID CAMPBELL (Keira—Minister for Regional Development, Minister for the Illawarra, and Minister for Small Business) [9.02 p.m.], in reply: I thank honourable members who contributed to debate on this important reform. It is entirely appropriate that there be robust debate on this issue. As my colleagues have done, I acknowledge the role played by the Country Women's Association [CWA] and will debunk some of the myths put forward by members opposite. Contrary to the assertion of Opposition members, the CWA does not have to list ingredients of items when it holds a cake stall. Further, as pointed out by the honourable member for Coogee, the Government has exempted the association from the national notification requirements. In addition, the bill gives the Food Authority the specific function of providing industry education. The authority will ensure that the CWA and similar organisations understand the need to ensure that their customers with food allergies are aware when cakes contain common allergens such as peanuts. That is an important aspect of food safety, and public safety for that matter. We can put that particular myth well and truly to bed.

Food safety regulation of butcher shops was cited as an example of overregulation. Nothing could be further from the truth. Meat retailers are represented on Safe Food's meat advisory committee, which the agency consults regularly to ensure that national standards are implemented and enforced sensibly. Again, that is another myth put forward by members opposite that I am happy to debunk. As always when talking about reform in the public sector people get a bit toey about staff numbers. The first speaker for the Opposition criticised the Government for not putting enough food safety officers in the field and at the same time condemned the Government for imposing too great a burden on the food industry. That was a typical flip-flop from the other side, a typical lack of research.

I advise the House that the authority will combine the existing staff of Safe Food with the food inspectors from NSW Health. No positions will be lost. The central management of the 50 or so field staff will enable a more efficient operation and better targeting of the real risks. In addition, about 340 staff in local government will undertake some food regulatory work—a full-time equivalent of about 90 people. The new authority will work with local government to avoid duplication of effort and ensure State and local government staff work effectively together. That is another important initiative and an appropriate way to try to harness the resources available in the field to best effect.

Much has been made of the independence from NSW Agriculture. It has been said that the food policeman plays a different role from the agricultural adviser and extension workers. The Government agrees with this and that is why this bill establishes the NSW Food Authority as an agency completely separate from NSW Agriculture. The authority is accountable for its food safety functions and consumer protection role under the Food Act. It will report directly to the Minister and not through NSW Agriculture. The authority will receive government funding directly from Treasury, not through NSW Agriculture. Finally, the Minister will establish an expert advisory committee under sections 116 and 117 of the Food Act. This will provide him directly with advice on food safety issues and the operation of the authority. The bill delivers on the Government's commitment to establish a comprehensive food authority for New South Wales, the first through-chain agency of its type in Australia.

The independent agency will provide significant benefits to consumers and industry and will provide one-stop interface with government on regulatory matters. The NSW Food Authority will bring together food regulation of the primary produce and seafood industries with State-level regulation of the retail, food service and food manufacture sectors. NSW Health will retain its complementary responsibilities for food-borne disease surveillance and investigation, nutrition policy and health promotion. The new authority will work with local

government to develop a better framework for its crucial role in food regulation. The benefits of such integration in meeting the challenges of food-borne disease have been recognised internationally. For example, the United Kingdom established its comprehensive Food Standards Agency in 2000 and New Zealand merged its Agriculture and Health Department resources to form the New Zealand Food Safety Authority in 2002.

By establishing its Food Authority, New South Wales will now bring enhanced focus to the challenges posed by globalisation, changes in production processes, and new consumer trends and eating habits. The authority's independence will be assured by the transparent statement of its functions and accountabilities in the proposed legislation and by the establishment of an independent ministerial advisory committee under provisions of the current Act. The authority will operate as an independent agency within the Agriculture portfolio, and will provide direct advice to the Minister for Agriculture and Fisheries. It will not report through any other agency or department. Once again, I note that the establishment of an independent State agency with through-chain responsibility for food regulation has the overwhelming support of consumer and public health advocates, the food industry, local government, and scientific and technical experts. I commend the bill to the House.

Motion agreed to.

Bill read a second time and passed through remaining stages.

ROAD TRANSPORT (SAFETY AND TRAFFIC MANAGEMENT) AMENDMENT (ALCOHOL) BILL

Second Reading

Debate resumed from 25 February.

Ms KRISTINA KENEALLY (Heffron) [9.04 p.m.]: The purpose of the Road Transport (Safety and Traffic Management) Amendment (Alcohol) Bill is to amend the Road Transport (Safety and Traffic Management) Act 1999 and to introduce a zero alcohol limit for learner and provisional licence holders. Under the Act special category drivers are currently subject to the special range prescribed concentration of alcohol legal limit of 0.02, which means that they must have less than 0.02 grams of alcohol in 100 millilitres of their blood. Special category drivers include learner and first-year provisional drivers as well as other categories of drivers, such as heavy and public passenger vehicle drivers, drivers of dangerous goods vehicles, drivers who are not licensed and drivers who are under the age of 25 years and who have not held a New South Wales licence for three years. However, second-year provisional licence holders who are over 25 years of age or who have had a licence for more than three years are currently subject to a 0.05 alcohol limit.

Once this new alcohol law is introduced, all existing and future learner and provisional licence holders will be subject to a zero limit, regardless of their age or the number of years that they have held a licence. The introduction of a zero blood alcohol level for learner and provisional licence holders will send a clear and strong message to new drivers that alcohol and driving simply do not mix. Why is this important? Despite increased penalties and strong community condemnation of drink-driving as a crime, alcohol remains one of the major factors in New South Wales road tolls. Around 20 per cent of fatal crashes in New South Wales each year are alcohol related. In addition, drivers aged 17 to 20 years are disproportionately represented in alcohol-related fatal crashes. Whilst these drivers comprise only 6 per cent of New South Wales licence holders, they represent 17 per cent of all drink-drivers who are involved in fatal crashes.

New drivers are still learning how to control a vehicle and how to perceive road hazards. Medical research has shown that the effects of alcohol are more pronounced on skills that are highly practised. In other words, the driving skills of novice drivers are more affected by alcohol than those of other drivers. They are at greater risk from any level of alcohol in their blood. In addition, many novice drivers believe that they can drink small amounts of alcohol and still drive legally. They do not know exactly how much alcohol they can consume and still stay under the existing 0.02 limit. That confusion might have contributed to the numbers of novice drivers convicted of drink-driving. In 2002 learner and provisional licence holders committed more than 2,300 alcohol-related crimes. By any standard, a zero blood alcohol limit is the most appropriate level for novice drivers.

Let us be clear: this legislation is not intended to extend the zero alcohol limit to all drivers in the special driver category. Some of the drivers, such as heavy vehicle drivers and public passenger vehicle drivers, clearly understand that the 0.02 limit means that they cannot consume alcohol at all before driving. The

involvement of these drivers in drink-driving crashes is small. In the past five years only three heavy vehicle drivers involved in fatal crashes were drink-driving, and not one bus or taxi driver involved in a fatal crash was drink-driving. This legislation will introduce a zero alcohol limit only for all learner and provisional licence holders. To ensure that novice drivers are aware of the new law, the Roads and Traffic Authority [RTA] will implement a communication strategy to inform New South Wales licence holders affected by the new law that they are now subject to a zero blood alcohol concentration limit.

Learner and provisional driver licence holders will receive a letter and a brochure through the mail informing them of the new zero alcohol law. The RTA web site will be updated to include information on the new law. The brochure and the web site will include information on the requirements of the new law and promote alternative transport strategies. To ensure that young people are fully informed about the laws relating to alcohol and driving before they apply for a learner's licence, new curriculum-based drink-driving resources for high schools are being developed. A public notice will inform the community about the new zero alcohol limit for novice drivers. These resources will also address two important issues for novice drivers.

The first issue relates to driving the day after a night of heavy drinking. Novice drivers will be made aware of the need not to drive until their blood alcohol level has returned to zero the day after drinking. The second issue relates to alcohol derived from foodstuffs, medicines or mouthwashes. All novice drivers will be informed about the possibility that they may be over the zero limit if they use or consume medicinal or other products that contain alcohol. Some members of the community have raised questions about novice drivers who consume a small amount of alcohol at a religious ceremony, or who use medicine that contains alcohol as they are prescribed or directed to do. Make no mistake about it: the new law is designed to remove drink drivers from the roads; it is not designed to deny any novice driver from participating in religious ceremonies where a small amount of alcohol has been genuinely consumed.

Any novice driver who has legitimately consumed a small amount of alcohol during a religious ceremony will have an opportunity to defend his or her actions at court. Similarly, any novice driver who has taken a medicinal product that contains alcohol as prescribed or directed and not for the purpose of consuming alcohol, will have an opportunity to defend his or her actions at court. The onus of proof will be on the novice driver and the alcohol concentration cannot be 0.02 grams or more in 100 millilitres of the defendant's blood. However, any novice driver who deliberately consumes an alcoholic beverage or product that contains alcohol for the purpose of consuming alcohol before driving will be prosecuted under this new law.

It is clear that there is widespread community support for a zero alcohol limit for novice drivers. The community expects the Government to continue to act to reduce the incidence of young people drinking and driving. The legislation which has been proposed for New South Wales and which has already been implemented in Victoria, Queensland, South Australia, the Northern Territory and Tasmania is consistent with other recent legislative changes prohibiting people from drinking alcohol while in control of a motor vehicle or riding a motorcycle. The legislation has its origin in the Alcohol Summit committee that examined the role that alcohol abuse plays in road accidents. I was a member of that committee, along with members from both sides of this House and representatives from the Roads and Traffic Authority, surf life saving, ambulance drivers, nurses and academics. This recommendation is one that our committee strongly backed. The zero alcohol limit will send a clear zero tolerance message to novice drivers that no alcohol can be consumed before driving. That message must be heard and understood. I commend the bill to the House.

Ms GLADYS BEREJIKLIAN (Willoughby) [9.18 p.m.]: I am pleased to speak to the Road Transport (Safety and Traffic Management) Amendment (Alcohol) Bill, which will prohibit drivers who are the holders of learner licences or provisional licences from driving with any alcohol present in their blood—a reduction from the current level of 0.02. I spoke in favour of such measures during the Alcohol Summit, which was held last year. Much of the discussion during the Alcohol Summit and many of the subsequent recommendations focused on the problems associated with alcohol amongst our youth. For me, a startling revelation was that the Northern Sydney Area Health Service has the highest rate of alcohol abuse in the State. Many people in the community that I represent are concerned about the impact of alcohol abuse on families, and most particularly the impact of alcohol abuse on the young.

As legislators we must ensure that we take every responsible step to educate young people against the perils of abusing alcohol and the consequences that their actions can bring to others. The introduction of a zero blood alcohol level for learner and provisional licence holders will send a strong message to young people that alcohol and driving simply do not mix. I alluded earlier to the fact that the Northern Sydney Area Health Service reports that the highest rate of alcohol abuse occurs in the northern parts of Sydney. I would like to relay some of the concerns that my community has in relation to the proliferation of alcohol outlets in the electorate of Willoughby.

I do not normally like to speak on issues regarding local councils. However, I was disappointed to learn that Willoughby council approved the development of a large liquor outlet in close proximity to a primary school and a high school. Many members of the high school parents and citizens association expressed concern to me that they were not consulted adequately about the liquor outlet's proximity to the high school, especially as many students walk to school through the arcade in which the outlet is located. Alcohol and its impact on our youth are at the forefront of the minds of many parents and citizens in the Willoughby electorate. I was disappointed to learn that adequate consultation did not occur before the development was approved in Penshurst Street, Willoughby, which has raised major community concerns about young people and alcohol.

Honourable members will be aware that alcohol remains one of the major factors in the New South Wales road toll. In fact, alcohol is a factor in one in five fatalities and contributed to the deaths of 130 people on New South Wales roads in 2002. Significantly, 12 per cent of drivers involved in these fatal crashes were in their first years of driving. There is now overwhelming evidence that a blood alcohol concentration as low as 0.02 impairs the driving skills of new drivers. This is consistent with medical research, which shows that the effects of alcohol are more pronounced on skills that are not highly practised. We have also learned that drivers aged 17 to 20 years are overrepresented in drink-driving crashes in New South Wales. This group constitutes only 6 per cent of New South Wales licence holders but unfortunately represents 17 per cent of all drink-drivers who are involved in fatal crashes. The vast majority of learner and provisional licence holders falls into this age group.

As I understand it, the existing penalty provisions for special category drivers will apply to the new zero alcohol limit: a maximum of 10 penalty units in the case of a first offence or 20 penalty units in the case of a second offence. Existing disqualification periods for special category drivers will also apply: for a first offence, a minimum disqualification period of three months and an automatic disqualification period of 12 months. It is hoped that such measures will serve as significant deterrents to would-be drink-drivers. It is important to note that similar legislation has already been implemented in Victoria, Queensland, South Australia, Tasmania and the Northern Territory.

As stated by the shadow Minister for Roads, the honourable member for Ballina, the Coalition will not oppose the bill but will insist that the legislation is reviewed in two years in order to gauge its effectiveness. We note that the onus of proof is placed upon the driver to prove that he or she was not consuming alcohol should his or her alcohol reading exceed 0.02 due to the consumption of medicine, foodstuffs or as a result of Holy Communion. Previous speakers in this debate have sought clarification of what standard of proof a defendant might need, and I trust that the Minister will address this issue when he replies to the second reading debate. I believe it is sensible to review the legislation in two years in order to measure its effectiveness and implementation. In any event, the immediate impact of this bill is that new drivers will have to accept that if they intend to drink alcohol—it does not matter if it is only one glass—they cannot get behind the wheel. They must think not only about their lives and those of their friends and passengers but the lives of pedestrians and other drivers on our roads. This bill will ensure that young people know that drinking and driving do not mix.

Mr ANDREW CONSTANCE (Bega) [9.22 p.m.]: The Coalition will not oppose the Road Transport (Safety and Traffic Management) Amendment (Alcohol) Bill but, as we have several reservations about the bill in its current form, we will seek to move an amendment in the upper House to require the Government to review the legislation in two years to assess its impact in New South Wales. The bill seeks to make it an offence for the holders of learner and provisional licences to drive with any alcohol in their bloodstream. This bill sends the clear message that we will no longer tolerate learner and provisional drivers consuming any alcohol before they get behind the wheel of a car. This will be tough on many country drivers in their late teenage years and early twenties, many of whom like to go to the pub on a Friday night for a drink and are designated to drive for a group of other kids.

Although the Coalition supports the bill we are concerned that it will create practical difficulties from a policing standpoint. At present learner and provisional licence holders are permitted to drive with a prescribed alcohol concentration of 0.02 grams per 100 millilitres of blood. This concentration will now be lowered to zero. Whilst the bill deals with foodstuffs and medicine that contain a small amount of alcohol by providing a defence for learner and provisional drivers if they can prove to a court that the alcohol in their blood was caused not by the consumption of alcohol but by the ingestion of foodstuffs or medicines, the onus of proof leads to a presumption of guilt rather than of innocence. This is a key pillar of our judicial system arising from the common law. It is fair to say that this component of the legislation goes against those principles. In many circumstances it may also be difficult for an alleged offender to prove his or her innocence.

Therefore, it is a matter of concern that a young driver who is detected driving with a reading of less than 0.01 grams of alcohol in his or her blood could be charged under the legislation with a very serious offence, which could result in a \$1,100 fine for a first offence or a \$2,200 fine for a second offence. The same disqualification period will apply as currently applies to special category drivers who exceed the special range prescribed concentration of alcohol—that is, for a first offence a minimum disqualification period of three months and an automatic disqualification period of six months; and for a second or subsequent offence a minimum disqualification period of six months and an automatic disqualification period of 12 months. New South Wales has more than 458,000 learner and P-plate drivers who could potentially become criminals after consuming one lite beer or having one serve of Christmas pudding. While it is critical to enact laws that are designed to protect the safety of people on the road, we must take care not to pass laws that will make criminals of many innocent people.

That being said, we cannot ignore the statistics. The fact is that drivers in the 17 to 20 years age group account for 6 per cent of drivers who are involved in 17 per cent of drink-driving fatal crashes. In other words, young drivers in this age group are three times more likely to be involved in an alcohol-related fatal crash than older drivers. That is the benefit of this legislation, which will send the critical message that learner drivers and P-plate drivers cannot drink and drive. That is very important. The Alcohol Summit offered several key arguments on this issue. It was asserted at the summit that, even with a low prescribed concentration of alcohol in their blood, young, inexperienced drivers are eight times more likely to be involved in a fatal crash than older drivers. This bill will offer social and economic cost benefits by addressing this challenging problem.

Last year learner and provisional drivers committed about 2,300 alcohol-related offences. We must reduce that figure, which will in turn reduce the number of road fatalities in the 17 to 20 years age group. We must do all we can to support road safety measures that are designed to reduce the road toll. For example, the Carr Government must consider introducing roadside drug tests. Financial support for road safety programs and improvements and upgrades to our highway network are also critical. I spoke recently in this Chamber about the Stop the 4 O'clock Knock! road safety seminar that is run by a community champion by the name of Frank Bottomley of Batemans Bay.

This road safety initiative is directed at young people and their families in regional New South Wales. It was motivated by community concerns about young drivers' inability to handle all road conditions, and focuses on speed, occupant restraint, fatigue, alcohol and drugs. These seminars are aimed particularly at young people aged between 15 and 18 years, learner drivers, and their parents and carers. It is important that legislation reinforces the messages that come about through seminars run by Frank Bottomley, who brings in police, emergency services personnel and road victims. I encourage the Minister to consider providing funding to Frank Bottomley's program because it is working, and it sends the same message in relation to lowering the alcohol limit for P-plate and L-plate drivers.

In conclusion, I point out that these messages are important to people in the south-east corner of the State. I also encourage the Government to look more closely at the road network and to improve highway upgrades in the south-east corner of the State. I note that the Minister for the Illawarra is in the Chamber. In light of the decision of the Federal Australian Labor Party not to fund the Princes Highway upgrade, I suggest to him and other members on the South Coast that they must encourage the Minister for Roads to provide the necessary funding for the Princes Highway.

Mr David Campbell: Point of order: We are debating the Road Transport (Safety and Traffic Management) Amendment (Alcohol) Bill, which is about blood alcohol levels in novice and P-plate and learner drivers. It is not about capital funding or the failure of John Anderson of the Federal Government to fund the Princes Highway. I ask that the honourable member for Bega address the leave of the bill rather than introduce other issues.

Mr ACTING-SPEAKER (Mr Paul Lynch): Order! I note that the overview of the bill includes these words:

... to prohibit drivers who are the holders of learner licences or provisional licences from driving with any alcohol present in their blood.

I am sure that the comments of the honourable member for Bega were made merely in passing.

Mr ANDREW CONSTANCE: I am particularly concerned about young drivers with alcohol in their blood on that very dangerous highway. The fact is that I have touched on a very sensitive topic and it is about

time the Minister for the Illawarra started to do his job and took the fight to the Minister for Roads to get money to upgrade this highway.

Mr David Campbell: Point of order—

Mr ACTING-SPEAKER (Mr Paul Lynch): Order! I do not need to hear from the Minister on the point of order. The honourable member has now moved outside the leave of the bill. I take it he has finished his contribution. That will avoid me directing him to resume his seat.

Mr ANDREW CONSTANCE: That is correct.

Mrs SHELLEY HANCOCK (South Coast) [9.32 p.m.]: I give my unqualified support to the Road Transport (Safety and Traffic Management) Amendment (Alcohol) Bill, which is one of the good outcomes of the Alcohol Summit, which we all attended last year. The Summit was supported by all key stakeholders at the time—most importantly young people. I have had many discussions with members of my electorate, including young people, parents and older people, who all wholeheartedly agree that this legislation is a good initiative. It is a good initiative, and I have no doubt that it will have bipartisan support. A number of recommendations came from the Alcohol Summit regarding alcohol use and abuse throughout the State. I was concerned that the Government did not seem to be committing enough money to some of the very good recommendations of the Alcohol Summit. However, I look forward to some of the excellent recommendations from that process being addressed in this House.

This legislation is an important initiative for a number of reasons. The main reason I support this bill is that it supports young people. Essentially, it aims to keep young people out of the criminal justice system. As we all know, drink-driving is a criminal offence and young people who break the law will have a criminal conviction recorded against their name for the rest of their lives. We, as politicians, parliamentarians and parents, should be doing everything we can to keep young people out of the criminal justice system. In fact, they are probably not doing anything that we did not do when we were their age. This bill is an example of a crime prevention measure, which should be the focus of policing rather than apprehension and arrest. That is the way we should be handling and supporting our young people today.

In regard to rural and regional areas, which my colleague the honourable member for Bega referred to, it is quite concerning to read some of the research that came out before the Alcohol Summit. The research showed that young people in rural and regional Australia tend to drink more and are more likely to get into a car after drinking than their urban counterparts. The reasons for that are not clear in any of the research. A number of people talk about the boredom of rural youth, their problems, the fact that they tend to congregate in public places, and the fact that the problem is greater for young people in rural areas than it is perhaps in the city.

Young people must get the very clear message that if they hold a learners or provisional licence they do not drink at all. Currently, young people are receiving some very mixed messages about the blood alcohol limit of 0.02. That is interpreted to mean one standard drink. But some people—not only young people—have not worked out what is one standard drink. What size glass contains one standard drink? What is the difference between one standard glass of wine and a glass of spirits or a glass of beer? Those messages are clouded.

If there are a lot of anomalies and significant grey areas, we have to make that level zero so it is clear to young people that they cannot drink and drive. We need to protect our young people and keep them out of the criminal justice system. That does not mean we want to spoil young people's experiences. My colleague the honourable member for Bega said that it is a fact of life that many young people like to gather in pubs and public places, much to the chagrin of some of our elderly residents, especially in my electorate. Perhaps if we dredge up some of our memories, we will realise that we did the same sorts of things.

I do not want to send the message that we want to spoil those youth experiences, but I want to do something to reverse the increasing trend of young drivers being involved in motor vehicle crashes and, sadly in my electorate, fatalities. I note that my colleague the honourable member for Bega was brought to order when he began to stray into this area, but we all need to explore every avenue to reverse these trends. I hope the Minister for Roads will not rest easy, having presented this bill to the House, and think that he needs to do nothing else to protect young people on our roads. That is certainly not the case.

I believe that if the Minister for Roads is serious about drink-driving and safety he should turn his attention to good driver education programs that are conducted in some of our high schools in years 10 and 11.

Perhaps we need to give more support to these programs—such as one that has been conducted at Ulladulla High School, where I taught for about 20 years—because they have an effect on young drivers. During driver education programs young people are taken to the Goulburn police academy where they are taken around the skid pans, and have the experience of driving fast.

The program is fairly limited, but it seems to have some effect on them. Councils and schools need support from the Minister for Roads, who says he is concerned about young people in accidents on the roads, and about contributory factors to road accidents and fatalities throughout the State. If he were serious about road safety he would accede to the repeated requests to meet with the southern group of councils. As recently as a couple of days ago they again requested the Minister to meet in relation to the safety of the Princes Highway.

Mr David Campbell: Point of order: I ask that the honourable member for South Coast be directed to return to the leave of the bill. It is not about the Princes Highway; it is about the blood alcohol content of learner drivers and provisional drivers. The honourable member's comments about the Princes Highway—on which she has been silent in her local community, and she has failed to make any impact with calls to have the Federal Government provide funding for it—and the southern group of councils, which are screaming for the Federal Government to put some money into the Princes Highway, are outside the leave of the bill. Senator Ian Campbell and Minister for Roads John Anderson have both said they are not going to fund that road. The southern group of councils is asking the Federal Government to fund it, recognising that the Federal Government should put money into the Princes Highway. The point of order is that the honourable member has strayed from the leave of the bill and should be directed to return to addressing the bill.

Mr DEPUTY-SPEAKER: Order! I uphold the point of order. The honourable member for South Coast will return to the leave of the bill.

Mr Andrew Constance: To the point of order—

Mr DEPUTY-SPEAKER: Order! I have already ruled on the point of order.

Mr Andrew Constance: Point of order: It is reasonable for the honourable member, when talking about alcoholism among learner drivers and provisional licence drivers in her electorate, to refer to the main road through her electorate. It is a main road that many of these young drivers use. The Minister is very touchy about the Princes Highway, as he has demonstrated time and again over the past week. The Federal shadow Labor Minister has ruled out funding the Princes Highway, which now leaves the Minister for the Illawarra and the honourable member for Kiama in a difficult position.

Mr DEPUTY-SPEAKER: Order! This debate is not about the Federal Government.

Mr David Campbell: To the point of order: I make it clear that I did not refer in any way, nor does the bill refer, to alcoholism among learner drivers. The bill relates to blood alcohol content, which is a completely different issue. In speaking to the point of order I would make the comment that this Government is spending \$380 million on the Princes Highway, and that \$50 million is to be spent this financial year. If the honourable member for Bega occasionally travelled that way to his electorate, he would see the work under way.

Mr DEPUTY-SPEAKER: Order! The Minister need not canvass that issue. I suggest that the honourable member for Bega not canvass the ruling of the Chair. I will excuse him on this occasion, but in future I will take other steps. I am sure the honourable member for South Coast will now return to the leave of the bill.

Mrs SHELLEY HANCOCK: Reference to road statistics and road safety is within the leave of the bill, the purpose of which is to ensure the safety of young drivers. The thrust of what I have been saying for the past five minutes is protecting young people, keeping them out of the criminal justice system and keeping them safe on our roads. While we are considering an initiative to reduce the blood alcohol limit for young drivers, surely it is within the leave of the bill to suggest that perhaps a number of other initiatives should be taken in combination with the proposals in the bill. If we are serious about protecting and looking after young people, we should be talking about roads and every other factor that contributes to motor vehicle crashes.

Obviously, the Minister for the Illawarra does not care about the roads in his electorate or in any other electorate. He does not want to meet with the southern group of councils. He is in trouble and he is sensitive about the issue. Well, I am sorry, Minister, but I will continue to raise the issue. It is within the leave of the bill

because it has to do with safe driving and the safety of young drivers on our roads. This is about sending them safety messages. I conclude by saying, as I said at the outset, that this is a good bill. It has my unqualified support because it is one of the best outcomes of the Alcohol Summit. It certainly has a great deal of support from everyone to whom I have spoken in my constituency. Of course, it is up to every member of this place to raise any objection or concern they have.

I have no objections to or concerns about this bill—none whatsoever. But I believe that while we are debating this issue we need to look at some related issues as well. That is all I have been doing this evening—talking about other measures that the Minister for Roads needs to take responsibility for. He should be talking about driver education systems and education programs, primarily in our schools, because at the moment those measures are being dealt with on an ad hoc basis. If the Minister wants to get the message through—and one member opposite talked about a brochure giving out information—that information should be given to students in years 10 and 11, before they leave school. Let us get that information and all the other messages about road safety through to kids at the appropriate time. I support the bill, and I look forward to the presence of the Minister for the Illawarra at the next southern group of councils meeting.

Mr RUSSELL TURNER (Orange) [9.45 p.m.]: I am pleased this evening to speak to the Road Transport (Safety and Traffic Management) Amendment (Alcohol) Bill. I note that the principal object of the bill is to amend the Road Transport (Safety and Traffic Management) Act 1999 to prohibit drivers who are the holders of learner licences or provisional licences from driving with any alcohol present in their blood. The background commentary on the bill states that in 1998 the penalties that applied to drink-driving offences in New South Wales were substantially increased. When I was a learner driver very little control was exercised over the consumption of alcohol. I recall the first few times that I consumed alcohol and drove. In hindsight, I know I should not have done that. I certainly support the thrust of the bill, and I know that anything we can do to save the lives of young drivers will have the full support of the whole community.

The background information to the bill notes that alcohol remains one of the major factors in the State's road toll, being involved in the deaths of 130 people on New South Wales roads in 2002. Some 12 per cent of drivers involved in fatal vehicle accidents were novice drivers in their first years of driving. There are currently 458,685 learner and provisional licence holders in New South Wales. In 2002 learner and provisional licence holders committed 2,312 alcohol-related offences, despite the overwhelming majority of those people having a 0.02 blood alcohol limit. Drivers aged 17 to 20 years are overrepresented in drink-driving crashes in New South Wales. This group comprises only 6 per cent of New South Wales licence holders, but they represent 17 per cent of all drink-drivers who are involved in fatal crashes. The vast majority of learner and provisional licence holders fall into this 17 to 20 year age group.

The bill will amend the Act to impose a prescribed concentration of alcohol requirement of zero on drivers who are the holders of a learner licence or a provisional licence. Currently, under the Act, special category drivers are subject to the special range PCA legal limit of 0.02, which means they must have less than 0.02 grams of alcohol in 100 millilitres of their blood. Special category drivers include learner and first-year provisional drivers, heavy and public passenger vehicle drivers, drivers of dangerous goods vehicles, drivers who are not licensed, and drivers who are under the age of 25 years and who have not held a New South Wales licence for three years. Accordingly, special category driver includes the majority of provisional P2 licence holders. It was stated in the Minister's second reading speech on the bill that the amendments to the Act are a response to issues raised in the August 2003 Alcohol Summit. It is good that something as positive as this measure has come from that Summit, because quite a few criticisms and negative comments were made about the Summit and what it would achieve.

The overwhelming evidence now suggests that a blood alcohol concentration [BAC] as low as 0.02 impairs driving skills for novice drivers. Research has shown that young novice drivers aged between 16 to 20 with a blood alcohol content below 0.02 are more likely to be involved in a fatal accident than older drivers with the same BAC. The less developed skills of novice drivers make them more susceptible to the impairing effects of even lower levels of alcohol, and they are more likely than older, more experienced drivers to take risks when driving.

After consuming alcohol, novice drivers are likely to take even more risks. By introducing this new zero alcohol limit the Government is protecting the most vulnerable drivers on our roads from the impairing effects of even lower levels of alcohol and the subsequent trauma associated with drink-driving crashes. We are talking not only about fatalities and single-vehicle accidents but, more importantly, about accidents involving other vehicles or an innocent party. The more we can do to avoid those types of accidents, the better. Let us

hope that the bill goes a long way towards reducing not only the number of accidents generally but the number of single-vehicle accidents involving drivers.

The new blood alcohol level is described as the novice range prescribed concentration of alcohol. If a young person inadvertently consumes a small amount of alcohol during religious observance, or in food or medicine they will have the chance to defend themselves in court—innocent until proven guilty. I note that the Government intends to run an extensive media advertising program—it will be quite easy to get the media on side, particularly in regional areas—and throughout our schools. The more publicity it receives the better. A number of schools already provide driving lessons.

I note that similar legislation has been introduced in most of the States, and I look forward to it becoming national legislation. I acknowledge that learner drivers and P-plate drivers in country towns often drive longer distances than their city counterparts. Nothing is wrong with young people consuming a reasonable amount of alcohol—almost all of us have done it—but it is important that the allocated driver not consume any alcohol. Many kids in country areas think nothing of driving up to 150 kilometres to attend a party or a dance, and I hope they enjoy themselves responsibly. They may leave a function feeling on top of the world, but 10 or 15 minutes out of town the driver might start to feel drowsy. It is extremely important that the novice range prescribed concentration of alcohol receive wide publicity in country towns.

I have noted with some concern that when we talk about the impact of overconsumption of alcohol on driving, not enough emphasis is placed on the illegal taking of drugs. Two, three or four times a year we hear of drivers falling asleep and having an accident—not because they have consumed alcohol but because they have taken illegal drugs. They come into town to get their illegal drugs, they have a hit before they go home, they get halfway home and they either leave the road or fall sleep at the wheel. Neither the Government nor any responsible authority has done sufficient research on the effect on the accident rate and the road toll of not only young drivers but also senior drivers taking illegal drugs.

I call on the Government to carry out a comprehensive study into the number of minor, major or fatal accidents that involve all kinds of illegal drugs and their effect on the road toll. I call on the Government to develop urgently appropriate testing equipment to accurately measure the level of illegal drugs in the blood system of drivers, similar to the random breath-testing program that has been accepted widely by the general public. As previous Opposition speakers said, we do not oppose the bill. However, I understand that an amendment will be moved in another place to ensure that the bill is reviewed in two years to assess how well it is working and what we can do to make it even more effective.

Mr MICHAEL RICHARDSON (The Hills) [9.56 p.m.]: Road accidents are the greatest killer of young men in Australia, and their tragic deaths touch all of us. Unfortunately, young women are not immune either. Lynn MacMillan, a good friend of mine at the University of Sydney, was killed at the tender age of 17 when she was driving down to the snow on a Friday night. I suspect that all of us in this House know someone whose family has been irrevocably and irretrievably shattered by the tragedy of sudden death on the roads. Just three and half years ago four young men—Rajiv Lal, Matthew Willis, Paul Rhodes and Anthony Hughes—three of them my constituents, lost their lives in a tragic accident on Old Northern Road, Dural. I am sure that members would recall that tragic episode. The four boys were in a Mitsubishi Mirage that belonged to the mother of Matthew Willis, the driver. No-one really knows what happened that fateful night. Maybe it was high spirits.

As I understand it, the boys were on their way to a party when the car veered onto the wrong side of the road and collided head-on with a four-wheel drive vehicle. Four young lives were tragically snuffed out as a result of, perhaps, a moment's inattention. My electorate has more school-age children than any other in the State—it has a very large proportion of young people—and the community was very concerned about the accident. The local rotary clubs established the U Turn the Wheel Program. In October 2000 I spoke about the program and asked the Minister for Roads whether he would contribute to it financially. I am delighted to say that, at that time, the Government came to the party with \$10,000.

Peter McBean from the rotary club of Castle Hill wrote to me in the last week about the U Turn the Wheel Program, which is now much larger than it was then. Once again the rotary clubs are seeking additional funding, and I would like to take this opportunity to again ask the Minister, Carl Scully, for additional funding for the program. The program is first class. I have attended the police driver training school at St Ives and witnessed it in operation. Having spoken to some year 11 students about the impact of the program on how they think about driving I can inform the House that it is a very valuable program.

It is tragic that young people, and particularly young men, die on the roads at a significantly higher rate than the rest of the community. I guess it is a combination of testosterone, having mates as passengers—that may well have been the case with the four lads I mentioned—and young men aged 17 believing they are immortal. Another factor is that young people often drive older, less safe cars. The U Turn the Wheel Program provides information on what to look for when buying a car. In his second reading speech the Parliamentary Secretary stated:

Last year learner and provisional licence holders committed 2,312 alcohol-related offences, despite the overwhelming majority of these people having a 0.02 blood alcohol limit. Drivers aged 17 to 20 years are overrepresented in drink-driving crashes in New South Wales. This group comprises only 6 per cent of New South Wales licence holders, but, unfortunately, represents 17 per cent of all drink-drivers who are involved in fatal crashes.

The bill is the result of a key recommendation of the Alcohol Summit and sets a zero alcohol limit for provisional licence holders—and in this case, zero means zero. For offenders the fine is \$1,100 plus three months to six months licence disqualification, or \$2,200 for a second or subsequent offence plus six months to 12 months licence disqualification.

Although I welcome any initiative that will save young lives and protect young people like Lynn McMillan from a horrible, early death, I have some concerns about the bill. As the honourable member for Ballina said, an 18-year-old could become a criminal for consuming a single glass of light beer. That is a little over the top. The bill also reverses the onus of proof. A young person who consumes medicine containing alcohol, some of grandma's trifle—as was suggested in the party room—or a liqueur chocolate, or partakes in communion could be breathalysed and found to have traces of alcohol in the bloodstream. That young person would be guilty of an offence and would have to attend court to prove his or her innocence. One can imagine the alarm at being charged for merely consuming some trifle or a liqueur chocolate, or taking communion. New section 11A contains certain defences to the charge, but the alarming fact remains that the bill unquestionably reverses the onus of proof.

Also, there is no hard evidence that 0.02 grams of alcohol per 100 millilitres of blood—or even 0.005 grams because it is an offence for any alcohol to be detected in the blood—causes accidents. The Parliamentary Secretary said that research has shown that young novice drivers aged 16 to 20 years with a blood alcohol content below 0.02 are eight times more likely to be involved in a fatal accident than older drivers with the same blood alcohol content. However, he did not say that research has shown that novice drivers aged 16 to 20 years with a blood alcohol content below 0.02 are eight times more likely to be involved in a fatal accident than drivers of the same age with no blood alcohol content. Obviously, the jury is still out on that issue.

The Parliamentary Secretary did not present any statistics to support the contention that a zero—meaning zero—blood alcohol limit will mean that drivers are safer. Of course, not all learner drivers and provisional drivers are 17 to 20-year-olds. For example, my mother did not learn to drive until she was 33 or 34. As drivers must now hold their provisional licences for three years instead of one year, some drivers may be almost 40 by the time they hold a full licence, and by that time they may have been drinking for 15 years or more. Nevertheless, the anomaly is that they will be subject to the same strictures as an 18-year-old. The honourable member for Orange suggested that the bill might encourage young people to use illicit drugs rather than alcohol. During the Drug Summit in 1999 I moved:

That in line with recommendation 7.11 of the Penington report, research should be funded to establish a roadside test for the short-lived metabolites of cannabis.

The Drug Summit passed that recommendation, although the Government, perhaps predictably, failed to act on it, despite many speakers expressing concern about illicit drugs causing traffic accidents. The Penington report underpinned the Drug Summit, which noted that drugs other than alcohol were present in significant numbers of drivers killed in road accidents. Indeed, David Penington said that motorists might be tempted to use cannabis or other drugs instead of alcohol, knowing that would not be picked up unless they were involved in an accident. Unfortunately, cannabis is not as easy as alcohol to test. It is fat-soluble and tends to remain in the body for long periods. Indeed, a regular cannabis user who may have desisted for a period of three months could still test positive to the inactive ingredients of cannabis.

A test must be developed to differentiate between the short-lived metabolites of cannabis and the longer-lived metabolites. In particular, we need a test to identify delta 9 THC, which causes intoxication. There is no such simple test anywhere in the world, as I understand it. The presence of the active ingredient delta 9 THC can be detected using a \$40,000 machine, by taking a blood sample and using a gas chromatograph-mass spectrometer. Clearly, police will not carry out that test by the roadside. The Government should investigate this

issue and provide additional funding. If the Government were serious about reducing the mortality rate among young drivers, it would commit that funding. There may not be clear evidence of involvement of a small quantity of alcohol in fatal accidents but, as David Penington identified in his report, there is clear evidence that cannabis is involved in a significant number of fatal road accidents. I hope the Minister in his reply will explain why the Government does not think that that issue is sufficiently important to warrant the investment of funds.

For the reasons I have stated, I support the amendment to be moved by the Opposition in the other place to introduce a two-year sunset clause. It is important to determine whether a complete ban on alcohol in the bloodstream of novice drivers, regardless of its source, will have an effect on the road toll. I do not believe it is good enough for members to pontificate about alcohol issues and later go into the dining room and have a couple of glasses of wine. Let us be fair dinkum about this by examining also the impact of illicit drug-taking on the road toll and making sure that what we are doing now will not criminalise innocent young people for engaging in conduct which in any other society would be perfectly acceptable.

Mr ANTHONY ROBERTS (Lane Cove) [10.10 p.m.]: Few people can argue against the substance of this legislation: Young drivers are overrepresented in alcohol-related accidents. Drivers in the 17 to 20 years of age category represent 6 per cent of the total number of drivers who are involved in 17 per cent of all fatal crashes in which drink-driving is an element. Medical research has shown that the effects of alcohol are more detrimental on drivers who are not highly skilled than on those who are. Young drivers who have basic skills will be more adversely affected by alcohol than experienced drivers with highly developed skills, but that does not in any way condone the behaviour of experienced drivers who drink and drive. This legislation will ban the consumption of alcohol by learner drivers and drivers who hold a provisional driver's licence, and there will be a zero alcohol limit imposed on young drivers. Currently the prescribed concentration of alcohol in the bloodstream is limited to .02 per cent for drivers in the novice range and .05 per cent for more experienced drivers, which represents a decrease from the previous limit of .08 per cent.

I endorse the remarks made by my colleague the honourable member for Baulkham Hills, Wayne Merton, who is an extremely learned member of this House, and I share his concerns. When an alcohol concentration on the bloodstream is caused by factors other than the consumption of alcohol, it is fair and equitable to apply the civil standard of proof. However, if the Government intends that a criminal standard of proof should apply, that may result in grave injustice for people who have to face serious charges. After all, the novice range prescribes a zero blood alcohol concentration. If alcohol is present as a result of taking medication, the civil standard of proof—the balance of probabilities—should apply, and the defence to new section 11A should be accepted as an excuse.

Statistical information I obtained today from the Joint Standing Committee upon Road Safety indicate that drivers between 17 and 20 years of age have three times the number of crashes involving someone being killed or taken to hospital as those who are over 25 years of age. In 2001 2,316 drivers were killed or seriously injured. Surveys conducted by the committee indicate that one driver in five under 25 years of age admits to driving after having taken recreational drugs such as marijuana, cocaine, speed or ecstasy; 14 per cent of drivers under 25 years of age admit to having had a crash in the previous year; and 34 per cent of drivers under the age of 25 admit to having had a crash in the previous five years. I will deal with those statistics in more detail later as they relate to drugs, as my good friend and colleague the shadow Minister for the Environment, the honourable member for The Hills, did.

Surveys also indicate that the highest number of crashes occur during the first six months after a driver obtains a drivers licence but that the incidence declines over the next few years. Factors involved in youth crashes are a lack of experience, slower decision making, poor hazard detection, poor anticipation skills, and impairment owing to drug or alcohol use. The Accident Research Centre at Monash University has published a paper entitled "Involvement of 21-26-year-olds in drink-driving behaviour". The project examined the involvement of 21-year-old to 26-year-old Victorian drivers in drink-driving behaviour following concerns of their overrepresentation in alcohol-related, fatal and serious casualty crashes. It is within that age range that Victorian probationary drivers, who are subject to a zero blood alcohol concentration [BAC], generally progress to a full licence, with a corresponding increase in the BAC to .05. Therefore, the transition has been of particular interest to the centre.

The study examined the involvement of fully licensed 21-year-old to 26-year-old drivers, who are termed novices, in drink-driving behaviour relative to younger probationary drivers who were in the 18-years-of-age to 20-years-of-age category and older experienced drivers in the 31-years-of-age to 40-years-of-age category, including differentiation by gender and metropolitan-rural splits. Two complementary approaches

were applied. The first involved examination of fatal and serious casualty crash data from 1993-2000. Analysis confirmed that novices in more recent years were overrepresented in alcohol-related fatal crashes in comparison to other age-experience groups. Analysis by gender and regions showed that males in both the novice and probationary groups were overrepresented in serious casualty crashes, regardless of region. In contrast to that, for experienced drivers, males in the rural regions were consistently overrepresented in serious fatality crashes except in 1996.

The second approach was that a telephone survey explored related issues—driving, drinking and drink-driving exposure, drink-driving related awareness, knowledge, planning behaviour, strategies and reasoning including specific questions regarding the transition from zero to .05 BAC. Findings suggested that exposure partly explains the overrepresentation of male novices, but not that of females. Awareness and knowledge were higher for all groups. Getting someone else to drive was a strategy commonly reported by novices, as all honourable members would know. While one of the most successful strategies, it also had one of the most unsuccessful outcomes, as evidenced by the tragedy that occurred almost a year ago to the day when two young boys died while being driven home from a party despite the fact that the driver did not record any blood alcohol concentration.

The use of the strategy by female novices was less successful than its use by males, although generally their use of the strategy was more effective. The project found that limiting, counting or spacing drinks—a strategy more common among male novices—was less likely to be effective compared to avoiding the combination of alcohol and driving altogether. A perceived need or desire to get home was the most commonly reported reason for drink-driving, while fears of crashes, injuries, loss of licence, detection and arrest were common reasons for not drink-driving. The findings suggest that the transition from zero to .05 BAC is difficult for some novices and requires education or intervention.

Another interesting document was produced by Craig Zwerling and Michael Jones in the *American Journal of Preventive Medicine* in 1999. The article reviewed the research literature on the effectiveness of laws that lower the BAC at which it is a crime for youth to drive. After an extensive search, the reviewers found six studies dealing with this issue and concluded that those studies show that lower BACs for younger drivers result in fewer motor vehicle crashes, injury crashes, and fatal crashes. One study showed that the lower the BAC limit imposed on young drivers by State law, the greater was the reduction in night-time single vehicle deaths. Another study found that educational programs focusing on lower BAC limits helped to increase the impact of the law. The authors have confidence in these findings because the studies were conducted at different times and in both the United States and Australia. Moreover, different outcome measures were used as well as different research methodologies.

The consistency in findings among studies that were in so many other ways dissimilar makes it less likely that the outcomes were due to factors other than the lower BAC. The review presented strong evidence that lowering the BAC limits for younger drivers helped to reduce alcohol-related injuries. It also suggested that other measures, such as increased enforcement and educational campaigns, may also strengthen the impact of laws. Another study conducted in September 1997 by the Monash University concerned fatal single vehicle crashes. The summary of findings included that drivers under the age of 25 and those aged 60 and over were at a higher risk of being involved in a fatal single vehicle crash than are drivers aged 25 to 59 years. Among these groups the risks were greatest for drivers aged between 21 and 70 and over. Compared to full licence holders, the permit and probationary licence holders were at a higher risk.

Having driven for less than three years and having driven their current vehicle for fewer than 10,000 kilometres were also factors associated with the increased risk of being involved in a fatal single vehicle crash. Among drivers with at least five years experience, those who had been involved in a crash in the past five years were at a greater risk of crashing. The interesting feature of this report is its findings on alcohol and cannabis. The study found that driver BAC levels exceeded .05 in the 36 per cent of crashes for which this was known, including 27 per cent of crashes in which the BAC exceeded .15. When the BAC was greater than .05, that was associated with significantly increased crash risk. The lack of control drivers with high BAC levels prevented an estimation of relative risk for BAC of greater than .15. Alcohol or cannabis was present in some cases and in some control studies. Among the cases, but not the control studies, cannabis was most commonly present at higher levels of alcohol concentrations.

I also refer to a study carried out by the Pacific Institute for Research and Evaluation entitled "Odds that an Involved Driver was Drinking: Best Indicator of an Alcohol-Related Crash?" What came out of that was that a significant relationship between driver age and gender and involvement in impaired driving crashes had been well established. The study paper stated:

The reversal of the two-decade downward trend in alcohol-related fatalities [in America] in 2000 places renewed importance on understanding such differences for the development of new countermeasures. The best measure of alcohol's role in traffic crashes is the blood alcohol concentration (BAC) of crash-involved drivers. The Fatality Analysis Reporting System (FARS) provides a national census of fatal crashes in which BACs are available for approximately 70% of killed drivers. BACs of the remaining 30% can be accurately imputed by a method developed by Klein and adopted by the National Highway Traffic Safety Administration for reporting FARS data. This ability to separate the drinking from non-drinking drivers in fatal crashes provides the opportunity to contrast the two for any specified group. Drinking drivers can be expressed as a percentage of all drivers for the particular group in a fatal crash or can be expressed as the odds (drinking/non-drinking) that a driver in a fatal crash will be drinking. This study compares that odds measure with the more familiar VTM measure as a method of comparing the involvement of drivers in different age and gender groups in fatal crashes.

This all comes back to the fact that there would be a higher number of fatal crashes among drivers with a blood alcohol concentration. The honourable member for South Coast and the honourable member for The Hills spoke about the evaluation of an Insight Driver Training Program for young drivers. Again, this was looked at by the Accident Research Centre at Monash University, which found that often the combination of inexperience and alcohol will greatly increase the possibility of a fatal car accident, as previous studies have shown. The centre found that traditional driver training programs that aim to improve vehicle handling skills, including manoeuvring exercises and skid training, have tended to be relatively ineffective at times in reducing crashes when the training has not been undertaken in full.

However, the centre has outlined the positive effects of these training programs: drivers tended to less strongly perceive themselves as better than other drivers, more strongly agreed that they could use more training, reported reduced confidence in their driving ability, and tended to report greater awareness of the risk of having a crash or near miss and of failing to see a hazard. It is impossible to argue against this legislation, which has a lot to recommend it. It will save lives. However, it is important to insert a sunset clause that provides for a review after two years. We will certainly move that amendment in another place. With any policy like this, it is important to be able to review its effectiveness after, say, a two-year period. I hope that the bill will be amended in the other place. That will ensure that young men and women, who might otherwise not be here had this legislation and amendment not gone through, will still be driving their vehicles to visit mum and dad on the weekend, to study and to get on with their lives.

Mr DARYL MAGUIRE (Wagga Wagga) [10.23 p.m.]: This bill will prohibit drivers who are holders of learner licences or provisional licences from driving with any alcohol present in their blood. Special categories of drivers include learner and first-year provisional drivers, heavy and public passenger vehicle drivers, drivers of dangerous goods vehicles, drivers who are not licensed and drivers who are under the age of 25 years and who have not held a New South Wales licence for three years. Special category drivers include the majority of provisional P2 licence holders. Currently, there are some 458,000 learner and provisional licence holders in New South Wales. In 2002 learner and provisional licence holders committed some 2,300 alcohol-related offences, despite the overwhelming majority of them being subject to a 0.02 blood alcohol limit.

Drivers aged 17 to 20 years are overrepresented in drink-driving crashes in New South Wales. This group comprises only 6 per cent of New South Wales licence holders, but represent 17 per cent of all drink-drivers who are involved in fatal crashes. The vast majority of learner and provisional licence holders fall into this 17 to 20 year age group. I am speaking on this bill because I am the parent of an 18-year-old driver who is driving on green P plates, and I have a 16-year-old learner driver who we are currently teaching. I am petrified about the safety of my children on the roads, as are all parents in this place.

I understand the intent of this legislation, but I am petrified that kids will be caught by the zero alcohol tolerance. I am not saying that I endorse drink-driving; I do not. However, the message in this bill is that drivers on L-plates, P-plates, provisional licences, et cetera, particularly in my electorate, must not drink and drive, and must not drink alcohol if they intend to drive. That means that if young people go out on Thursday or Friday nights with the boys, as my children do, they must be responsible. I am pleased to say that the friends with whom my children mix appoint a responsible driver, as one should do. Someone is put in the position that they do not drink so that they can return their friends home safely.

Like many parents in this place, my wife and I will often stay awake until our kids come through the door, then we roll over and go to sleep. I give the kids credit for having a designated driver. That is the responsible thing to do. However, this legislation now means that, although young drivers are responsible when they go out on the town with the boys or girls and have a great night out, as we encourage them to do, and enjoy the years of their youth or the youth of their years, the message is: bear in mind that if you do that and you have had a couple of drinks and then come home at four o'clock in the morning, do not drive because alcohol stays in your blood. The reality is that, with the amount of breathalyser testing that is happening, and with the focus on

and scrutiny of road safety, the odds are that drivers will be breathalysed. One may be breathalysed while driving to work, taking one's mum to work, driving one's sister to the local McDonald's for work or even driving to get the paper or milk. That is the reality of this legislation.

I plead with young drivers in New South Wales to heed this warning. I predict that once this legislation is passed there will be a line a mile long at local electorate offices of young people who are unaware of what is about to happen. Once this legislation becomes law it is the responsibility of the Government, the Roads and Traffic Authority, all those associated with it and parents to ensure that kids know the rules because I fear that innocent people will be caught. I want to promote this warning.

This debate has been constructive, and although there was some banter across the table about road conditions and other road safety factors, those matters are important and should be considered. Points of order were taken regarding the Pacific Highway, but the quality of roads and the conditions under which drivers travel are as important as the condition of the drivers. Whether a driver has had a glass or two of alcohol is an important consideration, and it was proper that those matters were raised in those productive contributions. I am concerned about the manner in which advertisements promote driving to young people. The effect of messages given by some vehicle manufacturers, perhaps innocently, is not fully understood. For instance, one advertisement speaks of a truck that is unbreakable, in which the driver crashes through a dozen different obstacles. That advertisement, which promotes the truck as being unbreakable, contributes to the perception and attitude of young people that if they are in a safe and indestructible cocoon, they also are indestructible.

Some young drivers believe they can take a little risk and perhaps drive at five or 10 kilometres per hour above the speed limit. Modern advertising, perhaps unwittingly, encourages those thoughts. Most drivers are in modern cars, which are much safer than older vehicles, but all drivers should be aware that no-one is safe on the road, and they need to drive with care and take every possible precaution to ensure that they get to their destination safely. They need to drive carefully from a function so they arrive home safely to their parents and loved ones. I appeal to young people to acknowledge that the bill is a result of the Alcohol Summit. Some amendments to the bill will be proposed in the other place. We need to measure the effectiveness of the legislation against the fair and reasonable expectations of the community.

We need to understand the results of the legislation, to which many members have contributed so positively in debate. Those results need to be measured and those measurements need to be reported to the public for its consideration. I say to all P-plate drivers: for heaven's sake, if you do drive, do not drink. They should remember that they may be caught out by a breathalyser the day after they have been drinking. If they are involved in an accident that is not their fault, or if someone runs into them, or if their car malfunctions, they will be breathalysed. I predict that drivers who are over the limit will end up on the doorstep of their local member. No member wants that to happen. All members of Parliament want young drivers to return home safely. Please heed the warning. I ask all members on the other side of the House, from the Premier down, to please promote this message and ensure that everyone is aware of the consequences of the bill.

Mr GRANT McBRIDE (The Entrance—Minister for Gaming and Racing) [10.33 p.m.], in reply: In this debate the one overriding factor is the commitment of all members of Parliament to road safety. That commitment has existed since the establishment of the Joint Standing Committee upon Road Safety, known as Staysafe, more than two decades ago. Members of that committee, along with all members of Parliament, have emphasised their personal concern for road safety. I commend the honourable member for Heffron, the honourable member for Bega, the honourable member for South Coast, the honourable member for Orange, the honourable member for The Hills, the honourable member for Lane Cove and the honourable member for Wagga Wagga for their contributions to this debate. The honourable member for Wagga Wagga raised two important points that I totally support. First, as a member representing a regional area I know that the issuing of a licence to a young person is important not only to the young person but also to his or her family. In a non-metropolitan area the lack of a drivers licence makes it very difficult for anyone to maintain employment.

Mr Daryl Maguire: Impossible.

Mr GRANT McBRIDE: The honourable member for Wagga Wagga said that it is impossible, and I agree to a large extent. A major contribution is made by the family to keep a young person in employment. Typically, young apprentices, who have very little income, find that maintaining their cars and keeping their jobs are inter-related. Without their car, without their licence, they do not have a job, so that is a big issue for young people. Under the Road Transport (Safety and Traffic Management) Amendment (Alcohol) Bill there is no tolerance, and that means that if P-plate drivers have any alcohol in their blood they are in breach of the

legislation and their licence is in jeopardy. I am sure that the honourable member for Wagga Wagga has had personal experience of a constituent seeing him about that issue, as have all honourable members.

It breaks one's heart when constituents come in under those circumstances, because we all know there is nothing we can do. That is what the legislation provides, and no option will be available. Young drivers can go to court and contest the charge, but at the end of the day they will lose their licence, and that will be a major issue for them and their family. I support the honourable member for Wagga Wagga when he said that this information should be broadcast to the community. It is the responsibility of all members to broadcast the information to the community, to their constituency. This genuine community issue has total bipartisan support. I commend the Opposition for that support.

Members who represent regional areas, including the honourable member for Wagga Wagga, have a great opportunity to do that through their local media. A comparison was made between driving at 130 kilometres per hour in the country and driving in the city at the maximum speed limit of 80 kilometres per hour. Each day about 30,000 people use the Pacific Highway to get to their employment. The speed limit on that highway is 110 kilometres per hour, and if drivers exceed that limit by 20 kilometres they would lose their licence. As a regional representative, I agree that the issues raised by local members are important and should be broadcast to their communities in the very best interests of their constituents. I commend the bill to the House.

Motion agreed to.

Bill read a second time and passed through remaining stages.

BILLS RETURNED

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

The Synod of Eastern Australia Property Amendment Bill.

SPECIAL ADJOURNMENT

Motion by Mr Carl Scully agreed to:

That the House at its rising this day do adjourn until Wednesday 10 March 2004 at 10.00 a.m.

The House adjourned at 10.39 p.m. until Wednesday 10 March 2004 at 10.00 a.m.
