LEGISLATIVE ASSEMBLY

Thursday 5 May 2005

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

Mr Speaker offered the Prayer.

FISHERIES MANAGEMENT AMENDMENT (CATCH HISTORY) BILL

Bill introduced and read a first time.

Second Reading

Mr ANDREW CONSTANCE (Bega) [10.02 a.m.]: I move:

That this bill be now read a second time.

The purpose of this bill is to provide greater certainty in compensating commercial fishermen for lost fishing time due to responsibilities as representatives on fisheries management advisory committees [MACs] and other industry advisory bodies and organisations such as co-operatives and environmental committees. The fishing industry is critical to the economic and social wellbeing of coastal communities throughout New South Wales. It is an industry that has undertaken significant micro-economic reform and an industry continually under the strident pressures of government regulation.

Many issues impact on the fishing industry, such as New South Wales workers compensation, quota levies, boat licences, fishing licences, waterways licences, safe food licences, insurance, and a reduction in total allowable catch for some of the more commercially significant species. Other issues relate to an increasing Australian dollar and rising fuel costs, not to mention the pressures that the Australian Fisheries and Management Authority [AFMA] is placing on New South Wales co-operatives in the Commonwealth fisheries. Beyond these issues, there is a real need to ensure that New South Wales legislation and regulations encourage and enhance the industry. I am keen to see the most experienced industry players involved in the management of the State's fisheries. In a discussion paper titled "Management of Commercial Fisheries" released by the Government in October 2004, the existing arrangements are acknowledged as having some weaknesses. It states:

> In particular, they tend to push businesses to look after their individual interests rather than making decisions that are also good for the whole industry.

The point needs to be made that if the State Government and the Minister require fishers to devote considerable time to work on industry matters that will impact their business, it must ensure that certainty is provided to those involved. I acknowledge that the industry is somewhat fragmented. However, it is important to encourage all fishers to seek out involvement in the decision-making processes in their fishery, and one way to do so is to provide certainty through the removal of the discretionary powers of the Minister, which politicises the process.

There are 1,300 commercial fishers in this State who are salt-of-the-earth people, many of whom conduct small family businesses. They work hard for an honest day's pay and are let down by a Sydney-centric Government that makes environmental decisions without appropriate scientific research backing up the processes. The processes and decision making constantly ignore the fact that the New South Wales fishing fleet is primarily made up of family businesses that are highly dependent upon levels of local knowledge and skills learned over many generations. The industry is working hard to ensure sound sustainable and environmental outcomes are achieved. However, I also believe it important for government to provide certainty to those in the position of responsibility for the betterment of the entire industry. I have been approached by a number of commercial fishers in relation to section 51(5) of the Fisheries Management Act 1994. The Act currently states:

> (5) The Minister may increase the catch history of a person for any period during which the person was unable to engage in the person's usual fishing activities because of the person's duties as a representative of the commercial fishing industry.

Following those representations the Coalition, under the stewardship of the shadow Minister for Agriculture and Fisheries, the Hon. Duncan Gay, a member of the Legislative Council, consulted more broadly on the matter. I will read onto *Hansard* a letter from the New South Wales Fisherman's Co-operative Association. The association represents the commercial fishermen of New South Wales and supports the New South Wales Coalition's actions in bringing forward this private members bill. Phillip Neuss, the secretary of the association wrote:

> This Association representing the Commercial fishermen of NSW supports your actions in moving a private bill to address the issue of fishers utilizing their time to represent the industry.
>
> We are aware of many fishers who devote a considerable amount of time to work on industry matters. These fishers do so by frequently neglecting their short term interest of keeping the cash flow going in order that the industry can address issues of long term importance. Without their input, there would be no representation from or any industry involvement. Unfortunately, industry has been fragmented and industry bodies, like this Association, are poorly funded. As such, these fishers are not paid a wage to attend to industry matters. They lose a day or more pay to attend meetings—frequently held in Sydney and it costs them time, lost income and additional expenses in liaising with other fishers, doing their industry research on issues and travelling to meetings.
>
> The industry is now moving towards share managed fisheries and allocation of resources based on numbers of nights, hook numbers and catch history. Hence, fishers who have worked for the industry will be disadvantaged as their catch history could be considerably less than if they had devoted their time to catching seafood …
>
> The Act below indicates in Section 51 (5) that the Minister "may increase" a fishers catch history …
>
> We understand the Ministers have not used this discretionary power in the past and are reluctant to do so today.
>
> We support your bill to change the wording to ensure that the Minister "must use" such powers where the effort of fishers to support their industry can be verified. For each verified day, with allowances for travel, preparation and research, the Minister can make a realistic increase in catch history based on a fisher's past catch history.

This Government has failed to adequately compensate industry representatives for lost fishing time due to the valuable contribution they make to the commercial fishing industry. I have been advised of an instance involving a Mr Jack Lavis, who worked with research in Fisheries for six months and he was not allowed to have his work recognised as part of his catch history. Management advisory committee [MAC] members have also foregone income through participating in the industry and have been penalised by the New South Wales Labor Government for their contribution. With the commercial fishing industry moving towards share-managed fisheries it is possible that MAC and other advisory council members will be disadvantaged as their catch history could be considerably less than if they had spent time fishing as opposed to representing their fisheries in industry-related matters.

Commercial fishery management advisory committees provide information on matters relating to the fishery. The committees are made up of representatives of industry, conservation and recreational fishers. A member of the department represents the deputy director-general on the MACs. The functions of the MAC are to advise the Minister on the preparation of any management plan, fishery management strategy or regulations for the fishery, to monitor whether the objectives of those plans, strategies and regulations are being attained, and to advise on any other matter relating to the fishery. A considerable investment is made by fishers to be involved in these processes and the reimbursement for incidentals is pitiful. For example, MAC members are only allowed to claim 22 cents per kilometre for their vehicle expenses and spend a lot of time undertaking what is known as out of meeting agenda work. It is on this basis that we seek to amend the Fisheries Management Act. The Coalition's fisheries private member's bill will amend Section 51.5 of the Fisheries Management Act to read:

> The Minister MUST increase the catch history of a person for any period during which the person was unable to engage in the person's usual fishing activities because of the person's duties as a representative of the commercial fishing industry on a fisheries Management Advisory Committee or on any other organisation, such as a fisheries co-operative or environmental committee.

While Section 51.5 currently leaves it up to the Minister's discretion to increase the catch history of fisheries representatives, the proposed amendment mandates that fisheries representatives be compensated for lost fishing time. Importantly, an increase in catch history must reflect what the fisherman would have normally caught whilst representing the commercial industry. The bill will provide greater certainty for commercial fishing industry representatives to be properly compensated for using their time to represent the fishing industry on management advisory committees, and will encourage greater industry participation on the MACs. It will also encourage more experienced fishers to also be involved in this process.

The seafood industry in New South Wales generates over half a billion dollars of economic activity each year and employs more than 4,000 people. It is an important industry on the South Coast and elsewhere, and one that deserves significant recognition and support. I want to see it thrive and, at the same time, ensure

that the highest environmental standards are achieved. Everyone loves their fish; however, we have a responsibility to ensure that the management framework of the industry is supported with certainty and security from government.

Debate adjourned on motion by Mr Neville Newell.

CROSS-BORDER COMMISSION BILL

Second Reading

Debate resumed from 24 February 2005.

Ms KATRINA HODGKINSON (Burrinjuck) [10.13 a.m.]: Where is the cross-border agreement between the Australian Capital Territory and New South Wales in relation to the water agreement? Why is it taking so long? Bring it on! Yass is in dire straits in relation to water. We are in the same part of the world as Queanbeyan and the Australian Capital Territory and the public servants should be working 24 hours a day seven days a week to get water into the regions. This is hardly an issue that has arisen overnight. It is one of the most critical issues facing our electorate at the moment. Not only do the farmers have insufficient water to carry on their daily activities, but also many people are hand feeding. At my home we certainly have been hand feeding our sheep for the past six weeks. The towns and cities within the electorate of Burrinjuck are also heavily affected by this lack of water. There is no excuse for it. The drought has been going on for nearly six years and the situation is really at crisis point. Let us get into the regions the water that we so richly deserve and we so desperately need.

I recently attended a breakfast meeting of the business enterprise centre [BEC] at Queanbeyan, by invitation of the local BEC. Since the Goulburn BEC lost its funding the Queanbeyan BEC is now the local BEC that I attend in order to discuss small business issues with my constituents. The Labor Government's Minister for Small Business happened to be there and I have to say that he was heavily criticised by the small business operators in the room. He gave the worst speech I have ever heard, saying to the audience that people must have been "brain dead or asleep" if they did not realise what the Government had been doing. He insulted hard-working business people like Retlaw Compton, OFM Direct/Kitform, of Queanbeyan, who asked the Minister a question about payroll tax.

Payroll tax is something that we have been talking about very comprehensively in relation to this bill. Mr Compton asked the Minister for assistance in keeping his employees based in Queanbeyan, given that he was just about to pass the threshold for payroll tax and, due to the Minister's intransigence, he would have no choice but to relocate to Hume in the Australian Capital Territory in order to save his bottom line and have a $1.25 million threshold rather than a $600,000 threshold that is offered in New South Wales. That is going to be the only way he can save his bottom line: to increase that threshold by going just 20 kilometres down the road into Hume—out of Queanbeyan and into the Australian Capital Territory. And why would he not? That way he is going to be able to keep his employees on and increase his business profitability. But the Minister simply refused to assist. The Minister indicated in as many words that he did not care. And this is the Minister for Regional Development? The Parliamentary Secretary at the table, the honourable member for Tweed, would be a much better choice for that portfolio.

The Minister dismissed and dodged questions from people who simply wished to voice their concerns in relation to State business matters. I could not believe just how uncivil his behaviour was. If the local member for Monaro had bothered to turn up at that BEC breakfast meeting in Queanbeyan the other day I am sure he would have been extremely embarrassed by the Minister's performance. In fact, the honourable member for Monaro is probably still fielding complaints from the 100-plus business people who were at that meeting. The Minister for Regional Development and Small Business is an embarrassment to this Government. He is certainly unfit to hold the position of Minister for Small Business. After that meeting in Queanbeyan the Minister went to Goulburn, and he was heavily criticised in that meeting also about entirely State Government matters.

I have got a message for the Minister from the small business operators in the Australian Capital Territory region and areas such as Queanbeyan, Yass and Goulburn: Do not bother coming back, Minister. You are unconstructive, a non-listener, and your attitude towards business operators suffering from the drought is that you just do not give a damn about them or their plight in keeping their businesses and trying to grow them at this extremely tough time.

I have canvassed many different aspects in relation to the Cross-Border Commission Bill during my three separate contributions to this debate over the past several months. I have raised issues ranging from small business matters to hospital matters, through to schooling matters, transportation, roads, the quality of our roads,

issues pertaining to different laws in relation to justices of the peace and different regulations for roof tilers; we have talked about all sorts of different matters in relation to this bill. It is time that this bill was brought on. It is an excellent bill and it will address all the aspects of concern in relation to cross-border issues that I have raised over the past several months in this debate.

Anybody who lives in a border community, whether it is the Australian Capital Territory, the Tweed, Barwon or those bordering Victoria, would support this bill. I am sure the honourable member for Albury, who is about to speak on this bill, is also going to be a strong supporter of the bill. If the honourable member for Murray-Darling votes against this bill it is going to be a real blight on him and his community. He should be the first one down here voting with the Opposition on this bill. It is an excellent bill and it has my full support.

Mr GREG APLIN (Albury) [10.18 a.m.]: As a representative of an electorate that has its southern border on the Murray River, it will come as no surprise that I wholeheartedly urge the support of all members for this Cross-Border Commission Bill. It is unfortunate that the Government voted down this constructive bill when it was proposed in 2000, claiming the commission was not needed because existing arrangements for dealing with cross-border concerns were satisfactory. I will show that the existing arrangements are not satisfactory and that in the light of the Premier's newfound faith in co-operation with other jurisdictions, this bill offers a significant opportunity to assist residents of New South Wales and to attract investment to border regions.

At present consideration of cross-border issues is undertaken on an ad-hoc basis by officers in the Premier's Department under the umbrella of the Regional Communities Consultative Council. This bill provides for more thorough and effective resolution of cross-border issues through the creation of a body with the power to call witnesses, hear evidence and undertake all other actions necessary to resolve cross-border issues and to make recommendations to the Premier regarding solutions. A Cross-Border Commission will be formed with a requirement that it prepare an annual report for Parliament on its inquiries, recommendations to the Premier and any action or inaction on the part of government. The commission will include representatives from the New South Wales Government, consumers, business, farmers and local government and will have the capacity to appoint other representatives to a maximum of eight. Importantly, the commission will be reviewed after five years to investigate its effectiveness and whether it needs to continue.

Dealing with different rules and regulations between the States has become an irksome way of life for residents of border regions. It is not something that most members here, let alone departmental officers and others framing legislation, confront on a daily basis or even think about until a problem is presented. Back in 2001 Councillor Brinsmead of Tweed Shire Council said:

> It's a horrible nightmare for business and for families who have to operate on both sides of the border but those who have been expecting politicians to come up with a solution are hoping in vain.

No doubt governments do, from time to time, take note of the need to address the myriad issues. Over the past 26 years some progress has been made. The Border Anomalies Committee was set up in 1979 by the Premiers of New South Wales and Victoria to provide a mechanism whereby border residents could raise concerns to be considered jointly by the two governments. This committee's task was to examine inconsistencies between New South Wales and Victorian laws affecting those on the border. It was restricted to matters referred to it by the State governments, the Albury-Wodonga Development Corporation or local government bodies. It was to co-ordinate and initiate action to eliminate or ameliorate detrimental effects. However, it was to have no authority to change laws.

Between 1979 and 1986, 110 issues had either been finalised by the committee or rejected due to policy differences between the States. Some of the issues listed from 1979 to 1986 were recognition of motor vehicle drivers permits; dispensing pharmaceuticals in the border area; difference in radio frequencies of firefighting units; pensioner fare concessions for travel on private buses between Albury and Wodonga; imbalance in early childhood development services; provision of ambulances in border areas by a Victorian-based service; educational facilities for intellectually handicapped children in the Albury-Wodonga region; differences in electricity charges and in building requirements; apprentice travelling allowances; differences in fee structure for preschools; paid leave for teachers participating in interstate teams; and variation in fruit fly regulations.

The Border Anomalies Committee operated from the Premier's Department and produced reports biannually up until the 1990s, when it began reporting every three to four years. By 1999 the committee was effectively left to die a natural death and, as I understand it, has not met since 1999. When asked to comment on the issue, the general manager of the Murray Hume Business Enterprise Centre, Mr James Burgess, stated that

the bureaucracies had built up empires on either side of the border and each was unwilling to give up ground to the other. He added:

> They don't want to lose their empires—and why should they admit that another State does it better than they do rather than approaching the problem to try and form a consensus?

By 2000 it was apparent that arrangements to solve border anomalies were not working. The Border Anomalies Committee had produced very few reports in the last decade. The Coalition took the initiative to introduce the Cross-Border Commission Bill 2000. The idea was to have a formal body to deal with cross-border issues and to make recommendations to the Premier regarding cross-border solutions. However, in a letter to the member for Ballina dated 16 May 2000, Premier Carr wrote:

> I believe that current arrangements and structures for dealing with border problems are more likely to achieve seamless borders than a Cross-Border Commission. Consequently, I can advise that the Government members will not be supporting the Cross-Border Commission Bill.

Well, it was bad advice and the wrong decision. And it was therefore with a guilty conscience and perhaps a touch of macho posturing during March 2001 that Premier Carr met with Premier Bracks of Victoria for a photo opportunity on Bethanga Bridge at Lake Hume and proclaimed the One City plan. The two governments would set up a working group to investigate the feasibility of merging the cities of Albury and Wodonga. Furthermore, this working group would make recommendations about the most suitable options for improving service provisions by local and State governments, and so reduce the impact of cross-border anomalies. In July 2002 the State Premiers decided to expand the working group to create an intergovernmental task force, designed to undertake further work to resolve cross-border anomalies and improve cross-council administrative and planning functions, including taxi licensing, mental health services, occupational licensing, secondary education, fishing and boating licences, operating rules for local police, fire and ambulance, and a suitable industrial relations framework for the staff of One City. The task force would be co-chaired by the Hon. John Hatzistergos, member of the New South Wales Legislative Council and the Parliamentary Secretary to the Victorian Premier, Mr Bruce Mildenhall. Premier Carr stated:

> Albury-Wodonga is already a community that lives and works together—but we must take the next step towards removing the cross-border anomalies that for too long have held back the economic development of the region.

Amongst all the bravado, irony and complete lack of planning a faint hope emerged that some cross-border anomalies would soon be resolved. But all was in vain. It was a sham. The respective members never met. Polls conducted in both Albury and Wodonga showed that residents in both cities were against a merger without clarification of many of the border anomalies. In an independent survey conducted by Ratcliffe Partners, people said: dissolve all state anomalies and set up Australian standards; clarify cross-border anomalies, for example, rates, vehicle registration, police borders, trading hours, taxis et cetera; the New South Wales Government is not very good at changing its rules; they tell us it is good for business but no business leaders seem to support it; there are too many anomalies—building regulations, road construction and civil engineering requirements need to be the same for it to work.

In mid-2003 the Premiers of New South Wales and Victoria returned to the failed photo shoot pronouncement and decided to undertake a review of the Border Anomalies Committee, with the aim of ensuring that "efficient and effective structures are in place to deal with cross-border issues". Border anomalies are still an issue to this day. They continue to frustrate thousands of people living in border regions of New South Wales. In 2004 the Coalition re-introduced the Cross-Border Commission Bill. And the need for this bill has never been greater. In December of last year the formal review of the Border Anomalies Committee was completed. The Premier of Victoria wrote:

> The review has recommended that the BAC be abolished and replaced with a number of other mechanisms at line agency level focused on resolving cross-border issues. It is anticipated that the regional offices of Victorian and New South Wales agencies will be empowered with appropriate authority to deal with cross-border issues. However, this is dependent upon reciprocal co-operation from New South Wales and accordingly arrangements with relevant New South Wales agencies are being pursued.

What a load of rubbish! The Premiers have decided to do away with the remnants of the only formal means of investigating and solving border anomalies and anticipate that someone will do something, somewhere, at some point in time to deal with the issues. This is completely unacceptable. The Coalition would not be pushing for a Cross-Border Commission if there were no need for it, but the fact of the matter is that in all border areas of New South Wales there are border anomalies that need addressing. In the words of a 1997 report by Shaw and Associates Consulting:

> In the case of border anomalies there is no social or economic purpose to justify their existence. They represent a deadweight on the border economy and community.

I will focus on some of the issues that are particularly relevant to the Albury electorate. Taxes are one issue. For example, in New South Wales payroll tax applies above $600,000 at a rate of 6 per cent. In Victoria the payroll tax rate is 5.25 per cent, with a threshold of $550,000. Land tax is another example of an anomaly hurting this State. Labor's new vendor duty and extension of land tax are forcing investors to consider investing in other States such as Victoria. Figures show that since the New South Wales taxes kicked in, investment in Victoria and Queensland has increased by $2 billion. Mum and dad investors are also hurting, with the removal of the land tax threshold. And the list goes on.

Workers compensation is another anomaly that needs to be addressed. Each industry has different premiums, but in the construction industry, for instance, WorkCover NSW charges 8.36 per cent, while in Victoria it is 3.95 per cent. This is a huge discrepancy. Some companies, like S J and T A Structural Pty Ltd, still have to provide for separate Workers Compensation coverage on both sides of the border. It is an unnecessary impost and a disincentive to tender for work in the region.

Similarly, WorkCover is unnecessarily subjecting companies involved in tendering and working on construction sites to bureaucratic red tape. As an occupational health and safety requirement, employees engaged in construction work need to complete safety training to receive a green card in New South Wales and a red card in Victoria. I am informed that the level of training differs slightly in both states and NSW WorkCover does not recognise the Victorian occupational health and safety red card qualification because of one hour less training. This has resulted in companies being denied access to jobs and sites until the New South Wales certificate is issued. Again, this is an unnecessary impost that should be overcome.

Driving laws are an issue that cause much confusion. One example is the speed limits for L-plate and P-plate drivers. In New South Wales L-plate drivers are restricted to 80 kilometres an hour. Red P-plate drivers are restricted to 90 kilometres an hour, and green P-plate drivers are restricted to 100 kilometres an hour. Victorian learner drivers have no such restrictions placed on them, and thus may drive as fast as the speed limit permits. So a Victorian L-plate driver while driving in New South Wales and travelling at the speed limit could be unwittingly breaking the law for exceeding the 80 kilometres an hour speed limit for L-plate drivers in New South Wales, and such cases have been reported. Recently a young Victorian driver on his L-plates was picked up in New South Wales for exceeding the 80 kilometres an hour speed limit imposed on L-plate drivers and given an on-the-spot fine of $203.

It is not only young drivers who are confused. When approached to comment on the issue, Victorian police said that L-plate drivers are within their rights to travel more than 80 kilometres an hour in New South Wales as there are no conditions on their licences restricting them. Albury police were contacted on two occasions and gave conflicting advice, and the Albury office of the Roads and Traffic Authority [RTA] could not clarify the issue. However, on another occasion the RTA stated that learner drivers are allowed to drive at the same speed as in their home jurisdiction. Confused? This is a perfect example of what a cross-border commission could achieve. And the anomalies keep stacking up.

[*Debate, with concurrence, interrupted.*]

BUSINESS OF THE HOUSE

Bills: Suspension of Standing and Sessional Orders

Dr ANDREW REFSHAUGE (Marrickville—Deputy Premier, Treasurer, Minister for State Development, and Minister for Aboriginal Affairs) [10.30 a.m.]: I move:

> That standing and sessional orders be suspended to permit the passage through all remaining stages forthwith of the following bills:
>
> Appropriation (Budget Variations) Bill
> Coal Acquisition Amendment (Fair Compensation) Bill

Mr ANDREW TINK (Epping) [10.31 a.m.]: The sloppiness with which this House is being run by the Government is matched only by the sloppiness of the Appropriation (Budget Variations) Bill. The Coalition opposes this motion. I note that the Government always lists Fridays as sitting days. However, for some reason best known to itself, it will have a casual Friday. For this Government, casual Friday means no sitting on Friday

at all. That is pathetic. There is certainly an opportunity to sit tomorrow to deal with these bills. I note also that the Leader of the House chose to knock off at about 9.15 on Tuesday night, when there was plenty of time to start dealing with these bills.

The slackness of the Leader of the House is indicative of the sort of government he would run if he ever got the chance to do so. Indeed, he is so slack that he has not even come into the House this morning to move the motion to suspend standing and sessional orders; he has left it to the Treasurer. With a little more foresight and planning, the Leader of the House might be able to run a program that would allow the House to deal with private members' business and Government legislation. There is a full program of private members' legislation, but for some reason the Government does not have the courage to deal with most of those issues. The public has insisted that private members put forward the issues covered in their legislation, and it is regrettable that, because of the Government's attitude, private members must put forward those issues.

The way this House is run is matched almost by the way the State's economy and finances are run. The Appropriation (Budget Variations) Bill, which the Government wants to bring on before private members' business, is indicative of the way the Government is running the State's finances. For example, it is extraordinary, and a sign of the advanced state of decay of this Government, that the payments now requiring funding include more than $5 million for additional legal work undertaken by the Crown Solicitor's Office. That is code for extra money to pay for the legal expenses of the Premier, the Minister for Juvenile Justice, the Minister for Housing, and the Minister for Infrastructure and Planning.

A conga line of Ministers, including the head of Government in this State, must dig into Treasury to bail them out for legal expenses associated with the appalling way they have been running the State. Pick any inquiry—Orange Grove, any inquiries involving the Minister for Juvenile Justice, and the Minister for Infrastructure and Planning, the nurses, all sorts of things! More than $5 million has been spent to bail them out of the sort of conduct that has got the Government right on the nose with the general public. The Government has been forced to spend almost $80 million extra on the Health budget, which any competent government would have planned for up front as forward estimates for the coming year. Basically, the Government has had to roll over and accept that the shadow Minister for Health has outlined the right program for Health in this State. Neither the Minister for Health nor the Labor caucus has had the wit, the intelligence, the foresight or the planning to bring forward a comprehensive program to deal with the seriously ill in this State.

The Government has had to provide an extra $10 million for elective surgery, an extra $10 million for a nurses qualification allowance and almost $30 million to open 200 hospital beds. What sort of pathetic government must open 200 hospital beds? What government does not forward plan for an extra 200 hospital beds, as the shadow Minister for Health has been telling this Government to do for a number of years? This is a back-filling operation that shows appalling planning in Treasury, matched only by the equally appalling planning of the Leader of the House in suspending private members' business to bring on a bill that could have been dealt with on Tuesday night or could still be dealt with tomorrow. In the area of the Ministry of Police, an extra $180,000 is necessary to finalise the handgun buy-back. We have been talking about the handgun buy-back ever since this Government came to office. [*Time expired.*]

Question—That the motion be agreed to—put.

The House divided.

Ayes, 47

Ms Allan	Mr Gibson	Mr Orkopoulos
Mr Amery	Mr Greene	Mrs Paluzzano
Ms Andrews	Ms Hay	Mr Pearce
Mr Bartlett	Mr Hickey	Mr Price
Ms Beamer	Mr Hunter	Dr Refshauge
Mr Black	Ms Judge	Ms Saliba
Mr Brown	Ms Keneally	Mr Sartor
Ms Burney	Mr Lynch	Mr Shearan
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	*Tellers,*
Ms Gadiel	Mr Newell	Mr Ashton
Mr Gaudry	Ms Nori	Mr Martin

Noes, 33

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

Pairs

Miss Burton	Mrs Hopwood

Question resolved in the affirmative.

Motion agreed to.

APPROPRIATION (BUDGET VARIATIONS) BILL

Second Reading

Debate resumed from 4 May 2005.

Ms PETA SEATON (Southern Highlands) [10.47 a.m.]: What greater proof do we need of the Carr Government's mismanagement of the New South Wales economy than the Appropriation (Budget Variations) Bill 2005. Day after day for the past few months the Premier and the Treasurer have been crying poor and blaming anyone they can possibly think of for the state of the New South Wales budget, yet miraculously they can find money for ministerial luxuries and bureaucratic fat in the Appropriation (Budget Variations) Bill. Today they come into this House, as they do every year just before the budget, for a last-minute cash raid on the finances and taxpayers of the State to pay for items that should have been in the forward estimates. Perhaps with the exception of the New South Wales Government's donation to the tsunami appeal, almost every single item in the budget bill ought to have been in last year's budget forward estimates.

This is sloppy budgeting from a tired old Government that does not care about disciplining and managing the State's finances because it knows that every year it can come back into this House and write another cheque on the taxpayers' chequebook to have the money stumped up. The bill is an appalling indictment of the Carr Government's management of the State's finances. What we have seen here today is an annual event. Every year, just before the budget, they come back and they say, "Oops! Here's a whole lot of items that we couldn't be bothered programming for and doing the proper planning for a year ago. Now we've put a figure on it and we're coming back to the House to rip some more money out of the system."

This bill asks the taxpayers of New South Wales to stump up another $1.3 billion in budget overruns and unplanned expenses. Of that amount, $891 million is for programs that ought to have been in the forward estimates of the budget that Parliament considered almost a year ago. I said this has become an annual event: Every year the Government comes back and asks for up to $1 billion, perhaps more, to pay for the budget overruns that it has not properly provided for. For the past 10 years, the term of the Carr Government, the Government has come back year after year in this last-minute annual cash raid and has clocked up $8.68 billion of additional, unplanned expenditure. That money is paid by mum and dad taxpayers, the people in the State who pay land tax, vendors tax, and the Premier's 1.5 per cent hire tax every time they hire a video or a trailer from the local equipment hire place. They pay money into the Premier's budget to pay for these budget overruns.

The Carr Government is crying poor at every opportunity, but at the same time as it is reducing police numbers, closing operating theatres at Bowral hospital—only two weeks ago it closed elective surgery for a couple of weeks—and canning infrastructure projects such as the M4 East extension, there is apparently money

for ministerial luxuries. Perhaps the most galling is that while the Minister for Western Sydney recently signed the death warrant on 450 jobs at Orange Grove, she has found herself in the lap of luxury, having received approval for a $575,000 brand new office fit-out for her Western Sydney ministerial office—new chairs in her new ministerial office, while 450 Orange Grove workers are still looking for work. The disgrace does not stop there. The Minister for Energy and Utilities, the Minister in charge of Sydney's water crisis, manages to find himself $532,000 for a ministerial fit-out for his Science and Medical Research office, following the establishment of that ministry. We not only have a brand new, luxury office for his new ministry; we also have this additional bureaucratic impost on the Government.

The bill also provides $682,000 for the replacement of a sprinkler tank in Parliament House. One would wonder whether it is gold plated. Another interesting item in this bill is the amount of $266,000 for a secure mail facility in the Premier's office at Governor Macquarie Tower. I think that is the mail facility for all the letters from people protesting against land tax, vendor duty and all the other tax increases.

Mr Barry O'Farrell: He had to expand the office?

Ms PETA SEATON: He had to expand the mail room at Governor Macquarie Tower to deal with all the complaints that are coming in. It probably has a big padlock on it and the mail goes in, the door is locked and the mail is never looked at again. There is $450,000 for new offices and information technology [IT] facilities for the Natural Resources Commission. We have been told money is tight and government departments have to cut back—we were told that the Department of Infrastructure, Planning and Natural Resources was going to cut $75 million from its budget and shed 200 staff—yet almost half a million dollars is being spent on new offices and IT facilities for the Natural Resources Commission.

I look forward to an explanation from the Special Minister of State, the Hon. John Della Bosca, regarding an item under his portfolio which states, "Implement the O'Reilly Review recommendations to improve organisational capacity of the Department". That will cost the taxpayers $1.5 million. That is an enormous amount of money to improve the department's organisational capacity. I have many other recommendations as to how the Minister for Commerce can improve his organisational capacity, and they would cost not one dollar.

There is an amount of $144 million just to keep the train system on the rails. There are further items of expenditure that the people of New South Wales will be horrified to see. They include the Government spending $700,000 on an advertising campaign to make people feel good that they are now paying more for their train fares on trains that run late or not at all, or are unsafe or not clean. Another interesting item in the bill is a new filing system for the Premier's Department, at a cost of $450,000. Just when one thought there were enough bureaucrats in the Government, the Premier's Department's Greenhouse Office has awarded itself $696,000 for a fit-out and recurrent capital expenditure to create another bureaucracy within the department. A further $34 million outlines a complete and utter management bungle by the planning Minister, who has this additional funding for his department because it apparently cannot meet the demand for services as a result of the loss of income from the State Water Corporation.

That all adds up to $1.3 billion. After taking out the allocation for retirement of debt, it leaves $891 million of additional expenditure this financial year that was not included in last year's budget. This is purely bad and lazy planning. This tired old Government cannot be bothered to run the State's finances responsibly, making sure that it tests the cost benefits of every program proposal and that every cent of taxpayers' money is spent responsibly. Every single year, after the budget, the Government gathers together all these other items it has been too lazy, too incompetent or too ashamed to put in the original budget and begs Parliament for more money to pay for that management incompetence.

The next budget will be delivered on 24 May. This Government does not want to debate those budget measures. By agreement between the Opposition and the Government, after the last budget the Leader of The Nationals and the Leader of the Liberal Party spoke on the bills and then we had what is called a take-note debate, during which, independently of the passing of the legislation, all members could speak on the budget on behalf of their electorates. The list of Liberal and Nationals members still waiting for the Government to allocate time to debate last year's budget is a mile long. The Government does not want to have that debate because it knows it is in trouble, that the budget is in crisis, and it does not want Opposition members highlighting its inadequacies. This Government has denied 21 Opposition members the chance to speak on last year's budget. There will be a new budget on 24 May. The Carr Government simply does not want to be called to account and simply does not want individual members speaking up about how the Carr Government's mismanagement is impacting on their electorates.

Among those who want to speak on last year's budget are the honourable member for Albury, the honourable member for Coffs Harbour, the honourable member for Lismore, the honourable member for Gosford, the honourable member for Wakehurst, the honourable member for Burrinjuck, the honourable member for Hornsby, the honourable member for Davidson, the honourable member for Wagga Wagga, the honourable member for The Hills, the Deputy Leader of the Opposition, the honourable member for Ballina, the honourable member for Murrumbidgee, the honourable member for Lane Cove, the honourable member for Southern Highlands, the honourable member for Barwon, the honourable member for Upper Hunter, the honourable member for Myall Lakes and the honourable member for Orange. All of those Opposition members want to speak about last year's budget, but the Government has denied them the opportunity to do so. It has refused to allocate time for budget debates. The Government has failed to organise Friday sittings and has adjourned the House at 9.00 p.m. instead of sitting later. The Opposition is prepared to debate last year's budget at any time this Government chooses.

Mr Daryl Maguire: Bring it on!

Ms PETA SEATON: Bring it on! We want to have our say about the budget crisis facing New South Wales and its impact on individual electorates. It is important to note that, under the Carr Government, New South Wales has become the slowest growing State in Australia. New South Wales is even behind Tasmania in relation to State growth. New South Wales' unemployment rate is higher than the national average. The national unemployment rate is 5.1 per cent and the New South Wales unemployment rate is 5.5 per cent. A raft of infrastructure projects has been cancelled and there have been project overruns to the tune of $750 million since the State Infrastructure Strategic Plan was introduced in 2002.

Since the Carr Government came to power in 1995, there have been stamp duty revenue windfalls of $4.6 billion. However, the Government continues to overspend on its budget, and the Appropriation (Budget Variations) Bill is another example of that. Instead of reining in its expenditure and administering the budget properly to ensure that there is provision for tax cuts for the people of New South Wales, the Government continues to spend on office fit-outs for Ministers such as the Minister for Juvenile Justice, Minister for Western Sydney, and Minister Assisting the Minister for Infrastructure and Planning (Planning Administration), Diane Beamer, and the Minister for Energy and Utilities, Minister for Science and Medical Research, Minister Assisting the Minister for Health (Cancer), and Minister Assisting the Premier on the Arts, Frank Sartor. The Government should be taking a disciplined approach to the budget.

The Carr Government has had the best 10 years of economic conditions that any government could possibly imagine, thanks to the Howard-Costello Government. Despite all the revenue that has been flowing into its coffers, the Carr Government maintains New South Wales as the highest taxing State. State taxes are running at the rate of $2,200 per capita. There is no hope in sight for reductions in vendor's tax and land tax or other State taxes. Even with revenue from all the taxes I have mentioned, the Government has come back to this House in a last minute cash raid on the budget and is seeking appropriation of a further $1.3 billion.

Since last year the effect of the vendor tax and land tax has been devastating for the New South Wales economy. Property transactions in this State decreased dramatically whereas at the same time in Queensland and Victoria property transactions increased by more than $840 million and $900 million respectively. As a result of this Government's mismanagement, the property industry in New South Wales has been impacted upon negatively. Investment and jobs have been lost to neighbouring States that have more competitive tax rates. In March 2005 New South Wales lost 26,800 full-time jobs, whereas Victoria created 9,500 jobs. The Premier is double taxing New South Wales. He accepts the goods and services tax revenue on the one hand and retains State taxes on the other, despite having signed an agreement with the Prime Minister in 1999 to get rid of some State taxes.

The Premier has introduced two new taxes to New South Wales that have added to the burden borne by taxpayers. Despite all that revenue, the Carr Government has come back to this House in another $891 million raid on the taxpayers of New South Wales. This Government expects taxpayers to open their chequebook and unconditionally provide another $1 billion. This Government's annual cash grab has reached a total of more than $8 billion. The Appropriation (Budget Variations) Bill is a disgrace. It is proof that the Carr Government is tired and old and that it no longer cares. The Carr Government no longer has the capacity, the ability or the will to manage the New South Wales budget responsibly. The people of New South Wales, particularly the taxpayers of New South Wales who are paying land tax and vendor's tax to this Government, will condemn the Carr Government for this bill.

Dr ANDREW REFSHAUGE (Marrickville—Deputy Premier, Treasurer, Minister for State Development, and Minister for Aboriginal Affairs) [11.05 a.m.], in reply: I am disappointed that the Opposition takes the view that the Government should not allow scrutiny of expenditure and prefers the old style of

accountability whereby anything in the Treasurer's Advance would never be the subject of debate in Parliament. The Opposition reveals its quite disgusting attitude when it contends that it is acceptable for the Government to spend money and not have the expenditure scrutinised by the Parliament of New South Wales. The idea that items of expenditure in the Treasurer's Advance should be spent without anybody having oversight of the expenditure is a travesty of open government.

I am very disappointed that the new shadow Treasurer has made it clear that the Opposition will not have the Appropriation (Budget Variations) Bill and will not support financial scrutiny. In other words, the Opposition will not permit funding for measures such as the tsunami appeal, which requires an appropriation bill. The shadow Treasurer outrageously criticised a number of items of expenditure, such as expenditure on a sprinkler system for Parliament House. The Opposition asserts that the Government should not have spent money on a new sprinkler system for Parliament House, despite an explosion that occurred in the middle of the car park.

Mr Daryl Maguire: You have known about that for two years.

Dr ANDREW REFSHAUGE: I know that. It needs funding to fix it.

Mr Daryl Maguire: Why did you not fund it?

Dr ANDREW REFSHAUGE: We are funding it. That is exactly what the Government is doing, but the shadow Treasurer contends that the Government should not be spending money on that item. That is outrageous. Everybody in Parliament House should know that the Opposition does not want the sprinkler system in Parliament House fixed. It is outrageous that the shadow Treasurer rejects that expenditure. She also picked on security in the Premier's Department mail room which serves the whole of Governor Macquarie Tower. Given the threat of terrorism in Australia and the rest of the world, it is outrageous for the shadow Treasurer to suggest that the Carr Government should not be spending money to protect people who are at the front line of government services, those who open the mail. I will make sure that her speech is distributed to every person in Governor Macquarie Tower so that they know that the shadow Treasurer does not want them to be protected from potential terrorism acts. It is outrageous that she should pick on that item of expenditure.

Mr Greg Aplin: The Premier makes jokes about those sorts of things.

Dr ANDREW REFSHAUGE: The Opposition is trying to cut expenditure on that, so thank you very much indeed: security matters. I was offended when the shadow Treasurer suggested that repayments to an Aboriginal trust fund, which were due during the current financial year, should be delayed. That matter needs attention. The Government has a moral responsibility to attend to it. However, the shadow Treasurer's view is that the Government should manage its funds better and should put off the repayments until the next financial year. I am not prepared to support that, but that is the way that the Opposition wants to behave. If members of the Opposition are prepared to do that, they will stand condemned.

The Industrial Relations Commission awarded a nurses qualification allowance which will cost $10 million, but the Opposition suggests that the money should come out of the Health budget. In other words, the Government should close hospital beds to fund the nurses qualification allowances. The Government is not prepared to do that. The Carr Government believes that nurses deserve the extra qualification allowance, and full funding will be provided for it, thank you very much. The Opposition is not interested in doing that.

Mr George Souris: This is the last sitting day before you bring down the next budget.

Dr ANDREW REFSHAUGE: That is why the item is in the Appropriation (Budget Variations) Bill. It has already been paid and that is why the expenditure has to be brought before the Parliament. It is not as though the amount is being paid today. The Opposition's position is that the Government should not be presenting an appropriation bill and should put off repayment until the next financial year. This Government also regularly makes significant repayments to the historically underfunded superannuation scheme—a scheme that the Opposition never provided for at all. The Opposition kept ratcheting up a superannuation bill that will have to be met by taxpayers. The Opposition never provided any funding for superannuation. As the assessments are revalued on a regular basis, the Carr Government directs extra revenue to superannuation funds to meet the enormous liability that was ratcheted up when the Coalition was in government.

The Government has decided to do that. In addition, last year we put $465 million into that, to pay it off. The Opposition would say, "Oh, don't do that." Referring to the increase in funds from stamp duties, it

would ask, "Why do we have to pay more than $4 billion?" The answer is that the Government had to pay off the $10 billion debt the former Coalition Government left us. It is fascinating that the Opposition would deny Carols in the Domain getting extra funds, would deny Aboriginal people getting their repayments, would deny nurses getting their award, would deny the scrutiny of Parliament, and would deny security for people working in Governor Macquarie Tower. I think that attack by the shadow Treasurer was despicable. It is about time she went back and learnt a little about the finances of government. I thank the Opposition for its support.

Motion agreed to.

Bill read a second time and passed through remaining stages.

COAL ACQUISITION AMENDMENT (FAIR COMPENSATION) BILL

Second Reading

Debate resumed from 6 April 2005.

Mr GEORGE SOURIS (Upper Hunter) [11.11 a.m.]: It is with pleasure that I contribute to the Coal Acquisition Amendment (Fair Compensation) Bill. The pleasure comes from standing in this House representing, and arguing for just and equitable compensation for, former owners who were divested of their coal assets by several processes, dating from 1982. In 1982 the Wran Government passed legislation that deprived owners of coal rights of those coal rights. In 1990 the incoming Coalition Government, under Premier Greiner and Deputy Premier Murray, amended the Coal Acquisition (Compensation) Arrangements Act 1985 to provide just and equitable compensation for former owners. That form of compensation proceeded for a number of years. In 1997, under the Labor Government's Coal Acquisition (Re-acquisition Arrangements) Order, coal rights were re-acquired from applicants and owners who had, as a result of the Coalition's legislation, applied for restitution of their coal rights rather than accepting compensation.

In respect of that regime, 129 claims remain unsatisfied, or unfinalised. Two serious matters of principle need to be taken into consideration. First, what would have happened had nothing else taken place in respect of the new regime for extracting coal royalties of an ad valorem nature? What would have happened had that not have occurred? Second, what would have happened had this legislation not appeared? In essence, the Government has claimed that it was following a Commonwealth Grants Commission recommendation that it changed the royalty system to an ad valorem coal royalty system, as if to imply that it was some requirement or issue that the Federal Government had taken with New South Wales. It was merely a recommendation, and it appears from the introduction of this legislation that this Government did not fully understand the implications of that recommendation, particularly in respect of the coal compensation arrangements.

In many respects this bill represents a philosophical panic move by this Government to unfairly rein back just and equitable compensation. In July 2004, following the introduction of ad valorem coal royalties, as well as litigation brought by Nardell Colliery Pty Ltd for just and equitable compensation, the liability for compensation had been increased by $116 million. However, the Government has not said that it has taken many, many times that amount in windfall gains—the term that the Government has used—in coal royalties. I remember when the bill was introduced that the Minister for Mineral Resources, who is in the Chamber, predicted that it would raise about $40 million extra. The bill has raised a lot more than that, and will raise a lot more in coal royalties by many times the predicted level of compensation for the remaining129 applicants who, at this point, are unsatisfied, or unfinalised.

The bill seeks to set compensation at $1.70 per tonne, the original level of coal royalty. However, that is not the full story, because applicants were assessed under the so-called super royalty arrangement of $2.20. That is a different issue from the ad valorem royalty scheme, which would have given a different result in compensation. To me it seems very unfair that this bill will cut back those applicants from their super royalty arrangement of $2.20 to $1.70. That is what I meant by saying that if nothing else had happened—if the Government had not introduced ad valorem royalty, and not introduced this bill—the Government would have made compensation based on the super royalty. This bill not only makes adjustments that the Government believes are consequential upon the adoption of an ad valorem system of royalties, but takes the opportunity to very unfairly cut back from the current arrangements to the former arrangement of ordinary royalties of $1.70. That aspect is obnoxious and exposes the philosophical position of the Government: that anyone in this State who owns property, an asset, and properly so, the Government finds to be in some way philosophically obnoxious and it will do anything, including introducing legislation of this nature, to take back value and therefore compensation for proper owners of coal rights.

In the passage of the 1997 legislation the Government accepted a crossbench amendment in another place to apply just and equitable arrangements. That may have been taken to mean actual royalties, and it is that that the Government now seeks to amend. What is the definition of "just and equitable"? The Government needs to very seriously consider those words and the extent to which this legislation overturns the concept of just and equitable compensation—an amendment that the Government accepted during the passage of the 1997 legislation, which re-acquired the coal assets that remained at that time. One other aspect of this bill is that all applicants but one fall into one particular category of private owners. The remaining applicant, Muswellbrook Shire Council, is in a unique position. Whilst all other local governments accepted an arrangement for compensation, Muswellbrook council chose to retain its coal rights and to assess those rights as a property asset for the levying of rates.

In the case of Muswellbrook Shire Council the loss of rating rather than the loss of royalties would be relevant. To take Muswellbrook council down in this cover-all bill is unfair to that council. It is pretty obvious to all those who have studied this matter that Muswellbrook council should be excluded from this legislation. The Opposition will oppose this bill. I flag at this point that the Opposition is considering moving amendments in the Legislative Council. I give notice of the Opposition's intention to move those amendments in the other place rather than introducing them in this Chamber, as there has not been sufficient time to draft them this week.

As yet those amendments have not been drafted. The Opposition needs a period of time within which to consult before drafting them. We will not go into Committee at this stage to introduce any amendments; rather, we reserve the right to do so in another place and we will then vote in favour of the legislation if it is amended in the upper House. Not much more can be said in the absence of any drafted amendments. This legislation is philosophically obnoxious as it cuts back the rightful entitlements of owners more drastically than would have been the case if the Government had not adopted an ad valorem duty. That is objectionable and obnoxious. I am sure all honourable members would agree that it is unfair, unjust and inequitable. As I said earlier, the Opposition will oppose the legislation.

Mr GEOFF CORRIGAN (Camden) [11.23 a.m.]: I support the Coal Acquisition Amendment (Fair Compensation) Bill. Unlike the honourable member for Upper Hunter, I am proud to speak in debate on legislation that provides just and equitable compensation. The Coal Compensation Board was created in 1985 to receive, determine and pay claims to former private owners of coal. Coal was acquired by New South Wales under the Coal Acquisition Act 1981. Compensation is provided to claimants pursuant to the provisions of the Coal Acquisition (Compensation) Arrangements 1985, which is known as the Compensation Scheme. The Coal Ownership (Restitution) Act 1990 allowed for the revesting of certain coal titles in former private owners of coal. Eligible claimants for loss of estate in coal under the Compensation Scheme were given the option of applying for restitution of their coal in lieu of compensation.

Passage of the Coal Acquisition Amendment Act 1997 allowed the State to reacquire coal that had been returned to some former owners and to refuse restitution applications. The great majority of coal titles were restored but a few titles were reacquired and a small number of restitution claims were refused because of the loss of potential coal royalty to the State. Compensation for coal titles reacquired or refused is calculated pursuant to the provisions of the Coal Acquisition (Reacquisition Arrangements) Order 1997 and is known as the Reacquisition Scheme. Compensation is calculated differently under the Compensation Scheme and the Reacquisition Scheme. However, both involve capitalising a net present value at the date the compensation is paid of the expected future income stream from coal royalties in line with a risk assessment of the future. The traditional return to private coal owners was by way of royalty. Effectively, a private coal owner received seven-eighths of the royalty collected by the State from a colliery operator.

The State deducted one-eighth of the royalty to cover its administrative costs in collecting the royalty. I have gone through all this background to address the comments made earlier by the honourable member for Upper Hunter. I am sure that the Minister will also address those issues. After the State deducted one-eighth of the royalty the remainder was then subject to income tax in the hands of the private coal owner. The compensation payable under the Compensation Scheme and Reacquisition Scheme provides a substitute for this income stream. In essence, under both schemes, the State captures the Commonwealth income tax calculated at the corporate taxation rate that former owners would have paid if their coal had not been acquired by the State. As the Minister said in his second reading speech, the Coal Compensation Board has paid more than $650 million in compensation for around 28,000 claims to date.

The calculation of coal compensation under the Compensation Scheme and the Reacquisition Scheme is in accordance with the fixed base royalty of $1.70 per tonne. Coal royalty has been calculated at this fixed

rate since 1981, more than 23 years, except for a brief period during 1986-87 when the rate had been reduced. I make that point to rebut some of the statements made earlier by the honourable member for Upper Hunter. Of course, there is always a possibility that the coal price will drop. Under the ad valorem scheme those people would get less than $1.70 per tonne if any amendments were accepted. In 1999 the Commonwealth Productivity Commission released its report on the Australian black coal industry. The commission examined the existing royalty system in New South Wales and recommended that it be changed to an ad valorem system. The Federal Government supported that recommendation. In addition, the Commonwealth Grants Commission concluded in its 2004 report on State revenue sharing relativities that New South Wales could raise $87.6 million through an ad valorem royalty system for mining. Clearly, the Commonwealth Government had that in mind.

The New South Wales Government faced significant budgetary pressure to move to an ad valorem system for coal royalties. Therefore, the Commonwealth decided that funding to the State should be cut by $87.6 million to reflect that. The ad valorem scheme calculates coal royalty on the value of coal production. That would deliver higher returns to the State when coal prices are high. It would also reduce the royalty burden on coalmine operators when coal prices are low. So ad valorem royalty applies whether the market price for either domestic or export coal rises or falls. The new ad valorem royalty for coal commenced on 1 July 2004. The new system and recent court decisions have increased the liability of the Coal Compensation Board by $116 million. Litigation that may arise from applications yet to be determined by the Coal Compensation Board may also further increase the board's liability by more than an additional $50 million.

I understand that of the more than 28,000 claims only a small number—129 claims for loss of estate in coal, a figure rightly referred to by the honourable member for Upper Hunter—are yet to be finalised. These claims are pending the outcome of recent test case litigation. Calculating compensation based on the ad valorem royalty rather than the fixed royalty would result in a windfall benefit to a small number of these remaining applicants for compensation. That is opposed to the vast majority of the 28,000 applicants whose compensation has been finalised under the flat rate per tonne royalty scheme. This bill will ensure that all compensation claimants are treated the same and that all compensation is calculated based on the same flat rate per tonne royalty regime. Given that all the claims were received at the same time, the same royalty criteria must apply. This bill is in the interests of fairness for claimants who have already settled and the wider New South Wales community.

As a member of this Government I strongly support the Minister in directing these savings towards community priorities. Police, nurses and teachers are certainly community priorities in my electorate. Entitlements established by negotiation and court decisions prior to the introduction of the ad valorem royalty on 1 July 2004 are not affected by the provisions in the bill. The bill will also ensure that applicants for compensation for lower value coal, normally coal earmarked for domestic power generation, do not have their claims for compensation reduced by the move to an ad valorem royalty system. The ad valorem royalty system encourages development of lower value coal—domestic coal such as that used to produce electricity. Potentially, up to one-third of outstanding applicants could be penalised because their claims are located in domestic coal areas. Compensation will be calculated by reference to the fixed coal royalty in force when the coal was acquired and for the 23 years from 1982 to date.

It is clearly unfair that a very small proportion of people receive greater or less compensation as a result of the ad valorem royalty simply because their claims have not yet been finalised. The bill provides that compensation payable to the remaining claimants should be calculated in the same way as it was calculated for the 99.5 per cent of people whose claims have already been determined. The proposed amendments provide for fair and consistent compensation regardless of when claims are settled. I commend the bill to the House.

Mr GERARD MARTIN (Bathurst) [11.29 a.m.]: I support the Coal Acquisition Amendment (Fair Compensation) Bill. I note the comment of the honourable member for Upper Hunter that the Oppositions intends to move amendments to the bill in another place. The bill was introduced a month ago so one would think Opposition members could get their act together and move those amendments in this place. But it is for Opposition members to decide how much elbow grease they use in such cases.

The purpose of the bill is to ensure that all compensation claimants are treated consistently and fairly under the same royalty scheme no matter when their claims were determined. This is an issue of equity, which the Government is always prepared to support. As has been pointed out, only 129 compensation applicants remaining from a total of approximately 28,000 will be affected by the amendments in the bill. As the Minister for Mineral Resources and the honourable member for Camden pointed out, those 129 applicants will be treated in exactly the same manner as the 28,000 who went before them. They will receive exactly the same

compensation for the same things. As the Minister said in his second reading speech, the bill will have no impact on any current entitlements to compensation. Coal compensation is calculated on the basis of future royalties from coal that may or may not be mined at some stage in the future. The compensation proposed by the bill will be fair as it will be in accordance with claimants' expectations and entitlements prior to 1 July 2004. It is important to note that the bill will not affect the gains won by previous applicants.

Another amendment in the bill is designed to give the State more certainty about its budget obligations by clarifying the law in relation to commercial arrangements for affordable coal used for electricity generation. In the Nardell Colliery test case the Court of Appeal decided that compensation should include provision for front-end payments where appropriate. A front-end payment is a payment to the State by the tenderer for a coalmining title in consideration for the grant of a coalmining lease. That is fairly simple and I think we all understand it. The Government is always working to reduce the cost of electricity for the people and businesses of New South Wales. That is particularly evident in my electorate of Bathurst, where more than 20 per cent of electricity in New South Wales is generated—and there is potential for that yield to increase.

In 2002-03 the State's seven major coal-fired power stations used around 26 million tonnes of coal to generate around 62,625 gigawatts of electricity. In the past decade the three New South Wales coal-fired electricity generators—Eraring Energy, Delta Electricity and Macquarie Generation—have progressively modified their coal-purchasing strategies. This change was in response to the decreasing number of potential coal suppliers as a result of the growth in the export thermal coal industry and the competitive pressures associated with the national electricity market. The price of export coal has doubled in the past 12 months. I worked in the coal industry for 30 years before I became a member of this place, and I assure honourable members that that is a revelation. There has been a marked change in Australian coal markets, particularly our export market.

In the past, domestic power generators kept the price of coal low by competitive tendering, but the booming export market in recent years has made that difficult. We have only two suppliers on western coalfields whereas a few years ago generators had the pick of probably five or six suppliers. The Government helped generators to keep the price of coal low by introducing the ad valorem royalty scheme, which reduces further the cost of low-quality coal to the generators. In most cases the generators who pay the royalty on coal, rather than the miner, will pay less royalty under an ad valorem scheme than they did previously. The Government is contributing directly to these reduced costs through the introduction of the ad valorem coal royalty and the way it issues coalmining leases.

In the past the fixed royalty on low-quality domestic coal could be up to three times as high as the royalty on high-quality export coking coal as a proportion of the coal price. By reducing the amount of royalty paid on lower-quality coal, the ad valorem royalty scheme is expected to enhance the attractiveness of such coal to New South Wales electricity generators. That has to be a good thing. That may, in turn, contribute to greater coal resource utilisation, and operational and marketing flexibility for coal suppliers. The Government has also contributed to a reduction in the cost of power generation by awarding coalmining leases to companies that can provide the lowest-priced coal to New South Wales electricity generators.

The Government was able to achieve a commercial deal with the mining company that undertook to mine the Mount Arthur lease to supply coal to Macquarie Generation. Certain applicants for compensation have claimed that the contract for the supply of coal to Macquarie Generation is just a substitute for a front-end payment. These applicants argue that their compensation should include the contract negotiated by the Government for the tenderer to supply coal to Macquarie Generation at a reduced price. It is obviously unreasonable for applicants to expect their compensation to be inflated by an agreement negotiated by the Government for the benefit of the people of New South Wales. I find it difficult to understand how any member opposite could argue against that proposition. These claims have the potential to increase the Government's liability under the re-acquisition scheme by a further $50 million. The bill clarifies the law so that compensation does not include any amount related to such commercial arrangements. That is the intent of new section 6A (5). As a result, this is not a front-end payment, and the bill will clarify the law so that these commercial arrangements do not apply to any compensation determinations.

It is unfair to the wider community of New South Wales that compensation should be sought for what is a mutually beneficial commercial agreement for cheaper electricity generation, which benefits all community sectors. At the same time it should be noted that the bill restores fair compensation to claimants who may be disadvantaged by the ad valorem royalty scheme. This includes claimants whose compensation relates to low-value coal used in domestic electricity generation. As I said earlier, in the case of coal supplied for domestic

electricity generation there is potential for the ad valorem royalty to be less than the traditional royalty of $1.70 per tonne. While this is good news for electricity generators and coal producers, it was not intended to impact on the compensation payable to remaining claimants.

The Government acknowledges and accepts that the amount of the coal royalty it may receive under the ad valorem scheme is potentially less than $1.70 per tonne for low-value coal. However, the Government cannot accept that some compensation claimants may receive less compensation as a result of the ad valorem scheme. The Coal Compensation Board has paid more than $650 million in compensation to approximately 28,000 claimants to date. Through this bill the Government is ensuring that the amount of compensation payable to remaining claimants is fair and is calculated at a royalty rate not less than they could have expected prior to the introduction of the ad valorem royalty scheme. As I said at the outset, this bill is about equity—a concept that the Government will always support. I commend the bill to the House.

Mr JEFF HUNTER (Lake Macquarie) [11.38 a.m.]: The Coal Acquisition Amendment (Fair Compensation) Bill is of particular interest to me because there are five or six underground coalmines and one open-cut coalmine in my electorate of Lake Macquarie—Lake Macquarie and the Lower Hunter are traditional coalmining areas—and also because I am a member of the backbench committee of the Minister for Mineral Resources. The overview of the bill states:

> The *Coal Acquisition Act 1981* (***the principal Act***) vested all coal in the Crown and enabled the Governor to make arrangements for the payment of compensation to claimants. The *Coal Ownership (Restitution) Act 1990* provided that certain successful claimants could apply to have the coal restored to them rather than accept compensation. The principal Act then enabled the Governor, by proclamation, to revest the coal that had been restored under the *Coal Ownership (Restitution) Act 1990* in the Crown and to make arrangements for the payment of compensation to claimants in those cases.

The overview of the bill outlines its object:

> The object of this Bill is to amend the principal Act:
>
> (a) to ensure that if royalty is included in the determination of compensation for any claim that has not been finally determined under the principal Act the royalty will be calculated on the same basis on which other claims have previously been determined rather than in accordance with the new scheme for the payment of royalty recently introduced under the *Mining Act 1992*, and
>
> (b) to make it clear that compensation for loss of "super royalty" can be paid in relation to appropriate claims, but only for periods occurring before the repeal of the provisions of the *Mining Regulation 2003* that allowed the payment of super royalty, and
>
> (c) to provide that a payment of compensation under the principal Act is not to take into account any arrangements required to be entered into under the *Mining Act 1992* by the holder of a mining lease or similar authorisation that deal with the supply of coal at a particular price.

The bill will remove from the calculation of compensation the windfall benefits and losses arising from the ad valorem royalty regime. It will also restrict compensation payable to key litigants for front-end payments. The bill amends the Coal Acquisition Act 1981 to ensure parity between all compensation claimants. It will mean that the claims of a small group of remaining claimants will be assessed under the same royalty regime as claimants whose claims have already been settled. But the bill does not affect current entitlements for compensation.

As other speakers have said, following the recommendation of the Commonwealth Grants Commission the New South Wales Government moved to an ad valorem royalty system in line with other States. At the time of this recommendation the Grants Commission indicated that New South Wales would be further penalised if it failed to implement this policy. The bill makes sure that all claimants are assessed under the same flat rate per tonne royalty scheme. Ad valorem is obviously a value-based system, and to apply it to the remaining claimants is to use a different calculation. As I pointed out earlier, this matter is of particular interest to me and the people in the Lake Macquarie electorate.

Mr KERRY HICKEY (Cessnock—Minister for Mineral Resources) [11.42 a.m.], in reply: I thank honourable members representing the electorates of Camden, Bathurst and Lake Macquarie for their contributions to the debate on behalf of their constituencies. I congratulate the honourable member for Upper Hunter, because it is about time he represented his constituency in this House. I was interested in what he said, but what he neglected to say is probably more to the point, that is, that 28,000 claims representing 14,000 people across New South Wales have already been settled. The reason for a change to an ad valorem system is clear. It was forced on us by the Commonwealth through the Grants Commission. A penalty of $87.6 million would have been imposed on the Treasury coffers of this State if we had not moved to an ad valorem system. That is why this legislation has been put in place. It was not put in place to provide a compensation windfall.

I am concerned that the Opposition seems to favour rich landholders who can afford expensive legal representation to ensure long, drawn-out court cases. Clearly, the claimants will benefit. The 129 claims relate to only 80 people, who will share in $330 million, a large amount of money, if this legislation is not passed. If this bill is passed they will share $214 million. The Coal Compensation Board was established as a sunset organisation, but the longer these matters are drawn out the more it will cost governments. It costs approximately $9 million to keep the board operating.

Those who own the coal rights are benefiting from an historical accident dating back to 1850. The remaining claimants have already been paid, under the old system, 75 per cent of their estimated compensation entitlement, so the Government can minimise interest on the outstanding payments. The concern is that they now want to get a bigger bite of the cherry for the remaining 25 per cent. The top five remaining claimants have already received $81.9 million. The top 15 remaining claimants have been paid more than $112.2 million and they will be paid more under their entitlement. The $116 million saved by this bill equates to 1,450 new nurses, based on an annual salary of $80,000; 1,380 police, based on an annual salary of $83,000 to $84,000; and 1,700 new teachers, based on an annual salary of $68,000 and on costs. The Government does not shy away from its priority of running the State efficiently and effectively. It is not ashamed of making sure that the people of New South Wales get the benefits of the State's excellent triple-A rated economic management.

In 1990 when the Greiner-Murray Coalition was in office—I might have still been in short pants then—it put a cap on coal compensation. The Premier, Nick Greiner, said there was a need for budgetary constraint. He was one of the best economic managers any Coalition government has produced. He took on both tasks of Premier and Treasurer without hesitation and clearly understood the concept of fiscal responsibility. That included capping coal compensation payments. Where does that leave the honourable member for Upper Hunter?

During the Coalition's last days in the sun it set a limit on compensation. That is far removed from what this bill sets out to achieve, that is, to maintain the status quo. The Government aims to ensure fairness to all claimants. The honourable member for Upper Hunter has no idea of fiscal responsibility. After all, he blew $50 million on Luna Park. I am not sure whether it was on the dodgems or the giant slippery dip. It could have been on the laughing clowns, the symbol of The Nationals. The fact is that for years the Federal Coalition Government pushed New South Wales from pillar to post. Since 1999 the Commonwealth and its agencies, namely the Productivity Commission and the Grants Commission, have wanted to change the way coal royalties are calculated in this State to an ad valorem system.

By opposing this bill the Opposition is thumbing its nose at almost 14,000 people who have already settled their claims. Although the Opposition claims it wants to maintain the just and equitable system under which those 14,000 claimants have settled, it now wants to change that just and equitable system to the application of a super royalty. That argument is flawed; it is double dipping. The introduction of an ad valorem system by the Commonwealth abolished super royalty. As it does not exist, it could not be applied. What the Opposition proposes, on a whim, would cost the Government an extra $45 million. That is not fiscally responsible.

This bill does not affect Muswellbrook Shire Council. The legislation clarifies how loss of estate in coal claims will be treated. The council can only claim for loss of rate income. Again, the honourable member for Upper Hunter is wrong. It is admirable that he is representing his electorate, but that does not make him right. We need to ensure that we have a fair and just system that does not undo the 28,000 claims that have already been settled.

The board's liability may also be increased by an estimated $50 million as a result of potential future litigation regarding front-end payments, a legitimate entitlement. However, the bill clarifies that tender arrangements for the lowest price of coal-to-electricity generators do not constitute front-end payments. The bill is even-handed and a fair way forward for the compensation scheme arising from the move from the coal royalty standard rate of $1.70 a tonne to the ad valorem system. It is fair for the remaining claimants, fair for claims that have already been settled and fair to the wider community that this be passed. I commend the bill to the House.

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

The House divided.

Ayes, 52

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

Noes, 34

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

Pair

Miss Burton	Mr Hartcher

Question resolved in the affirmative.

Motion agreed to.

Bill read a second time and passed through remaining stages.

JOINT STANDING COMMITTEE UPON ROAD SAFETY

Membership

Motion, by leave, by Mr Carl Scully agreed to:

That:

(1) Noreen Hay be appointed to serve on the Joint Standing Committee upon Road Safety in place of Marianne Frances Saliba, discharged; and

(2) a message be sent informing the Legislative Council.

BUSINESS OF THE HOUSE

Routine of Business: Suspension of Standing and Sessional Orders

Motion by Mr Carl Scully agreed to:

That standing and sessional orders be suspended to allow for the introduction and progress, up to and including the Minister's second reading speech, of the Appropriation Bill and cognate bills at 12.00 noon on Tuesday 24 May 2005.

CRIMINAL PROCEDURE FURTHER AMENDMENT (EVIDENCE) BILL

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

Consideration of amendments deferred.

SOIL CONSERVATION SERVICE

Debate resumed from 3 March 2005.

Mr RUSSELL TURNER (Orange) [12.03 p.m.]: The honourable member for Upper Hunter moved a motion in March 2003 to restore the Soil Conservation Service, and it has been debated on at least one occasion since that time. Although the Government maintains that the Soil Conservation Service continues to provide a service, it is fragmented at best and few farmers, particularly hobby farmers who recently have come to regional areas, would not know it as we knew it in years gone by. In the 1950s and into the 1960s, when we had enormous problems with soil erosion as a result of the rabbit plague, the Soil Conservation Service was successful in correcting the erosion in our creeks and gullies and returning them to a productive state. During that time the service undertook work on my farm. Anyone who flew over areas in which the Soil Conservation Service had completed work could not help but notice the quality of that work. I am sure all employees of the Soil Conservation Service were efficient and loved what they were doing. They ensured that their work was absolutely A1.

General overgrazing and the rabbit plague caused enormous damage. These days most farmers are aware of the impact of overgrazing and conduct most of their farming practices in a more workmanlike and professional manner. The Soil Conservation Service offered low-interest loans. Quite often the service took a whole-of-valley approach by working with all the farmers in a valley to restore its quality. These days farmers are confused about whether the Soil Conservation Service exists. The *White Pages* telephone book for my area covers Bathurst, Cowra, Lithgow, Mudgee, Orange, Rylstone and Young. If a farmer chose to use the telephone book to determine what assistance was available, he might look up the Department of Environment and Conservation. The phone book shows that it comprises the Environment Protection Authority, the National Parks and Wildlife Service, Resource New South Wales and the Botanic Gardens Trust. He will not get any help there.

A farmer might then look up the Department of Sustainable Natural Resources. The phone book says it is the Department of Infrastructure, Planning and Natural Resources and lists various telephone numbers. If he rings those telephone numbers he usually hears: If you want such and such press 1; if you want such and such press numbers through to 8 or 9. Today's farmers do not know what help is available and which department they can contact to seek help. I know that Government members will contradict me, but it is a fact of life. I have spoken to many farmers and they do not believe that what we used to know as the Soil Conservation Service exists. If it does exist, they do not know how to contact it and what assistance it might provide. The Soil Conservation Service should be restored to provide services to farmers who need help and do not know where to get it.

Mr IAN ARMSTRONG (Lachlan) [12.08 p.m.]: It is with great pleasure that I support the motion moved by my colleague the honourable member for Upper Hunter. I am surprised that the Government will not support the motion, because on many occasions in this place the Labor Party has claimed credit, rightly or wrongly, for the creation of the New South Wales Soil Conservation Service as a policy initiative of William McKell, after whom the McKell building at Railway Square was named. When the building was dedicated to his memory it was said that he was the father of soil conservation. When the Coalition came to government in 1988 and I became Minister for Agriculture and Rural Affairs, some Labor members told me what a great honour it was and how the Labor Party had been so influential. But now I find that the Labor Party will vote against one of the great authorities in this State that it claims to have invented. I do not agree that the Labor Party invented

the Soil Conservation Service, but I believe that we should leave aside historical matters and concentrate on the users of the service and its importance to the community.

I would have thought that the current drought—being the worst drought in New South Wales in 100 years—would be bad enough, but when we add the fact that Australia has the most degraded soils in the world and is the lowest, flattest and hottest continent in the world, the importance of soil conservation cannot be overstated. Moreover, the past four months have been the hottest months on record for this time of the year, and the Government continually complains about the soil degradation caused by land clearing. In spite of all that, Labor members will vote against supporting a highly respected professional organisation that has been applauded for its profitable work in soil retention, enhancement of the environment and expertise in techniques for living in an arid continent. I suggest that members of the Labor Party will vote against this motion purely because of bloody-minded politics. I do not think they have given any thought to the significance of this motion.

Not many years ago the Soil Conservation Service had approximately 114 machines ranging from Tauna pulls, bulldozers and graders, as well as a staff of approximately 300. The staff advised country and city communities on matters such as the rehabilitation of degraded soils, land clearing, the positioning of farm dams and public dams, and major infrastructure such as roads and bridges. It also advised local government and Federal Government departments. The Soil Conservation Service has been one of the most respected services the New South Wales public service has ever had. During all the years I have been a member of this House I cannot remember criticism of any veracity being directed at it. It is a respected organisation that simply does a good, honest job.

So why is the Soil Conservation Service necessary? As other speakers have said—in particular, the honourable member for Upper Hunter, who moved the motion—the service is necessary because it provides a quality benchmark for soil conservation services in this State. It is all very well to say that other departments or private enterprise can handle soil conservation services and that money can be saved by getting rid of bulldozers, graders, surveyors and soil experts. But who will establish soil conservation benchmarks if that happens? It has always been my view that one of the fundamental responsibilities of government is to maintain standards of professional excellence as benchmarks for the entire community. Members may be surprised to know that people who display great expertise in driving major machinery undertook their training in rehabilitation and conservation of soils while they were officers of the former soil conservation department. The service was not a costly organisation; indeed, it managed to attract considerable funding from private enterprise and other government authorities, and was run very economically.

The Government has not presented any cogent arguments for its failure to support the restoration of the role of the Soil Conservation Service. The Government has failed to recognise that by denying support it is turning its back not only on the people of New South Wales, especially the greenies, the farmers and other interest groups, but also on what it used to refer to as an important part of Labor Party history. What a philosophical contradiction! This Government is making a fool of Labor's early history and the Jack Hallams of the world. [*Time expired.*]

Mr GEORGE SOURIS (Upper Hunter) [12.15 p.m.], in reply: I thank all members who contributed to the debate, and in particular the honourable member for Lachlan, the honourable member for Orange, the honourable member for Ballina and other members of the Liberal Party and The Nationals. The essence of the motion is the reinstatement of the Soil Conservation Service of New South Wales to the role it played before the election of the Carr Labor Government. While the service maintains a nominal presence, its current role is nothing like the functions it carried out prior to 1995. Where in this State is the Soil Conservation Service conducting broadacre soil erosion mitigation works, contour bank construction and other remedial works?

Soil conservation is one of the most important environmental issues facing Australia. Soil degradation caused by water erosion occurs throughout Australia and is one of the most important conservation, land management and environmental issues confronting government. The purpose of the motion is to reinstate the Soil Conservation Service to the role it played in the past instead of maintaining its reduced level of service under the Carr Government. The honourable member for Monaro referred to the advisory role played by the service in the rehabilitation of bushfire-affected areas in the Monaro electorate. That is precisely the type of work that the service should be performing throughout the State, not just in one isolated area. The Soil Conservation Service should be an organisation that performs a major government role in arresting soil degradation. One can easily imagine that its advisory role during the Monaro bushfires would have been a highlight. That is a sad reflection on its current status.

If I were to ask Government members to name the Soil Conservation Commissioner in New South Wales, I dare say they would not be able to tell me: I doubt that they would even know whether New South Wales has a Soil Conservation Commissioner. So they are unlikely to know anything about the essence of the

role and status of the service, or the value in dollar terms or projects of its service delivery. It saddens me that during the debate Government members were unable to cite the achievements of the Soil Conservation Service, but that might have been because of the dearth of projects undertaken by the service in recent times. It is tragic that the Soil Conservation Service has been gutted. I am firmly of the view that it should be reinstated to its original role and status. I commend the motion to the House.

Question—That the motion be agreed to—put.

The House divided.

Ayes, 34

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

Noes, 49

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

Pair

Mr Hartcher	Miss Burton

Question resolved in the negative.

Motion negatived.

GOODS AND SERVICES TAX REVENUE DISTRIBUTION

Debate resumed from 24 March 2005.

Mr ANDREW CONSTANCE (Bega) [12.27 p.m.]: In the three minutes and 20 seconds that I have remaining to contribute to this debate, I point out that the motion moved by the Leader of the Opposition in relation to the reform of the Commonwealth-State financial relations for the GST noted the lack of willingness

by the Premier to join with other State Labor Premiers to renegotiate the GST agreement as it stands. Over recent weeks there has been a lot of press coverage in relation to this specific debate as well as the New South Wales Labor Government's inability to join forces with the other Labor States and Territories to renegotiate the Grants Commission formula. The Premier and the Treasurer constantly argue that it is up to the Federal Treasurer to renegotiate this point. That argument stands in stark contrast to what was written in the Premier's diaries from 1999, which were published. Referring to when the Premier signed the GST agreement, his diary states:

> I have got to say that I have never been at a more successful Premiers' Conference in the four years I have been in this job …
>
> New South Wales would get $166 million because of a new formula … 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.

It is convenient that when the GST formula is working in favour of New South Wales the Premier is very happy to write explicitly in his diary that it is the States that can renegotiate the GST distribution formula. It is incumbent on the New South Wales Government to pick up the phone, speak to Premier Beattie and Premier Bracks, and renegotiate the formula. The Commonwealth Government said that it was happy to be part of that agreement. For the life of me I do not understand how the Premier can say one thing when it suits him and another when it does not. He does so with credibility; he has the Sydney press believing him. It is up to the Premier and the Deputy Premier to renegotiate this deal. I refer to the recent ministerial council meeting that was held in Canberra.

It is clear that no State or Territory requested a change or variation to the recommended relativities of the Commonwealth Grants Commission. The question that has to be asked is: What was the Treasurer doing in Canberra if he was not arguing that case? The Premier and the Treasurer are the highest taxing Premier and Treasurer in the history of this State. After 10 years of Labor, they are responsible for the fact that New South Wales is the highest taxed State in this country. They have received nearly $9 billion of revenue above what they budgeted for and they have no answers to this problem. [*Time expired.*]

Mr ALAN ASHTON (East Hills) [12.31 p.m.]: Opposition members cannot come clean in any debate relating to the GST. They should read the legislation relating to the GST arrangements that were put in place with the States. At about this time last year the GST was to be reviewed by the Commonwealth and State governments. That review has taken place. A couple of weeks ago Peter Costello decided that he needed a bit of publicity in his prime ministerial campaign so he said, "Forget the word 'review'. Get rid of about $800 million worth of taxes. We will give you $160 million in its place." No government in any country would accept the sort of dictatorship that we are getting from the centralist Government in Canberra.

The honourable member for Bega referred to the Premier and the Treasurer as being the highest taxing Premier and Treasurer in the history of this State. That is true, but only to this extent. The people of New South Wales pay $13 billion of revenue into Canberra's coffers through the GST but they receive only $10 billion in return. Each and every year New South Wales is robbed to the tune of $3 billion, unless the Commonwealth Government decides to apportion a fairer share to the States. Honourable members do not have to take my word for that; the Business Council of New South Wales said only today that Peter Costello should stop dudding New South Wales on the GST. The State Chamber of Commerce—and not the Treasurer—issued a press release entitled "Business demands fairer share of GST". The media release states:

> More than 90 percent of NSW businesses taking part in a State Chamber of Commerce (NSW) survey want the Federal Government to give the state a fairer share of GST revenue.
>
> The survey, which was conducted to gauge business attitudes to business tax reform and the distribution of GST income, attracted almost 400 responses in just one week.
>
> Chamber CEO Margy Osmond said the response is a good indication of just how strong the feeling is in the business sector that the Federal Government is short-changing NSW.

The Labor Party branches in the East Hills and Heathcote electorates did not make that statement; the New South Wales State Chamber of Commerce made that statement. I am sure the honourable member for Heffron would agree with me. The State Chamber of Commerce, which is not naturally a Labor Party supporter and is not doing whatever the Premier says, has stated:

> Under the Grants Commission's outdated formula, NSW raises $13 billion in GST revenue but only gets $10 billion back.

The wonderful thing about this sort of debate is that that statement is incontestable. Every year New South Wales is being ripped off to the tune of $3 billion. The Leader of the Opposition moved a motion that calls on us

to roll over and to go along with the Federal Government's attacks on New South Wales. We cannot do that. That is why we support the amendment moved by the Treasurer, which calls on Opposition members to come clean and support the efforts of New South Wales to get back its $3 billion. I refer again to the media release issued by the State Chamber of Commerce. It states:

> We have to stand by and watch states like Queensland get a more favourable deal and use this funding to lure business away from NSW with improved services and infrastructure.
>
> The Federal Government's current plan is just as ludicrous with the demand that NSW abolish a range of one-off transactional taxes worth around $1 billion a year in return for a paltry $330 million in compensation over two years.
>
> According to the Chamber survey less than a quarter of businesses are concerned with these taxes.

Only a quarter of businesses in New South Wales are concerned about the taxes that Costello says are so important. The media release states:

> Instead they want to see the abolition or reduction of payroll taxes...
>
> And the State Government would have more room to move on these taxes if it got a better deal on GST revenue.

The Federal Government should give us back our $3 billion and the Opposition should back New South Wales and not the rulers in Canberra. [*Time expired.*]

Mr DAVID BARR (Manly) [12.36 p.m.], by leave: The Opposition moved a motion calling on the Premier to convene an urgent meeting of Labor Premiers and Chief Ministers, to which the Government moved an amendment calling on the Opposition to join with the Government in demanding that the Federal Government revise the formula of the Commonwealth Grants Commission. The amendment to the motion is more to the point. The big issue here is the Commonwealth Grants Commission and its arcane and archaic formula. The problem we are facing is what is called the twin evils of horizontal and vertical fiscal imbalance. The Federal Government is responsible for collecting about 83 per cent of taxes overall and State governments are responsible for collecting 17 per cent of taxes, but the States spend 41 per cent of that. Clearly, there is a mismatch between what the States are pulling in and what they spend. Because of the workings of the Constitution, in particular sections 94 and 96, the Federal Government dictates the nature of the spending through its constitutional powers. Greg Craven, in his entertaining book on the Constitution, states:

> Australia is a world leader in vertical fiscal balance and the states are about as relatively poor as it is possible for federal components to be. All this has the effect that even within some of their acknowledged areas of powers the states are no longer masters of their own destiny. The commonwealth exerts enormous influence in such fields as health and education, not because they are confided to it under the Constitution, but simply because it provides the relevant funds. The states must jig grimly to its tune, humming savagely to themselves that power without responsibility has been the prerogative of the harlot throughout the ages.

That, in a nutshell, is what this motion is about. The States have to dance to the tune of the Federal Government. The Federal Government is influencing matters through the Commonwealth Grants Commission. An archaic formula applies that no-one can quite understand, but the net result is that New South Wales ends up subsidising other States, including Queensland, to the tune of $829 million. It has done that ever since Federation, which is absurd. It means that Queensland can give certain tax concessions but, basically, New South Wales taxpayers are subsidising that. We should get together and demand a fairer deal from the Federal Government. It does not matter whether we are Labor, Liberal or Independent members; at the moment we are all being shafted by this formula.

The Federal Treasurer has offered New South Wales $330 million in turn for abolishing a certain number of business taxes. The offer is clearly unfair because those taxes raise about $1 billion and the Treasurer is offering only $330 million in exchange. That is clearly unsatisfactory. A most galling point is that the projected Federal surplus for this financial year is more than $10 billion. The time has come for State and Federal governments to act maturely and responsibly and get together to come up with a new financial formula. The current situation is farcical and totally unacceptable. As a consequence the people of New South Wales do not get the services they deserve and have paid for, irrespective of which side of politics is on the Treasury bench. That is the reality. The stupid current arrangement is shafting this State, and no amount of rhetoric from Peter Costello can get around that simple fact.

Like the State Government, the Federal Government is a high-taxing government. The top marginal tax rate at a Federal level kicks in at 1.3 times average weekly earnings. People have to earn only 1.3 times average

weekly earnings to pay tax at the top marginal rate. It is obscene. That area of taxation must be reformed. The moral of this debate is that we need drastic tax and fiscal reform at both Federal and State levels. Contributions to date have not addressed that issue but it should be our aim.

Mr JOHN BROGDEN (Pittwater—Leader of the Opposition) [12.41 p.m.], in reply: In his five-minute contribution to the debate the so-called "Independent" member for Manly made not one attack on the Carr Government over the land taxes that are punishing investors in his electorate. If we had our time again we would not give him leave to contribute to the debate. A significant public figure in Australia has added to this debate since the Opposition raised the issue. That person is not a business leader in New South Wales but Peter Beattie, the Premier of Queensland. When attacked recently by the Premier of New South Wales, he replied:

> I'm sorry Bob, the reality is that we [Queensland] manage our books well. One of the things Bob doesn't tell you is … we get 1500 people a week and guess where most of them come from … NSW.

Peter Beattie went on to tell the Premier that he should manage his economy properly. We join Peter Beattie in sending a message to the Premier to manage the New South Wales economy properly. The Premier's views with respect to the Commonwealth Grants Commission are clear. Writing in his diary about the 1999 GST agreement and one of the grants formulae, he said:

> New South Wales would get $166 million because of a new formula … To my intense relief Howard says he won't—cannot—overturn a recommendation of the Grants Commission unless the States are unanimous. Strong. Fair.

It is clear that the Premier is very happy with the Grants Commission formula when it suits him but he whinges and blames Canberra when it does not. The Grants Commission formula could be changed if the Premier convened a meeting of every Labor Premier and Chief Minister in the country, they renegotiated the formula and took it jointly to the Federal Government for agreement. Indeed, 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.

Peter Costello made that comment not last week or last month but on 30 November 2001. The Premier is trying—quite unsuccessfully, I might add—to avoid responsibility for the failed management of the New South Wales budget and economy. In the past 10 years under this Premier New South Wales has become the slowest growing mainland State. The economic growth rate in New South Wales ranks fifth out of six States—when it comes to poor economic performance we are beaten only by Tasmania. In the past 12 months New South Wales under the Carr Labor Government has lost more than 12,000 full-time jobs. In the same period Western Australia created 48,000 new full-time jobs, Victoria created 50,000 new full-time jobs and Queensland created 90,000 new full-time jobs.

We are going backwards economically and our employment figures are dropping. New South Wales has the highest unemployment rate of any State in the country, again, with the exception of Tasmania. And what does the Premier do? He looks around and increases tax. As a consequence, New South Wales has grossly unfair property taxes. Some 400,000 mum and dad investors are paying land tax for the first time on investment properties that they worked their guts out to buy to offer them security in their retirement. New South Wales also has the grossly unfair 2¼ per cent vendor duty courtesy of the Carr Government.

The Labor Party will not be allowed to get away with this stunt. It will not be allowed to get away with the pattern of behaviour whereby it manages the New South Wales economy poorly, blows the budget, increases taxes and then blames Canberra. The people of New South Wales will not let this Labor Government get away with that. That is why the Premier of New South Wales, as the senior Premier in the country and the longest-serving Labor Premier, must show some leadership on this issue. He can do that by getting on the telephone to the five other Labor Premiers and two Chief Ministers, convening a meeting at which they renegotiate the contract and deliver a fairer deal for New South Wales and taking that Grants Commission agreement to Canberra, where the Federal Government will sign it immediately. That is what the Premier must do. If the Premier fails to act it will prove that he is a tired old Premier running a tired old government.

Question—That the amendment be agreed to—put.

The House divided.

Ayes, 55

Ms Allan	Mr Greene	Mrs Paluzzano
Mr Amery	Ms Hay	Mr Pearce
Ms Andrews	Mr Hickey	Mrs Perry
Mr Barr	Mr Hunter	Mr Price
Mr Bartlett	Mr Iemma	Dr Refshauge
Ms Beamer	Ms Judge	Ms Saliba
Mr Black	Ms Keneally	Mr Sartor
Mr Brown	Mr Knowles	Mr Shearan
Ms Burney	Mr Lynch	Mr Stewart
Mr Collier	Mr McBride	Mr Torbay
Mr Corrigan	Mr McLeay	Mr Tripodi
Mr Crittenden	Ms Meagher	Mr Watkins
Ms D'Amore	Ms Megarrity	Mr West
Mr Debus	Mr Mills	Mr Whan
Mr Draper	Ms Moore	Mr Yeadon
Mrs Fardell	Mr Morris	
Ms Gadiel	Mr Newell	*Tellers,*
Mr Gaudry	Mr Oakeshott	Mr Ashton
Mr Gibson	Mr Orkopoulos	Mr Martin

Noes, 31

Mr Aplin	Mrs Hopwood	Mrs Skinner
Mr Armstrong	Mr Humpherson	Mr Slack-Smith
Ms Berejiklian	Mr Kerr	Mr Souris
Mr Brogden	Mr Merton	Mr Stoner
Mr Cansdell	Mr O'Farrell	Mr Tink
Mr Constance	Mr Page	Mr J. H. Turner
Mr Debnam	Mr Piccoli	Mr R. W. Turner
Mr Fraser	Mr Pringle	
Mrs Hancock	Mr Richardson	*Tellers,*
Mr Hazzard	Mr Roberts	Mr George
Ms Hodgkinson	Ms Seaton	Mr Maguire

Pair

Miss Burton	Mr Hartcher

Question resolved in the affirmative.

Amendment agreed to.

Question—That the motion as amended be agreed to—put.

Ayes, 55

Ms Allan	Mr Greene	Mrs Paluzzano
Mr Amery	Ms Hay	Mr Pearce
Ms Andrews	Mr Hickey	Mrs Perry
Mr Barr	Mr Hunter	Mr Price
Mr Bartlett	Mr Iemma	Dr Refshauge
Ms Beamer	Ms Judge	Ms Saliba
Mr Black	Ms Keneally	Mr Sartor
Mr Brown	Mr Knowles	Mr Shearan
Ms Burney	Mr Lynch	Mr Stewart
Mr Collier	Mr McBride	Mr Torbay
Mr Corrigan	Mr McLeay	Mr Tripodi
Mr Crittenden	Ms Meagher	Mr Watkins
Ms D'Amore	Ms Megarrity	Mr West
Mr Debus	Mr Mills	Mr Whan
Mr Draper	Ms Moore	Mr Yeadon
Mrs Fardell	Mr Morris	
Ms Gadiel	Mr Newell	*Tellers,*
Mr Gaudry	Mr Oakeshott	Mr Ashton
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Mrs Hancock	Mr Richardson	*Tellers,*
Mr Hazzard	Mr Roberts	Mr George
Ms Hodgkinson	Ms Seaton	Mr Maguire

Pair

Miss Burton Mr Hartcher

Question resolved in the affirmative.

Motion as amended agreed to.

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

PUBLIC HOUSING TENANT DRUG OFFENDER EVICTIONS

Ministerial Statement

Mr JOSEPH TRIPODI (Fairfield—Minister for Housing) [2.15 p.m.]: Honourable members will be aware that this morning there was a major police operation in the Redfern-Waterloo area. Make no mistake: the Government does not tolerate drug dealers. The Department of Housing works closely with NSW Police to ensure drug dealers living in public housing are caught. Today NSW Police and the Department of Housing responded to concerns from the local community about the operation of drug houses in Waterloo. A search of four units led to the arrest of 14 people. The Department of Housing has been an active partner with NSW Police, supporting them in this operation. The State Government will seek the immediate eviction of each tenant arrested in this morning's police investigation. Within 24 hours the Government will apply to the Tenancy Tribunal to evict those arrested.

BUSINESS OF THE HOUSE

Routine of Business

[*During notices of motion*]

Mr SPEAKER: Order! I remind the honourable member for Bega that notices of motions should call upon the House to note or resolve something, and not debate points. I will ask the Clerks to examine the notice of motion in consultation with the honourable member for Bega.

Later,

Mr SPEAKER: Order! In accordance with previous rulings I have given, I will consult the Clerks to ascertain whether the notice of motion given by the honourable member for Barwon is in order.

Later,

Mr SPEAKER: Order! I draw the attention of the honourable member for Vaucluse to the length of his notice of motion. I will consult the Clerks and then discuss with him putting the notice into an acceptable form.

VARIATIONS OF PAYMENTS ESTIMATES AND APPROPRIATIONS 2004-05

Dr Andrew Refshauge, by leave, tabled variations of the receipts and payments estimates and appropriations for 2004-2005, under section 26 of the Public Finance and Audit Act 1983, arising from the provision by the Commonwealth of specific purpose payments in excess of the amounts included in the State's receipts and payments estimates to the Roads and Traffic Authority.

Dr Andrew Refshauge, by leave, tabled variations of the receipts and payments estimates and appropriations for 2004-05, under section 26 of the Public Finance and Audit Act 1983, arising from the provision by the Commonwealth of specific purpose payments in excess of the amounts included in the State's receipts and payments estimates to the Department of Ageing, Disability and Homecare.

Dr Andrew Refshauge, by leave, tabled variations of the receipts and payments estimates and appropriations for 2004-2005, under section 26 of the Public Finance and Audit Act 1983, arising from the provision by the Commonwealth of specific purpose payments in excess of the amounts included in the State's receipts and payments estimates to the Department of Community Services.

Dr Andrew Refshauge, by leave, tabled variations of the payments estimates and appropriations for 2004-2005, under section 24 of the Public Finance and Audit Act 1983, flowing from the transfer of functions between the Department of Juvenile Justice to the Department of Corrective Services.

PETITIONS

Alstonville Bypass

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

Gaming Machine Tax

Petitions opposing the decision to increase poker machine tax, received from **Mrs Shelley Hancock**, **Mrs Judy Hopwood** and **Mr Steven Pringle**.

Somersby Fields Sandmining

Petition opposing the proposal for the Somersby Fields sandmining project, received from **Ms Marie Andrews**.

Kurnell Sandmining

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

Bungonia Quarry Construction Application

Petition opposing the application to construct a quarry at Ardmore Park, Bungonia, received from **Ms Katrina Hodgkinson**.

Jervis Bay Marine Park Fishing Competitions

Petition requesting amendment of the zoning policy to preclude fishing competitions, by both spear and line, in the Jervis Bay Marine Park, received from **Mrs Shelley Hancock**.

Crime Sentencing

Petition requesting changes in legislation to allow for tougher sentences for crime, received from **Mrs Shelley Hancock**.

Anti-Discrimination (Religious Tolerance) Legislation

Petition opposing the proposed anti-discrimination (religious tolerance) legislation, received from **Mr Barry O'Farrell**.

Cremorne Community Mental Health Centre

Petition opposing the proposed relocation of health services provided by the Cremorne Community Mental Health Centre, received from **Ms Gladys Berejiklian**.

Campbell Hospital, Coraki

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

Coffs Harbour Aeromedical Rescue Helicopter Service

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

Yass District Hospital

Petition opposing the downgrading of existing services at Yass District Hospital, received from **Ms Katrina Hodgkinson**.

Public Hospital Security and Staffing

Petition requesting that the Department of Health guarantee the safety of patients and employ sufficient staff in public hospitals, received from **Mr Barry O'Farrell**.

F6 Corridor Community Use

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

Westdale Traffic Arrangements

Petition requesting an overtaking lane at the corner of Gunnedah Road and Flinders Street, Westdale, received from **Mr Peter Draper**.

Topdale Road Upgrade

Petition requesting the upgrading and sealing of Topdale Road, received from **Mr Peter Draper**.

Oxford Street Clearway

Petition requesting removal of the Oxford Street clearway and imposition of a 40 kilometres per hour speed limit in Oxford Street, received from **Ms Clover Moore**.

Old Northern and New Line Roads Strategic Route Development Study

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

Pacific Highway Overpass

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

Forster-Tuncurry Cycleways

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

Armidale and Moree Rail Services

Petition requesting continuation and upgrading of CountryLink rail services from Sydney to Armidale and to Moree, received from **Mr Peter Draper**.

Newcastle Rail Services

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

South Coast Rail Services

Petition opposing any reduction in rail services on the South Coast, received from **Mrs Shelley Hancock**.

Southern Tablelands Rail Services

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

Pets on Public Transport

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

Inner and Eastern Sydney Light Rail

Petition requesting the development of an achievable plan and funding strategy for an integrated light rail network in inner and eastern Sydney, received from **Ms Clover Moore**.

Murwillumbah to Casino Rail Service

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

Macdonald River Signage

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

Milton-Ulladulla Public School Infrastructure

Petition requesting community consultation in the planning, funding and building of appropriate public school infrastructure in the Milton-Ulladulla area and surrounding districts, received from **Mrs Shelley Hancock**.

Colo High School Airconditioning

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

Shoalhaven River Water Extraction

Petition opposing the extraction of water from the Shoalhaven River to support Sydney's water supply, received from **Mrs Shelley Hancock**.

Underground Cables

Petition requesting that the House ensure that an achievable plan to put aerial cables underground is urgently implemented, received from **Ms Clover Moore**.

Hawkesbury Electorate Sewerage

Petition praying that funding be provided to construct a reticulated sewerage system for Agnes Banks, Freemans Reach, Glossodia and Wilberforce, received from **Mr Steven Pringle**.

Robertson Showground Floodlighting

Petition requesting funding to floodlight the showground at Robertson, received from **Mr Matt Brown**.

Tweed Shire Council Inquiry

Petition requesting the immediate cessation of the public inquiry into the Tweed Shire Council, received from **Mr Andrew Fraser**.

Crown Land Leases

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

Collector Bushrangers Reserve Motorcycle Track

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

Water-Access-Only Property Policy

Petition requesting a review of the water-access-only property policy, received from **Mrs Judy Hopwood**.

Great Lakes Council Rate Structure

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

Public Housing Tenants Rights

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

PUBLIC ACCOUNTS COMMITTEE

Minutes of Proceedings

Mr Matt Brown, as Chairman, tabled the minutes associated with the report entitled "Review of Operations of Audit Committees", dated April 2005.

QUESTIONS WITHOUT NOTICE

RODNEY ADLER SILVERWATER CORRECTIONAL CENTRE TREATMENT

Mr JOHN BROGDEN: My question without notice is directed to the Premier. Will he order an immediate investigation into allegations from a correctional officer that Rodney Adler received preferential treatment on his arrival at Silverwater gaol, including the immediate provision of a single cell, a television set and personal possessions, against ordinary protocol, and that he had a private meeting with the prison governor despite public assurances from Corrective Services Commissioner Ron Woodham that he would "receive the same treatment as the other 20,000 prisoners" who passed through the system?

Mr BOB CARR: The answer is yes. I will seek a report on that issue because I want it understood that no high-profile corporate crook will get favourable treatment in any form. I will seek an absolute guarantee from the prison administration that a Rodney Adler going into gaol will not get a hint of favourable treatment. That is a valid principle and I will seek that guarantee.

RAIL SAFETY

Mrs KARYN PALUZZANO: My question without notice is directed to the Minister for Transport. What is the latest information on safety and security on Sydney rail?

Mr JOHN WATKINS: Earlier this year the New South Wales Government achieved its election promise of employing 600 transit officers across the passenger rail network. Since the introduction of transit officers in late 2002, crime has dropped significantly on our rail network. Figures released by the independent crime umpire, the Bureau of Crime Statistics and Research, shows a 22 per cent drop in offences against person between 2002-03 and 2003-04. The figures show robbery down by 43 per cent, steal from person down 28 per cent, the assault rate down 10 per cent and malicious damage down 20 per cent. Recent RailCorp customer surveys have indicated a strong level of support for transit officers working on the network.

But those studies also show that there was room for greater public awareness of the work, role and responsibilities of our transit officers. Commuters like to see transit officers on their trains and at their stations. They want them in the right place at the right time, especially at night. They praise the move away from private security guards to the new transit officers but they tell us that there are ways in which those operations could be enhanced. I want to improve this important part of New South Wales railways where it can be done and address any confusion among the travelling public about the key role that transit officers play and the powers that they use to carry out their duties. Firstly, I have asked RailCorp to consider the policies and procedures that determine and guide how transit officers go about their work. That means reviewing deployment practices—

Mr Peter Debnam: Point of order: I would like to hear this latest spin from the Minister but I cannot because of the chatting by the Government members.

Mr SPEAKER: Order! There is no point of order. The honourable member for Vaucluse will resume his seat.

[*Interruption*]

Mr SPEAKER: Order! The Minister's response is clearly audible. The honourable member for Vaucluse will resume his seat.

Mr JOHN WATKINS: RailCorp will review deployment practices, lines of inquiry, the use of discretion and, importantly, current powers of arrest and detention. Secondly, I have looked carefully at the recruitment process being used for our transit officers to ensure that the appropriate background checks are being made against the calibre of employees who are joining the transit officer division so that they can fulfil the delicate role that they play in the delivery of security and customer services. Thirdly, I have asked RailCorp to assess the current training provided to our transit officers, looking specifically at how they are trained to defuse conflict and to defend themselves and other passengers.

The fourth area I wanted assessed was that of complaint handling. Having held similar concerns to those raised by the Ombudsman I have not been satisfied that the process is suitably thorough or transparent enough to meet the expectations of the travelling public. RailCorp has engaged three independent experts to assist with that transit officer review, including former NSW Police Assistant Commissioner Bruce Johnson who is considering the area of complaint handling. RailCorp has advised me that it has already initiated changes to the transit officer division, including the adoption of new, targeted recruitment practices and some early changes to complaint handling procedures.

One of the most significant issues raised has been that of transit officer powers. Presently, transit officers have greater powers and authority than security guards, in that they can ask for identification, issue infringement notices, carry batons and handcuffs and direct persons away from railway property. They do not hold the same formal powers of detention as police, yet they are accountable for managing antisocial behaviour on the rail network. This issue has been raised by the Ombudsman's Office, and it is the subject of current work by the RailCorp review team. The Ombudsman has already sought clarification on certain matters with RailCorp, with particular focus on the way complaints against transit officers are handled by the organisation.

Another area of debate is the use of discretion and its possible effective application through the transit officer function. The main question is whether wider discretion should be made available to frontline transit officer staff, or whether that should be left to the appeals process. Options in this area will be an important part

of RailCorp's report to me. Also under review is the use of force by transit officers in their line of duty. While the majority of people accept transit officers using minimum force to protect passengers against a potentially harmful situation, a number of public allegations have been made against transit officers and they must be addressed. I am confident that this review will present the Government with a number of options for further improving the important work of transit officers, both in making our rail network safer and in providing better customer service.

The transit officer review has been progressing well. I expect a report from RailCorp in the next few weeks. In the meantime it is worth reminding honourable members of some of the excellent work that has been undertaken by our transit officers in recent weeks. On Sunday 1 May transit officers detained two juveniles, including a 10-year old boy, who had been identified throwing rocks at trains between Seven Hills and Blacktown railway stations. That throwing of rocks resulted in several broken windows, which was particularly dangerous for staff and passengers. On 26 April, just last Tuesday, transit officers apprehended two males who had been seen by train crew marking graffiti on train carriages stabled at Penrith railway station.

On the same day another group of transit officers were able to help police in detaining a male and female suspected of breaking into a car very close to Central railway station. The day before transit officers assisted a man who had suffered a seizure at Town Hall station and protected him from unintentional self-harm while waiting for an ambulance to arrive. The transit officer function remains a relatively new but highly important policy initiative for the Government. It is therefore appropriate to undertake that review to ensure the integrity of the role of transit officers to protect those who work and travel on our rail system.

DROUGHT ASSISTANCE

Mr ANDREW STONER: My question without notice is directed to the Premier. Given that the drought, now in its fifth year, has taken a turn for the worse, with 90 per cent of New South Wales now drought declared, why is this Government cutting drought assistance for farmers who are forced to transport their cattle and sheep to slaughter?

Mr BOB CARR: I welcome this question about a rural matter—something of interest in non-metropolitan New South Wales—from someone who purports to be the Leader of The Nationals. Under this Government grants to farmers and community groups increased in 2002-03 from $88 million to $153 currently from the Department of Planning, Infrastructure and Natural Resources [DIPNR], in addition to which the Government has provided over $150 million through our drought relief package. That money from the budget is reaching rural communities. I do not want to go through the tedious exercise of looking at what the former Government granted under these schemes when it was in power because I do not want to embarrass my old mate the honourable member for Lachlan.

In 2002-03 the figure was $88 million and that figure rose in 2004-05 to $153 million. That is money from the budget that is reaching farmers and community groups in rural New South Wales. I notice for the first time the Opposition's neat little tactic of formulating motions that call on the Federal Government to act. What has happened to produce this twist in loyalty? It is nothing other than the Costello-Howard leadership challenge. Those opposite are now putting pressure on a Prime Minister who is on the defensive. They are kicking John Howard when he is fighting for his political life.

Mr Andrew Stoner: Point of order: My point of order is about relevance. My question, to which the State's farmers deserve an answer, was about the transport subsidy for taking livestock to slaughter, which is to cease at the end of this month.

Mr SPEAKER: Order! There is no point of order. The Premier is clearly answering the question.

[*Interruption*]

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

Mr BOB CARR: I made a reference to the Federal Government. We are still waiting for the Federal Government to release no less than $55 million in money promised for structural adjustment assistance to farmers involving groundwater. We have been waiting for that funding. Our money is on the table ready to go to those farmers.

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

Mr BOB CARR: It has been allocated and is protected, ready to go to those farmers. But we are still waiting for the Federal Government to release its $55 million, and we cannot get an answer out of it. My challenge to John Anderson is to release that money and my challenge to the Leader of The Nationals is to urge John Anderson to release that money so that $110 million reaches farmers in six river valleys. The money we have allocated is there, ready to flow, but we cannot get the Federal Government to do it. In addition to the amount that I referred to a moment ago—that steep rise in direct funding for farmers and country communities, which in one year saw a big increase from $88 million to $153 million through DIPNR and over $150 million in drought relief—a total of $110 million can go to farmers in six river valleys as soon as John Anderson signs the letter. We are waiting for him to match our commitment, and our money will flow when he does.

Some 72 boards and committees have been reduced to 13 catchment management authorities and the money released by that restructure has gone directly to farmers. In 2002-03, 13 per cent of the budget of the Department of Infrastructure, Planning and Natural Resources went directly to farmers and community organisations and the salary budget was $193 million. In 2004-05, 28 per cent of the budget went directly to farmers and community groups, which is more than double the figure for the previous year, and the salary budget—the amount going to public servants—fell from $193 million to $124 million. We gave more money to farmers and rural communities. That is a record that all honourable members can be proud of.

Mr Ian Armstrong: Point of order: My point of order goes to relevance. The question from the Leader of The Nationals was quite specific: It was about funding to help farmers move starving cattle and sheep to saleyards.

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

[*Interruption*]

Mr SPEAKER: Order! The honourable member for Lachlan need not offer an explanation of the question asked by the Leader of The Nationals.

GOODS AND SERVICES TAX REVENUE DISTRIBUTION

Mr BRYCE GAUDRY: My question is addressed to the Treasurer. What is the Government's response to concerns by the New South Wales business community about the GST and related matters?

Dr ANDREW REFSHAUGE: I thank the honourable member for Newcastle for his question and appreciate his continuing interest in the GST and other tax matters. Only one group in this State believes New South Wales is getting a fair deal from the GST: those opposite. Everyone else in New South Wales knows that we are being dudded by the GST. Everyone knows that New South Wales contributes $13 billion in GST—all of which goes to Canberra—and we get only $10 billion back.

Mr Barry O'Farrell: Point of order: My point of order is about relevance. Everybody knows that Federal Labor isn't committed to change it.

Mr SPEAKER: Order! If the Deputy Leader of the Opposition wants to ask a question he should do so at the appropriate time.

Dr ANDREW REFSHAUGE: As the trend line for the Labor vote goes up and the trend line for his waistline goes down, the smile of the Deputy Leader of the Opposition gets bigger and bigger. Come and show as again, Barry. Take another point of order. Some $13 billion in GST money from New South Wales goes to Canberra each year and only $10 billion comes back. We are being dudded $3 billion. But we will keep on fighting for our GST money, despite the bullyboy tactics of Peter Costello. He tried to bully New South Wales and now he is trying to bully his own Prime Minister to move on. If Costello wants to show leadership he should show it and start bringing the States together rather than penalising the people of New South Wales.

Peter Costello keeps claiming that the New South Wales Government has broken the GST agreement. We have sought some legal advice about that. We are absolutely sure there is no way that we are breaking the GST agreement so we have obtained legal advice from one of the most prominent legal experts in New South Wales, Bret Walker, SC. Mr Walker reviewed the intergovernmental agreement on the GST and I can inform the House that he confirmed, after extensive examination, that the New South Wales Government has fulfilled its obligations to abolish and review taxes under the GST agreement. This is the most powerful and conclusive

evidence we have to date that New South Wales has done the right thing and that Peter Costello has got it wrong. We have clear evidence that he has got it wrong and that will support our fight to get a better GST deal. Bret Walker, SC, said:

> It is absurd to suggest that a promised review of the need for the retention of certain taxes, could ever be regarded as tantamount to a promise that all the taxes in question would be abolished.

In other words, the promise did not do what Peter Costello said it would do but what New South Wales said it would do. Bret Walker continued:

> The fact that, as a result of the review, New South Wales perceived a need, for the time being, to retain the duties in question cannot possibly, in any legal view, constitute a breach of the Agreement by New South Wales.

It is there in black and white. We have done the right thing.

Ms Peta Seaton: You signed it.

Dr ANDREW REFSHAUGE: Yes, we signed it—to do exactly what we have done. And Bret Walker says that we have fulfilled our commitment to the letter. But what is the view of not only the people but the business community of New South Wales—a group that one might think would benefit from Peter Costello's proposal to abolish the obscure business taxes. It is very interesting. The New South Wales Chamber of Commerce surveyed its members on this issue and the response rate was greater than for any other survey it has conducted. It found that the vast majority of businesses do not support Peter Costello's push to cut the obscure five business taxes in New South Wales.

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

Dr ANDREW REFSHAUGE: More than nine out of 10 businesses in New South Wales want the Federal Government to stop short-changing New South Wales by $3 billion. According to the survey, nine out of 10 businesses want Peter Costello to stop doing that to us and to give us back the $3 billion.

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

Dr ANDREW REFSHAUGE: What did the surveyed businesses say when they were asked what taxes they would like to see cut if possible? Not a single business said that it wanted the stamp duty on non-marketable securities cut. That is one of the obscure business taxes that Peter Costello wants to get rid of. One per cent of the businesses surveyed wanted the stamp duty on leases cut and only 2 per cent wanted the stamp duty on mortgages, bonds, debentures and other loan securities cut. But 75 per cent of businesses surveyed in New South Wales did not back any of Costello's obscure business tax cuts.

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

Dr ANDREW REFSHAUGE: Some 75 per cent of businesses said, "No, Peter Costello has got it wrong; he's out on his own. It's not what business here in New South Wales wants." Peter Costello should start listening to the people and businesses of New South Wales. What does Mark Bethwaite from Australian Business Ltd say? He says, "We think New South Wales gets a raw deal on the GST." The mid-term report of Australian Business Ltd said it found overwhelming support for the Premier's campaign to get a better deal out of the GST from Canberra. Australian Business Ltd has said it time and again, and a survey of hundreds of business throughout New South Wales carried out by the State Chamber of Commerce says that we are right and Peter Costello is wrong. There is no doubt that if we got our fair share of the GST we would be able to make serious cuts in business taxes and could put further increases into infrastructure and our front-line services.

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

Dr ANDREW REFSHAUGE: I ask the new shadow Treasurer to rethink her position on the GST and join with the Government, business and the people of New South Wales to fight to get a better deal out of the GST from Peter Costello.

PSYCHIATRIC PATIENT TRANSFER

Ms GLADYS BEREJIKLIAN: My question is directed to the Premier. Will he apologise to Sister Pauline Richards of the St Joseph's Nursing Home, who has written to the Premier appealing for him to stop manipulating the truth after he tried to claim it was her fault that an ambulance and police could not transport a mentally ill nun to the Prince of Wales Hospital?

Mr BOB CARR: I answered this question on 5 April and said in this House:

> … this was a case where the ambulance and police services should have worked better together to ensure a smooth transfer. I regret, as they regret, any inconvenience caused to the Sisters at St Josephs and any undue stress this has caused.

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

INTERCOUNTRY ADOPTIONS

Ms MARIANNE SALIBA: My question is addressed to the Minister for Community Services. What is the latest information on overseas adoptions and its impact on New South Wales families?

Ms REBA MEAGHER: Every year the Government receives more than 200 applications from people seeking to adopt children from overseas. However, for the families involved, adopting a child is a difficult process, often involving lengthy delays. Honourable members may be aware that the Federal Government has commenced an inquiry into adoption of children from overseas. The inquiry will explore how the Australian Government can better assist Australians who are adopting, or have adopted, children from other countries. I want to inform the House that the New South Wales Government has made a submission to the inquiry calling for a single unified system that acknowledges the complex migration issues involved in international adoption.

A unified system could deliver better results for children and prospective parents by reducing delays, improving co-ordination across jurisdictions and reducing costs for families. Yesterday I met with members of the Australian Society for Intercountry Aid for Children [ASIAC], a family support group for intercountry adoption. Parents outlined their battles with bureaucracies in foreign countries, the significant cost of travelling to countries and often staying in a country for a long time before they could take their child home. They also told me about the discrepancies between State agreements with other countries and the impact of different application requirements between the States, and in some extreme examples, parents moving from State to State to increase their chances of successfully adopting a child. ASIAC has made a submission to the inquiry which calls on the Commonwealth to "play a more active role in intercountry adoption, particularly in the investigation and establishment of new programs".

The submission points out that legislative frameworks vary significantly across States and Territories, providing completely different systems for application and post-placement arrangements. We all agree that there must be a better way. A national approach could deliver better results for children and prospective parents by reducing delays, improving co-ordination across jurisdictions and reducing costs for families. Currently States and Territories are responsible for establishing, administering and implementing intercountry adoption programs under bilateral agreements with other countries. The expertise and vast diplomatic resources of the Federal Government are not part of this process. As a consequence, the New South Wales Government, along with other States, has individual adoption agreements with countries such as Bolivia, Chile, Colombia, Costa Rica and Korea.

The Federal Government needs to be actively involved in intercountry adoptions and meet its national responsibilities to Australian families. A single unified system would allow State governments to focus on providing high-quality post-adoption services while the Federal Government could focus on the complex migration issues that underpin intercountry adoption. New South Wales wants to work with the Federal Government for a better outcome for families seeking to adopt children from overseas. I look forward to the inquiry's deliberations and consideration of the New South Wales position.

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

ARMIDALE CIRCLE SENTENCING

Mr RICHARD TORBAY: My question is directed to the Premier. What is the latest information on a circle sentencing program for Armidale?

Mr BOB CARR: Aren't they pathetic on that side of the House? The honourable member ought to be congratulated on this question about an innovation in the treatment of Aboriginal offenders before the court system. It is an example of thinking outside the square to get better outcomes for Aboriginal communities, and indeed the whole community. Circle sentencing is a practical response to this challenge to the overrepresentation of Aboriginal offenders in the justice system in New South Wales. Offenders under this scheme appear before Aboriginal elders and victims, as well as the local magistrate. While circle sentencing punishes the crime, it also targets the underlying cause of offending to reduce repeat offending.

Three years ago the Government embarked upon an historic trial of circle sentencing in Nowra on the South Coast, with some reservations from the local community, but the results convinced even the most sceptical that circle sentencing produces results. The court list at Nowra dropped from 40 criminal matters a month to 14. Repeat offending plummeted and Aboriginal people began taking responsibility for tackling crime in their community. There is a positive outcome for offenders and their families and a great result for a local community determined to drive down crime. That is what separates this side of the House from the other side. We have got the ideas, the strong polices and the detailed plans.

What is their solution to the problem of Aboriginal offending? I doubt that the shadow Aboriginal Affairs spokesperson, a proud supporter of reconciliation, would have endorsed this. But the honourable member for Davidson set out the Opposition's policy in a press release on 29 March. The answer to Aboriginal crime, said the member for Davidson, apparently to the shadow Minister for Justice, was "we need to consider relocating entire communities". In other words, a bit of ethnic cleansing, like Stalin. I notice the shadow Treasurer appears to have fled the House, unless she has moved to the back of the Chamber. I urge her to sit on the front bench. I have taken out the figures, and all the previous shadow Treasurers—Ron Phillips, Stephen O'Doherty and the honourable member for Upper Hunter—have sat up here. If she moved any further west she would be in the State electoral division of Broken Hill. I serve notice on the Leader of the Opposition: I insist the shadow Treasurer, by the time the House next meets, be reallocated seating beside him.

Mr Ian Armstrong: Point of relevance: The Treasurer has not had a seat in this House for 10 years.

Mr BOB CARR: Ron Phillips, Steven O'Doherty and the honourable member for Upper Hunter, as shadow Treasurers, all sat up here. They were high on the seniority list. The honourable member for Southern Highlands has been moved westwards. I am serving notice that when the House next convenes I want to see her next to her leader. That is where the shadow Treasurer was. Even John Fahey had Peter Collins sitting next to him. Even Gough Whitlam had Jim Cairns sitting next to him.

Mr Andrew Tink: Point of order: In respect of seating arrangements, the honourable member for Miranda was sitting on the right; he now sits on the left. That the honourable member for Miranda has changed his seating is far more relevant than anything that you, Premier, have spoken about. Mate, the tide is going out with you. It is going out from right to left, right to left; the seating is going from right to left, right to left. Got it? If you have not got it yet, have a look at that and answer the question. Right to left, right to left. Get the seating right, Bob. Changes on your side are far more relevant than any on this side.

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

Mr BOB CARR: Andrew, some deep breaths! Think of the sky, think of the sun, think of the stars! Deep breaths, Andrew! Calm down—or I am going to send nurse around with that big needle! Nurse is coming around with the trolley and the big needle, Andrew! Here she comes! I didn't mean that! She obeyed my command. But my serious command, served on the Leader of the Opposition, is: When the House next convenes, let us have the shadow Treasurer sitting up here. This is the last of my territorial demands on the Opposition: the shadow Treasurer must be sitting opposite, next to her leader.

The early successes of circle sentencing in Nowra led to its expansion in Dubbo, Warren and Walgett. About 90 per cent of people dealt with through circle sentencing have not reoffended. Honourable members will be interested to hear that the Government is investing $2.8 million to expand the program to five new locations by the end of this year. Those locations are Armidale, Bourke, Lismore, Kempsey and our first metropolitan location, Mount Druitt, the site of the biggest Aboriginal population in New South Wales. The selection of those new sites was based on criteria that included the number of eligible Aboriginal defendants appearing in the Local Court, the number of Aboriginal defendants being sentenced to a term of imprisonment, Aboriginal community support for the program, and local service infrastructure.

The success of circle sentencing is due in large part to the presence of respected elders and community members who have an acute understanding of the offenders, the victims and the dynamics of the community. I assure the honourable member who asked the question that the Government will look at further expansion based

on those criteria, on these sorts of tests. The involvement of the elders lends legitimacy and authority to the process. Many elders continue to provide guidance and supervision to offenders long after the circle has concluded. If the astonishing success of circle sentencing—I call it no less—repeats itself across the State, we could see hundreds of Aboriginal offenders break free from the cycle of crime. This began as an experiment. It looks like being a very useful innovation in addressing the problem of the gross overrepresentation of Aboriginal offenders in the State's prison system.

CENTRAL COAST EMPLOYMENT AND INVESTMENT

Ms MARIE ANDREWS: My question without notice is directed to the Minister for the Central Coast. What is the latest information on the Government's efforts to create jobs on the Central Coast?

Mr GRANT McBRIDE: I thank the honourable member for her question and acknowledge her keen interest in the future of the Central Coast. The New South Wales Government is working with the Central Coast community to encourage investment and jobs for one of the State's fastest growing regions. We are helping the region develop as a centre for advanced manufacturing, logistics, warehousing and distribution. Over two years, we have helped 10 companies to expand or relocate to the Central Coast. This has injected $48 million worth of investment into the region and created some 320 jobs. Those nearly 320 more pay packets are being spent by families at local businesses on local goods and services.

Honourable members also will be interested to hear that yet another company has decided to expand and has relocated to the Central Coast. Pall Australia is investing more than $7.3 million into its new site at Somersby. It is great news for the region and good news for everyone in New South Wales. It enjoys the total support of the honourable member for Gosford, who unfortunately is not in the Chamber at the moment. I and my colleagues thank him for his support for new jobs on the Central Coast. The company specialises in water filter, separation and purification systems. It recently won a contract to supply and service mobile water filtration units for the Australian Army. As a result, the company decided to relocate its filtration manufacturing and servicing operations from Melbourne and Lane Cove to Somersby, in the heart of the Central Coast. My apologies to Melbourne and Lane Cove!

Other Central Coast businesses have also profited from this move. Local companies such as sheet metal fabricators, steel and parts suppliers, and transport and electrical contractors are benefiting from this company's relocation. The move will create 12 new engineering jobs over the next three years. The New South Wales Government encouraged the company's relocation with support from our Regional Business Development Scheme. The Department of State and Regional Development does an excellent job under the leadership of my colleague the Hon. David Campbell, and I thank him for his help on this particular occasion.

In this instance the Government has also assisted with identifying potential sites for the relocation. And we are keen to encourage the company through our export programs and business seminars. It is anticipated that the company's defence contract will open export opportunities in South East Asia and the Middle East. Pall Australia is a subsidiary of New York based Pall Corporation, which supplies the aerospace, biotechnology, pharmaceutical and transfusion medicine industries. Pall Australia chose to relocate to the Central Coast because of its proximity to suppliers, transport and markets. It also identified the Central Coast as having a skilled and motivated labour force and lower operating costs.

It is no wonder companies are continuing to choose the Central Coast of New South Wales as the place to relocate or expand their operations. Companies like Kellogg's Healthy Snack Food People have already invested $13 million in their Charmhaven site, resulting in 120 new jobs. An engineering company, Fulton Industries Australia, also relocated to West Gosford. That move invested $1.4 million into the region and resulted in 13 new local jobs. The $3 million expansion of Sylvania Lighting Australasia at Lisarow adds 10 new jobs to its work force of more than 100. The engineering and technology company SP Systems Australasia relocated its warehouse and distribution operations to Somersby, injecting some $640,000 into the local economy. The horticultural company Ramm Botanicals, one of the world's largest producers and breeders of kangaroo paw, is undergoing a further $1.3 million expansion at its Tuggerah site. This move means eight more local jobs. And food distributor HBW relocated to Somersby, investing $1 million in warehousing and food processing operations, creating 17 new jobs.

It is not only private industry that is relocating to the Central Coast. The State Government's relocation of WorkCover to the Central Coast has been a massive boost to the region. I am pleased to inform the House that the interest in the WorkCover building in the Gosford CBD has resulted in all six floors being full, with

more than 600 employees, many of whom now call the Central Coast their home. The list of private industry moving to the Central Coast goes on. The New South Wales Government's strong plans to encourage investment and jobs on the Central Coast are targeting business successfully. The whole of the Central Coast—residents, workers and businesses—are benefiting directly from the success of the Government's strong and detailed plans to assist businesses to relocate to and expand on the Central Coast.

CLEARWAYS PROGRAM

Mrs JUDY HOPWOOD: My question without notice is directed to the Minister for Transport. Given that he failed to deliver on his commitment to build an additional platform at Berowra railway station in 2004, will he now admit that, despite his claims in this place yesterday, the Clearways Program is in a shambles and is a further slap in the face to long-suffering rail commuters?

Mr JOHN WATKINS: As I outlined to the House yesterday, the $1 billion set aside for the Clearways Program will untangle the network in Sydney and ensure more reliable services for all commuters in New South Wales. Clearways will remove bottlenecks at junctions, reduce congestion and delays, and allow for a simpler timetable. The first Clearways project became operational in September 2004, which was the commissioning of the Macdonaldtown turnback. Construction for the Bondi turnback is under way and is scheduled for completion by the end of this year.

Mr John Brogden: Point of order: My point of order is relevance. The honourable member for Hornsby specifically asked the Minister why the Berowra platform, due to be built in 2004, has not been built.

Mr SPEAKER: Order! The Leader of the Opposition will resume his seat. The Minister is answering the question, which related to the Clearways Program.

Mr JOHN WATKINS: Planning approval has been received for the Berowra platform with work scheduled to commence in June for completion next year. Environmental assessment is under way for the Cronulla line amplification and for the Hornsby platform. Tenders have been received from planning consultants from the Lidcombe, Homebush, Revesby and McDonaldtown stabling project.

DERELICT MINES REHABILITATION PROGRAM

Mr GERARD MARTIN: I address my question without notice to the Minister for Mineral Resources. What is the latest information on derelict mine rehabilitation in New South Wales?

Mr KERRY HICKEY: Mining has provided enormous economic benefits to this great State. However, past practices were not regulated as rigorously as they are today. Old mines may have complied with the requirements of the time, but they have left an environmental legacy that is harmful to the reputation of today's industry. The Derelict Mines Program, a State Government initiative, addresses the environmental and safety issues associated with these sites. The program is administered by the Department of Primary Industries, with assistance and expertise provided by the Department of Environment and Conservation, the Department of Lands and the New South Wales Minerals Council. In its last year of government the Coalition spent a mere $125,000 on derelict mines.

I am pleased to advise the House that the Carr Labor Government has allocated almost 14 times that amount—$1.7 million—to the 2004-05 Derelict Mines Program, which has enabled the completion of rehabilitation projects across the State and included $90,272 on erosion control works at the Woodsreef asbestos mine at Barraba, complementing a $200,000 grant from the Environmental Trust; $62,000 on safety and erosion control works at the old goldfields close to the township of Grenfell; $71,342 in the Bathurst electorate on monitoring, earthworks and revegetation at the former Apsley copper mine; and $87,625 at Inverell's Conrad mine, Tingha Common and on project management and rehabilitation planning at Webbs Consol mine near Emmaville and Halls Peak near Armidale.

Currently eight projects are in progress including database site surveys and regional contingency planning across the State, staged remediation works and the old Lake George mine near Captains Flat and the Batlow Development League's walking track. A further seven projects are under contract. Orders have been written and work has commenced, or is about to commence, at old mine sites at Sunny Corner, Trunkey Creek and Wattle Flat in the Bathurst electorate, and to make safe power lines at the Oakdale Colliery site near Camden. Proposed costings have been made available for 10 projects at Tingha, Glen Innes, Emmaville,

Hillgrove, Coffs Harbour, Yerranderie, Oakdale, Wolgan Valley and Hill End, where on-ground work or planning has been completed under previous funding rounds.

Minor rehabilitation works will be carried out at numerous sites across the State where safety and environmental issues are a high priority. Today the Government requires all mines to meet strict environmental guidelines and retains substantial security deposits to ensure that all sites are fully rehabilitated when mining is completed. The Government's continuing commitment to the Derelict Mines Program serves to enhance the environment and benefit regional communities through containment of contaminated mine wastes, erosion and sediment controls, revegetation and safety works throughout the State. However, we can all work together to bring about change. In many cases companies no longer exist and cannot be held responsible for derelict mines, which leaves the cost and burden of rehabilitation squarely on the shoulders of the people of New South Wales.

Since becoming Minister I have sat down with the New South Wales Minerals Council and individual companies to discuss how we can work together in the community to rehabilitate these mines. Remember, this in no way implies that they are responsible for these mines. I have been heartened by the response. Industry must continue to consider smarter and more efficient operations to ensure the long-term future of our unique environment. I congratulate the Carr Labor Government on what it has done.

RODNEY ADLER SILVERWATER CORRECTIONAL CENTRE TREATMENT

Mr BOB DEBUS: I wish to provide extra information in response to a question asked of the Premier today concerning Corrective Services. Opposition members have an extraordinary record of asking ridiculous questions about the Department of Corrective Services and its operation. About once every fortnight they put forward a completely absurd and incorrect claim. Today I am advised by the Commissioner of Corrective Services, Ron Woodham, that Rodney Adler did not receive any preferential treatment when he arrived at, or whilst at, the Metropolitan Remand and Reception Centre [MRRC]. Rodney Adler was received and screened at the MRRC on 14 April 2005 in an entirely normal way. Rodney Adler spent his first night in custody without a television. The Governor was in the centre when Adler arrived and he walked past an interviewing room where the Governor asked Adler if he wanted protection. Adler replied that he did not want protection. That question was not an uncommon question for a Governor to ask, but merely a responsible one. Adler is currently at Long Bay baking bread, which is hardly preferential treatment.

Questions without notice concluded.

SCHOOL STUDENT ABSENCES

Personal Explanation

Mrs JILLIAN SKINNER, by leave: Earlier today the honourable member for Monaro gave notice of a motion that cast a slur on my reputation. He falsely accused me of making comparisons that were inappropriate about truancy rates between 2002 and 2003.

Mr SPEAKER: Order! This is not a personal explanation. The honourable member for North Shore is not entitled to debate the matter. If she wishes to raise matters in relation to the motion, she can do so when the motion is debated.

SPECIAL ADJOURNMENT

Motion by Mr Carl Scully agreed to:

That the House at its rising this day do adjourn until Tuesday 24 May 2005 at 12 noon.

BUSINESS OF THE HOUSE

Urgent Motions: Suspension of Standing and Sessional Orders

Motion by Mr Carl Scully agreed to:

That standing and sessional orders be suspended to allow consideration of both notices of motions for urgent consideration given this day in order of presentation.

DROUGHT

Urgent Motion

Mr ANDREW STONER (Oxley—Leader of The Nationals) [3.41 p.m.]: I move:

That this House supports the State's farmers and rural communities as we enter the fifth year of debilitating drought in New South Wales.

As I speak, country communities are suffering under the tightening grip of arguably the worst drought in more than 100 years. In many areas, the current drought has brought the worst weather conditions on record. Over the past four months in various parts of the State all sorts of weather records have been broken. Generally speaking, areas lying to the west of the Great Dividing Range are experiencing the hottest and driest period on record. Many parts of the north-western areas of the State had no rain at all during April and the western regions of the State—particularly the Far West, the South West and the Central West—have not fared any better in the first four months of this year. Ninety per cent of this State is drought declared and some areas of the State are entering their fifth consecutive year of drought. According to meteorologists, the threat of another El Niño episode looms large. When travelling throughout the State, I have been shocked at how bone dry many parts of this State are.

Ms Katrina Hodgkinson: Such as Bylong.

Mr ANDREW STONER: Recently I flew over the Burrinjuck electorate and I can confirm that it was bone dry, the land was brown, and there was little or no fodder in the pastures. Country water supplies are drying up in places such as Lake Cargelligo and Goulburn. Without substantial rainfall in the Goulburn district, water supplies will dry up within six weeks. Earlier this week the honourable member for Burrinjuck referred to Goulburn having only 24 per cent of its usual water resources.

Ms Katrina Hodgkinson: And half of that is sludge.

Mr ANDREW STONER: Because of silty dams and water filtration limitations, Goulburn's usable water resources are reduced to only 12 per cent of water storage capacity. In Sydney, there is much wringing of hands and gnashing of teeth when the Warragamba Dam's capacity drops below 40 per cent. I assure honourable members that people who live in areas lying to the west of the Great Dividing Range would be very happy with 40 per cent of their dams water storage capacity. Copeton Dam is currently at 20 per cent of its storage capacity and Wyangala Dam is currently at less than 10 per cent of its storage capacity.

Ms Katrina Hodgkinson: Wyangala Dam is at about 3 per cent.

Mr ANDREW STONER: As the honourable member for Burrinjuck says, currently the Wyangala Dam holds about 3 per cent of its total water storage capacity. Goulburn has been subject to water restrictions since 2003 and has been on stage five restrictions since October 2004. The people of Goulburn are not able to use town water in outdoor areas at all, so that means they are not able to fill their pools or top up their pools, wash their cars or wash outdoor surfaces. As a result of water restrictions, living conditions in Goulburn are pretty tough. Perhaps many city people are not aware of just how tough life can be in country areas during drought conditions. I believe that rural communities deserve the sympathy and compassion of all the citizens of New South Wales and they deserve the support of the Carr Government.

In many parts of this State crops have failed for the third or fourth year in succession and stock numbers are at record lows. I know personally about a farmer in Narrandera who has suffered his third successive crop failure. That means that he has not received an income year after year after year. However, expenses continue because farmers must nevertheless purchase seed, fuel, machinery and fertiliser. They have to take the chance that it will rain because they are desperate for income. They have to risk spending more money in the hope that they will earn an income. That has not happened this year because conditions have been exceptionally dry over the past four months.

In areas that are west of the Great Dividing Range, drought conditions are being experienced without exception. Farmers are sinking further into debt, with compounding interest exacerbating their financial problems. If city people suddenly stopped making repayments on their home mortgages, the interest rates will compound and their debt will increase rapidly. Many farmers are in a very serious financial situation with debts amounting to millions of dollars. The threat of loans being called in by banks and financial institutions is very

real and is accompanied by the threat of farms being sold out from under families. That places added mental strain on families leading to depression. Tragically I know of suicides in country New South Wales that have been caused directly by the drought.

Many businesses—for example, machinery dealerships, produce stores and even small businesses such as the general store, clothing shops, coffee shops and bakers—are suffering reduced turnover and reduced income. Local economies are being severely weakened by the effect of continuing drought. Right now our farmers and rural communities deserve strong support. That is why The Nationals are holding discussions with banks and other financial institutions about debt levels and are urging them to take a patient and compassionate approach. The drought will break and it will rain—although we do not know when that will occur. The Nationals urge banks and financial institutions to support farmers and forbear calling in loans to avoid fire sales of properties whose value has been substantially reduced by drought.

Earlier I suggested that the Government should be doing everything it can to support farmers and rural communities. The provision of drought assistance is a measure of support. The Federal Government and State Government have both contributed to providing drought assistance. The process of declaring exceptional circumstances needs to be reviewed. I know that discussions have been held with a view to the Federal Government undertaking the process of reform. Simply put, assistance must get to the communities who need it, when they need it. Unfortunately, too much red tape has been applied to this process, particularly at the State end. I call on the Federal and State governments to streamline that process.

One does not have to be Einstein to know when a district is in the grip of drought. One does not need reams of documents to figure out when people are suffering from the impacts of drought, because it is obvious. But we need to act quickly to get assistance to them. I was aghast when I learned, just a couple of weeks ago, that the Government is about to cut one form of drought assistance that is a great value to farmers: the transport subsidy for moving livestock to the saleyards and ultimately to the abattoirs or slaughterhouses. During times of drought farmers have to destock; they cannot afford to keep feeding their stock.

Mr Ian Armstrong: RSPCA!

Mr ANDREW STONER: The RSPCA would be onto them straight away, because cattle lose condition very quickly when there is no fodder in the pastures. Farmers cannot afford to bring in truckloads of hay and grain and other feed.

Ms Katrina Hodgkinson: Don't forget the locusts.

Mr ANDREW STONER: Yes, the locusts have been through much of this country, as the honourable member for Burrinjuck pointed out. The transport subsidy is important, as it allows farmers to destock and maintain an income stream through the sale of animals. The Government has decided to cut out that subsidy: I cannot believe it. Earlier today I asked the Premier why his Government was cutting out that subsidy. He rambled on about catchment management authorities and goodness knows what else, but he never once mentioned the transport subsidy.

Ms Katrina Hodgkinson: He doesn't know about it.

Mr ANDREW STONER: Perhaps he does not know about it.

Mr Thomas George: Well, why have they cut it?

Mr ANDREW STONER: Indeed, why has the Government cut it out? I have asked that question, but I could not get a straight answer. Maybe one of the Government members contributing to this debate will explain it to me. The Premier could not or would not—I am not sure which. It is no wonder that country people say that this is the most Sydney-centric government in the history of New South Wales—Government members turn their heads away from the plight of country people and fail to answer a simple question about a subsidy. I urge any member opposite who purports to represent a country seat to support my motion. [*Time expired.*]

Mr PETER BLACK (Murray-Darling) [3.51 p.m.]: I cannot believe what I just heard. The Leader of The Nationals has been caught totally and absolutely unprepared to speak to his urgent motion. He was totally incompetently prepared to speak on this matter. Did we hear anything about what John Cobb is not doing? Did we hear anything about what the New South Wales Farmers Association is doing? There is to be a summit in

Parkes on 17 May, but we heard not one word about that. The honourable member for Lachlan, who has just entered the Chamber, was the last great leader of the once proud Country Party, now known as The Nationals. What does that party have now? It has a member from Kempsey who is staring at things but does not know what life is like in the real world, in the bush. He does not talk about real issues.

Three weeks and two days ago, on the local ABC radio station in Broken Hill, I was the second speaker, after the Leader of the Opposition, to talk on the subject of the forthcoming budget. Interestingly, the Leader of the Opposition acknowledged that the deal New South Wales gets from the GST is bad. He acknowledged on the radio program that the deal we are getting is unfair and, he mentioned specifically it was bad "since Jack Lang". That was on a Tuesday. On the same radio program on the following Thursday the Leader of The Nationals spoke on the subject of fuel prices. But today he said not one word about fuel prices. Did we hear a mention of 135.9¢ a litre for fuel at Wilcannia? No, not a word.

Mr Thomas George: Point of order—

Mr ACTING-SPEAKER (Mr John Mills): Order! If the honourable member for Lismore is alleging that the remarks of the honourable member for Murray-Darling are not relevant to the motion, I will rule against him straightaway. His remarks are relevant.

Mr Thomas George: He has not mentioned one thing about the drought. He has been going for two minutes. I ask you to bring him back to the motion.

Mr ACTING-SPEAKER (Mr John Mills): Order! The contribution of the honourable member for Murray-Darling is totally relevant. He is in order and may continue. There is no point of order.

Mr PETER BLACK: I cannot believe that the honourable member for Lismore does not know what the drought is about either, apparently. We are in the middle of the worst drought in recorded history, but they are not listening. We are not hearing about fuel prices. Does the Opposition talk about freight subsidies, which the Government is continuing?

Mr Thomas George: Where?

Mr PETER BLACK: I will come to that in a moment. Do I hear anything about fuel prices from members opposite? Do I hear anything about the 3¢ a litre taken off starving graziers, starving farmers, away from their children? In the west, fuel and diesel prices are higher than 121¢, and 3¢ is being taken out of New South Wales and given to other States, including Queensland. But do I hear anything about that? No. Why punish people who are experiencing a drought by raising fuel prices and taking 3¢ a litre to subsidise other States?

I have mentioned that the peak organisation, the New South Wales Farmers Association, is holding a drought summit in Parkes on 17 May. We did not hear a word about that from the Leader of The Nationals. Who has been condemned by the forthcoming and ever hopeful representative of The Nationals for Barwon? Ray Donald, the mayor of Bogan Shire Council. Again this week on the ABC radio program he got stuck into John Cobb, unmercifully, and called him "Minister John Cobb"—nobody knows why—for not standing up for his constituents. Why is the summit to be convened by the New South Wales Farmers Association in Parkes? Because it is in the middle of an area that members opposite do not care about. Parkes is the electorate in which John Cobbs resides, and he has not had a crop for three years and has received no exceptional circumstances grants. That is why the summit is to be held in Parkes.

The Leader of The Nationals did not make one single mention of the summit. He did not mention that the New South Wales Farmers Association—apart from inviting our bushy Premier, Bob Carr to go to Parkes—had invited the Prime Minister to attend the drought summit? Did I hear anything about a meeting in Darwin on 14 April? Did I hear anything about the submission from Bogan council's mayor, Ray Donald, given to our leader and dispatcher, Ian Macdonald? I was there in Darwin in the same room to take that submission on behalf of all the drought-stricken farmers. Did I hear anything about that? No. What did I hear later, not from the New South Wales Opposition, but from Warren Truss—that hopeless Federal Minister for drought—a member of The Nationals? And what did he have to say? He said that we were not there to talk about the current drought, we are not going to mention the current drought—we are going to talk about the next drought.

And guess what? Guess what he wants to talk about? He wants to talk about income support, and put it onto the States. What a joke! The Commonwealth Government has had taxes for more years than the decision of

1946. It is responsible for income support, and it is responsible for the dole, not this State Government. I heard mention that people in farm businesses need someone like the honourable member for Lachlan to address this debate, not the current Leader of The Nationals, as woeful as he is. The honourable member for Lachlan would mention people on farms and people in the towns who are out of jobs because of the drought. The great Minister for Small Business, who is in the Chamber, knows how bad things are in country towns because he has been there to see it. He has seen that people have been laid off from industries that support the reapers, laid off from our great irrigation industry because of the lack of water. They have been laid off because that industry was tied into the gypsum and fertiliser industries, among others. But what do we hear from the Leader of The Nationals? We heard a rambling speech that did not address those problems.

I return to John Cobb—what an interesting example! I wish that John Cobb had the same kind of spirit, the same nerve, as that other member of The Nationals from the Riverina, a former colleague in local government who was the deputy mayor of Wagga Wagga, Kay Hull. She has more courage than 10 John Cobbs, because she speaks about the sale of Telstra and coming fast behind that she talks about exceptional circumstances income support. Minister Campbell, my very good friend in local government, a former Mayor of Wollongong and a comrade, visited Deniliquin a few weeks ago for a Cabinet meeting. Incidentally, did I hear anything about what the Coalition did, when in government, about taking Cabinet meetings around the State? In Deniliquin we negotiated with some people about rice, amongst other matters. The most visible rice crop for years is coming in at below 340,000 tonnes and the Federal member for Riverina has assisted in a campaign to get rice growers some exceptional circumstances support. That was announced just before the Cabinet meeting in Deniliquin. If Kay Hull can do it why cannot John Cobb? What makes this an even bigger disgrace is that John Cobb is the former leader of New South Wales Farmers.

John Cobb got out of that position only when he knew he had lost the numbers, but that is another story. John Cobb is now Parliamentary Secretary to John Anderson. I heard mention earlier of water but I have not heard anything about Cubbie Station or about John Anderson. Cubbie Station is holding the water needed by drought-affected farmers at Bourke. Farmers in the real world are not getting the water that is required to grow a decent crop. What sort of a joke is that? I have heard nothing from Opposition members about dragging the Federal Government to the table to negotiate genuine water sharing arrangements in the middle of a drought. I refer to the drought aid that is being provided by this State Government. Today we heard a great statement from the Premier about the provision of more than $150 million in drought aid to graziers and farmers.

Yesterday the executive of Country Labor had a meeting with the Hon. Andrew Refshauge, the great Treasurer of New South Wales, and he gave us an undertaking that drought funding would be open-ended and that it would continue in the future. Compare what this Government is doing with what the Federal Government and New South Wales Opposition members are doing to assist farmers. John Anderson and that hopeless member for Parkes, the infamous John Cobb, are not doing anything. I said earlier that I wished John Cobb had half the heart of Kay Hull. John Cobb is useless. No wonder he is being attacked by members of The Nationals and by people in the bush. The Leader of The Nationals deserves no credibility for his pathetic contribution this afternoon.

SENATE VACANCY

Joint Sitting

At 4.02 p.m. the House proceeded to the Legislative Council Chamber to attend a joint sitting to choose a senator in the place of Senator John Tierney, resigned.

At 4.15 p.m. the House reassembled.

Mr ACTING-SPEAKER (Mr John Mills): I report that at a joint sitting this day Concetta Anna Fierravanti-Wells was chosen as senator in the place of Senator John Tierney, resigned.

BUSINESS OF THE HOUSE

Bill: Suspension of Standing and Sessional Orders

Motion by Mr Bob Debus agreed to:

That standing and sessional orders be suspended to permit the introduction, without notice, forthwith of the Dust Diseases Tribunal Amendment (Claims Resolution) Bill and progress up to and including the Minister's second reading speech with precedence of all other business.

DUST DISEASES TRIBUNAL AMENDMENT (CLAIMS RESOLUTION) BILL

Bill introduced and read a first time.

Second Reading

Mr BOB DEBUS (Blue Mountains—Attorney General, and Minister for the Environment) [4.15 p.m.]: I move:

That this bill be now read a second time.

The Dust Diseases Tribunal Amendment (Claims Resolution) Bill aims to significantly reduce the legal and administrative costs associated with resolving dust diseases compensation claims. The bill amends the Dust Diseases Tribunal Act 1989 to support the making of regulations to establish a new claims resolution process for asbestos-related compensation claims. The bill also amends the Dust Diseases Tribunal Regulation to establish the new claims resolution process. The new claims resolution process was described in detail in the report of the Review of Legal and Administrative Costs in Dust Diseases Compensation Claims. The intent behind the new claims resolution process is to reduce the time that claims will take to settle which, in turn, will reduce the costs incurred.

The new process focuses on the early exchange of information and the compulsory mediation of claims. The new claims resolution process will apply to asbestos-related claims only. The bill and regulation will also make amendments relating to subpoenas, offers of compromise, and costs assessment and these amendments will apply to all matters in the Dust Diseases Tribunal. Claims that proceed through the new process should be resolved more quickly and efficiently which means that asbestos victims will receive their compensation faster. The bill and regulation will not affect the right of claimants to commence proceedings in the Dust Diseases Tribunal. They will, however, provide parties with a framework in which information can be exchanged and settlement discussions can be pursued.

This bill is the result of much consideration and consultation. It implements the recommendations of the Review of Legal and Administrative Costs conducted by Mr Laurie Glanfield, AM, director of the Attorney General's Department and Ms Leigh Sanderson, Deputy Director-General of the Cabinet Office. The review was established by the New South Wales Government after the issue of improving the efficiency with which dust diseases compensation claims are resolved was canvassed in negotiations with James Hardie Industries to secure funding to compensate the victims of its asbestos products.

Mr Greg Combet of the Australian Council of Trade Unions, Mr John Robertson of the New South Wales Labor Council, and Mr Bernie Banton, representing asbestos victims, identified that any changes to the existing system would affect all claimants and defendants. Accordingly, they recommended that the New South Wales Government initiate a review to identify cost savings within the existing common law system without impacting adversely on claimants' compensation rights. The New South Wales Government agreed to establish that review. As the Government announced last December, implementation of the review through the passage of this bill is a condition precedent to James Hardie Industries providing funding for asbestos compensation.

Stakeholders have been extensively consulted throughout the review process, including during the development of the amendments to the regulation. The review released an issues paper late last year and received 31 submissions from stakeholders to assist with the preparation of its report. The report of the review was released on 8 March 2005 and the Government adopted the recommendations of the report on the same day. Following the release of the report of the review a draft regulation to establish the new claims process was released for public consultation. Targeted consultation occurred with defendants on a number of specific issues relevant to multiple defendant claims.

Numerous meetings were also held with key stakeholders in the preparation of the report of the review and the development of the regulation. I acknowledge the assistance and advice the review received from the Dust Diseases Tribunal during the development of these reforms. The Dust Diseases Tribunal has been consulted over the course of the review. I welcome the commitment of the president of the tribunal, Judge John O'Meally, to make this new process work. I look to the Dust Diseases Tribunal to continue its commitment and support and to ensure that the changes introduced by this bill and regulation are effectively implemented, both administratively and judicially, in the tribunal. The changes implemented by this legislation are significant, and the new claims resolution process has a number of unique and innovative features. The review recommended

that a further review of the reforms and the dust diseases compensation system more generally be conducted after data in relation to the first 12 months of operation of the reforms becomes available. This will provide an opportunity for further consultation to ensure that the new system is working as intended, and to finetune the system as required.

In introducing this bill, I acknowledge the goodwill that stakeholders have overwhelmingly displayed during the review process. The Government has found that there has been a real willingness from all parties to target areas where costs savings could be made. The goodwill of stakeholders is important because the success of the reforms contained in this bill and regulation does depend, to a large degree, on the parties approaching the claims resolution process in good faith. One of the key findings of the review was that a reduction in legal, administrative and other costs will be realised fully only if the parties ensure that they and their lawyers approach disputes with the intention of resolving those disputes fairly, efficiently and—in the case of defendants—commercially. For the benefits of these reforms to be fully realised, the goodwill shown by stakeholders during the review will need to continue.

I turn now to the bill. Schedule 1 to the bill amends the Dust Diseases Tribunal Act 1989 to accommodate the new claims resolution process, which is set out in detail in the amendment to the Dust Diseases Tribunal Regulation 2001. The bill includes a new regulation-making power that authorises the making of the regulatory amendments. The amendments to establish the new claims resolution process are set out in schedule 2 to the bill. The proposed new claims resolution process addresses one of the key findings of the review, that is, that reforms to the existing common law system of determining dust diseases compensation will need to encourage early settlement. The early exchange of information between the parties is the key to encouraging early settlement, and defendants need to be encouraged to resolve contribution disputes between defendants quickly and commercially and without delaying resolution of the plaintiff's claim.

Division 2 of part 4 of the regulation describes the claims that will come under the new claims resolution process. The new process will apply to asbestos-related claims where the statement of claim is filed after 1 July 2005. It will also apply to other asbestos-related claims where a hearing date has not been set before 1 July 2005, unless the parties agree that it should not apply. Some concerns were raised in consultation on the draft regulation in relation to the proposal to apply the new claims resolution process to claims already lodged with the tribunal. Those concerns highlighted that there was a risk that work might be duplicated if all the steps of the new claims resolution are required to be completed. The Government is confident that this need not be the case and that significant benefits could be realised from bringing such claims into the new process in an efficient manner.

The transitional arrangements provide for the parties, on the initiative of the claimant, to negotiate on modifying the steps of the new claims resolution process to ensure that work that has already been completed is not duplicated. If the parties cannot agree, the registrar will be able to make a decision on this matter. One of the key findings of the review was that maintaining access to the tribunal will ensure that the reforms do not adversely affect claimants' compensation rights. Such access is particularly important for cases that are, or that become, urgent. Claims will continue to be commenced by lodging a statement of claim with the tribunal. This will preserve the rights that claimants currently have, and will ensure that they are able to access the tribunal quickly if their condition deteriorates.

Urgent claims will not proceed through the new claims resolution process and will be dealt with using the existing tribunal litigation process. After serving the statement of claim, the tribunal may, on application by the claimant and on the basis of medical evidence, determine that a case is an urgent case. Similarly, if a claim is being dealt with under the new claims resolution process and becomes urgent because the claimant's condition deteriorates, the claimant will be able to apply to the tribunal to have the claim removed from the claims resolution process and dealt with by the tribunal. To address concerns raised by some stakeholders during the consultation process, the provisions of the regulation have been clarified to make it clear that an application for urgency can be made, even though the statement of particulars required to be prepared by the claimant has not been completed and served.

It should be emphasised that the new claims resolution process will provide a quick and streamlined process for resolving claims. The tribunal's powers in this area should be exercised only where it can be clearly established on the basis of medical evidence that the claimant's condition is so serious that the new process cannot be completed within such a time frame as to enable the claimant's claim to be resolved while they are alive. One of the key concerns of defendants has been that the filing of the statement of claim will be delayed by claimants' lawyers to such an extent that the tribunal will have no option but to declare that all claims are urgent.

The Government has to date rejected calls for a limitation period to be introduced that would require claims to be filed within a certain period from diagnosis or consultation with a lawyer. Delays in filing claims would not appear to be in the interests of claimants or defendants.

Claimants should be afforded the advantages of the new claims resolution process so that they can receive their compensation while they are alive. This is, however, an issue that can be reconsidered if the information provided to the further review suggests that there is a problem. Other claims will not proceed through the new claims resolution process if there is no real prospect of the claim being resolved through that process. This is most likely to occur in relation to test cases where novel issues are involved, for example, where a category of defendant may not previously have been found to be liable for a dust disease. In such cases, the cases can be resolved only by way of a determination by the tribunal.

The parties will be required to engage in the information exchange process to ensure that the matter is genuinely a case that cannot be resolved through the new claims resolution process. This will also have the advantage of allowing the parties to narrow the issues in dispute and minimise the need for many of the tribunal's procedural steps to be undertaken when the matter transfers back to the tribunal for determination. Parties are also able to apply to the tribunal to have the claim removed from the new claims resolution process if another party has failed to comply with the new process.

While a claim is subject to the new claims resolution process it will not be subject to case management by the tribunal. The power of the tribunal to make certain orders has been preserved in a number of specific areas primarily to protect the interests of plaintiffs. For example, the plaintiff will be able to seek the tribunal's assistance to amend his or her statement of claim to join a new defendant if the tribunal is satisfied that it is necessary to do so to preserve the plaintiff's cause of action. This power should be used only where it becomes clear that the wrong defendant has been sued and, unless the correct defendant is substituted, the plaintiff will be left with no action.

The tribunal's powers in other limited areas will also be preserved. Division 3 of part 4 of the regulation provides for the exchange of information. The review of legal and administrative costs identified that the early exchange of information is the key to promoting early settlement and reducing legal, administrative and other costs. The new claims resolution process focuses on ensuring that information is exchanged in a timely manner. The claimant is required to serve a statement of particulars when he or she serves the statement of claim on the defendants. The statement of claim will not be properly served until the claimant serves the statement of particulars.

The statement of particulars will contain the basic factual information required by defendants to evaluate the claim, presented in a standard format and verified by statutory declaration. Importantly, it will not be necessary to, and the parties should not, obtain expensive, detailed expert reports, such as medical reports or reports of occupational hygienists or therapists until it is clear that this material is actually needed. Defendants will be required to join or cross claim against any additional defendants within a fixed time frame. The review found that there are likely to be substantial benefits in having as many defendants as possible "at the table" during the claims resolution process so that issues of contribution and apportionment can be sorted out quickly. For the claims resolution process to be effective, defendants need to be joined as early in the process as possible. Once the time limit has expired, however, if defendants want to pursue contribution against a party who has not been joined they will need to commence separate contribution proceedings after the claim is resolved.

The bill also amends the Act to clarify the extent of the jurisdiction of the Dust Diseases Tribunal by providing that the tribunal's jurisdiction to determine claims extends to claims for contribution between liable tortfeasors that are brought separately from the claimant's claim. In response to concerns raised during consultation that the time for lodging cross claims is too short, the regulation now provides for the period within which cross claims can be lodged to be extended by agreement of the claimant and the original defendants on whom the claim was served. The claimant must consent to such a request unless they can demonstrate that this would result in substantial prejudice.

Each defendant is required to provide a "reply" to the claimant's claim, presented in a standard format. This is set out in schedule 2 of the regulation. If a defendant does not admit a matter, it must explain why and set out the reasons why it does not admit that matter, and in some cases provide any evidence to support its position. A defendant must indicate if it requires further information or an opportunity to inspect premises. The intention of this process is for defendants to take a realistic approach to resolving claims. They should not unreasonably leave issues in dispute. For example, they should not be disputing that their products caused an asbestos-related disease when this has been clearly established time and time again.

The parties should focus on those issues which are genuinely in dispute, and should only obtain additional reports and evidence where that is clearly necessary. The obligation on parties to provide information is ongoing. Parties must provide information on the claim as and when it becomes available and should update their answers, and continue to narrow the issues which are in dispute. While the parties should provide as much factual information as possible when they prepare their statement of particulars and reply, they are only required to provide all information which is reasonably available to them. The review has concluded that there is significant capacity to use more widely processes outside of the formal litigation process, including alternative dispute resolution, for resolution of both the claimant's claim and contribution disputes.

Division 4 of part 4 provides for compulsory mediation of the plaintiff's claim. If the claim has not already been settled by informal means, then the parties will be required to participate in mediation. The mediation will be conducted by a mediator agreed by the parties or selected by the registrar of the tribunal from a list of mediators. The mediators on the list will be formally approved by the president of the tribunal after they have been jointly nominated by the Law Society of New South Wales and the New South Wales Bar Association. Mediators will take an active role in seeking to resolve claims. They will assess the parties' positions and make recommendations to the parties on the settlement of claims.

Each party is required to be represented at the mediation by a representative who has authority to settle the matter. It is expected that those defendants who have raised concerns about costs in this area will assist in minimising costs associated with the mediation by ensuring that a person with authority to make decisions attends the mediation so that decisions can be made quickly and claims can be settled. Importantly, if the mediator is unhappy with the conduct of a defendant's representative, they can order that the claims manager for the defendant attend the mediation to ensure that the defendant is taking a realistic approach to the mediation. The claimant is also required to attend the mediation, either in person or by video-conferencing, unless he or she is too ill to attend.

If the mediation is unsuccessful, the mediator will require the parties to agree to a list of issues genuinely in dispute and a list of agreed facts relevant to those issues. It is only these issues that will proceed to be determined by litigation in the tribunal. If the parties are unable to agree to a list of issues and a list of agreed facts, each party will be required to lodge its own list of issues in dispute and facts relevant to those issues. Cost penalties will apply if parties unreasonably leave issues in dispute. The mediation in the claims resolution process is not intended to be a formal legal proceeding and it is intended that the costs associated with the process will be minimised by the parties.

In the interests of minimising unnecessary legal costs mediators may, under clause 30 of the regulation, control who attends the mediation and may limit the number of representatives that a party has at a mediation session. This may be exercised by the mediator limiting representation by a barrister if they do not consider that representation by a barrister is warranted in the circumstances. A key issue raised by plaintiff interests was the need to ensure that parties set out to resolve a claim through mediation in good faith. The draft regulation released for consultation has been varied to confer on the mediator the power to issue a certificate stating that in his or her opinion a party did not negotiate in good faith. The tribunal then has the power to take this into account in awarding costs.

The review found that reforms to the existing common law system of determining dust diseases compensation will be most effective in reducing legal, administrative and other costs if they encourage defendants to resolve disputes as to contribution between defendants quickly and commercially and without delaying resolution of the claimant's claim. Division 5 of the regulation relates to apportionment of liability between defendants and is intended to encourage defendants to take a realistic approach to apportionment matters and seek to settle disputes about contribution quickly. Under the division, if defendants fail to agree on apportionment within the specified time the registrar will refer the matter to a contributions assessor for determination. Contributions assessors will then determine the contribution each defendant is liable to make to the plaintiff's damages.

This assessment will be binding for the purpose of resolving the claimant's claim, but can be challenged in subsequent proceedings before the tribunal. Contributions assessors make their determination on the basis of the information provided by the parties during the early exchange of information stage and "standard presumptions" as to apportionment, which will be contained in an order. The Government adopted the review's recommendation that the Attorney General's Department and the Cabinet Office convene a meeting of defendants and insurers to discuss contribution between defendants and the use of a single claims manager by all defendants to a particular claim. The defendants' meeting was held on 21 March 2005. The development of standard presumptions was discussed at this meeting.

Defendants were unable to agree on the standard presumptions which should be used to apportion liability among themselves. In the absence of agreement the Government has developed standard presumptions. The standard presumptions were set out in the draft Dust Diseases Tribunal (Standard Presumptions—Apportionment) Order 2005, which was released for public consultation on 12 April 2005 with the draft regulation. The order is presently being finalised and should be available in the immediate future. It is not intended that parties will need to prepare lengthy submissions on apportionment. The contributions assessor will apply the standard presumptions contained in the order quickly, on the basis of the information available to them after the early information exchange.

The standard presumptions are flexible and the contributions assessor will be able to take into account new factual circumstances which arise and future decisions of the tribunal. The introduction of standard presumptions will reduce costs and result in faster settlements so that claimants get their compensation sooner. While the early exchange of information should put defendants in the position to assess the claims made against them, the prospect that a "standard presumption" will be used to apportion liability among defendants should also focus defendants on resolving apportionment issues in a commercial manner.

The decision of the contributions assessor cannot be challenged by the defendants until after the plaintiff's claim has been settled or determined. Defendants will be able to challenge the determination after the claimant's claim has been settled or determined, but the challenging defendant will be liable for indemnity costs for other parties if the challenging defendant does not materially improve its position. A defendant will only materially improve their position if they achieve a 10 per cent or $20,000 reduction in their apportioned share of liability, whichever is the greater. A defendant that wishes to challenge a decision of the contributions assessor can, if the mediation is successful, require that the claimant give sworn evidence at the end of the mediation in respect of matters relevant to contribution.

The Government expects that counsel may be required for the taking of the claimant's evidence after a successful mediation. The Government does not, however, expect that it will be necessary for counsel to attend the mediation. Therefore, mediators will make arrangements that will enable counsel to be able to attend the taking of the claimant's evidence without needing to attend the mediation, again reducing costs. At the meeting of defendants organised by the Attorney General's Department and the Cabinet Office, defendants and insurers were asked to consider the merits of using a single claims manager to manage claims on behalf of all defendants. After considering those discussions, the Government considers that a sufficient case has been made to implement arrangements for the use of a single claims manager by legislation.

Accordingly, division 6 of the regulation requires single claims managers to be used in all multiple defendant claims, unless defendants agree not to use one. I note that defendants have expressed differing views on the merits of a single claims manager. Insurers have in particular highlighted the success of these arrangements in other areas as a means of reducing unnecessary cost. The Government considers that many of the concerns expressed about the potential for the single claims manager to result in conflicts of interest are overstated. This is because, as detailed in clause 47 of the regulation, the single claims manager will have no role or function in the determination of apportionment between defendants. Also, apportionment issues between defendants will have already been resolved by the time the single claims manager is appointed.

Clause 45 of the regulation outlines the process to be undertaken to select the single claims manager. The single claims manager will manage, negotiate and seek to resolve the plaintiff's claim on behalf of all defendants. Single claims managers will be taken to have authority to settle the matter with the claimant. Defendants are able to impose a monetary limit on the authority of the single claims manager to settle the claim, but they must act reasonably in imposing that limit. The role and functions of the single claims manager are set out in clause 46 of the regulation. Both defendant and plaintiff interests expressed concern that a defendant could frustrate the process by setting an unreasonably low settlement limit on a single claims manager. This has been addressed in the regulation by providing for the mediator in any subsequent mediation to issue a certificate to the effect that the defendant has not acted in good faith.

The role of the single claims manager does not in any way limit or interfere with the ability of each defendant to prepare and serve the defendant's reply to the plaintiff's statement of particulars. The use of a single claims manager does not affect each defendant's right to attend and be represented at the mediation of the claim with the claimant. Each defendant will also be able to question the claimant on issues relating to contribution if the claimant gives evidence at the end of the mediation.

This will provide defendants with an opportunity to significantly reduce their costs and will streamline the resolution of the plaintiff's claim. The bill also inserts new parts 5 and 6, relating to subpoena and offers of

compromise, into the regulation. These parts will apply to all Dust Diseases Tribunal claims, not just asbestos related claims. Part 5 introduces procedures for managing subpoena which are based largely on the innovative procedures that have been adopted in the District Court and which have substantially reduced the number of appearances required by the parties.

Part 6 strengthens the provisions in relation to offers of compromise to make them more effective. Under part 6 parties will be able to make offers of compromise both before, during and after mediation. The time for which an offer of compromise must remain open will be changed, according to the stage of the claims resolution process that the claim has reached. Part 6 also provides greater incentives to the parties to resolve claims. Any party who elects to reject an offer of compromise and proceed to the tribunal and who does not improve its position will risk incurring a cost penalty. This will ensure parties take a more realistic approach to settlement. The tribunal must impose the cost sanctions and will only have a limited discretion to decide not to impose the penalties.

Under the new claims process there will be a need to manage the risk that some parties will deliberately not participate in the new claims resolution process in good faith, or will otherwise fail to meet their obligations as part of the new claims resolution process. One strategy for controlling this risk is for the claimant or defendant to serve an offer of compromise on the other party. This strategy is likely to be much more effective as a result of the strengthening of the offer of compromise rules. The bill implements recommendations of the review to improve processes so that they are effective. Parties should get the information that they need to assess their positions as early as possible. The parties are also provided with the tools to encourage the early settlement of claims, thus reducing legal costs.

Even with these reforms, however, it will still be up to the parties to obtain the benefits of the reforms by, for example, making offers of compromise that are realistic and which are intended to promote settlement. The parties will need to approach claims with the intention of resolving them quickly and efficiently. This is particularly the case for defendants who will need to take a commercial approach to resolving claims. It will be essential that defendants weigh the potential costs of taking particular actions, such as ordering an additional medical report rather than relying on the claimant's report or in deciding to join or cross-claim against another defendant, against the benefits that such action might have in terms of the defendant's overall position on the claim.

One of the key recommendations of the review was that there be a further review in 12 months time to assess how the scheme is performing. To ensure that reliable data is available for the purposes of this review, the bill amends the Act to require legal practitioners to report information on claims. The review found that there was very little reliable data on claims and claim costs. Clause 79 of the regulation provides that from 1 July 2005 information on all claims settled or determined must be provided to the registrar of the tribunal. This information will provide the Government with a reliable source of information to assist understanding of these claims and support future policy making. The information will be provided in a standard form and will include information on the claimant's injury, the amount of damages obtained and details about the party's legal costs and disbursements on a solicitor-client basis. The bill and regulation contain stringent confidentiality provisions to ensure that the privacy of parties is maintained.

The individual reports provided to the registrar will not be subject to the Freedom of Information Act 1989. The government will, however, be able to request the preparation of consolidated, de-identified reports of the information contained in the database. These data reports will be subject to applications under the Freedom of Information Act 1989. The data collected as a result of these provisions will be a valuable source of information and will greatly assist future reviews of this area. More importantly, the availability of such data will inform the parties of areas of unnecessarily high costs so they can modify their behaviour if they wish to reduce costs. A number of other changes also will be made by the bill.

The bill also amends the Act to require a judgment of the tribunal to identify issues of a general nature determined on the basis of their determination in earlier proceedings, which prevents issues being re-litigated or reargued. The bill and regulation also make a number of amendments in light of the tribunal's inclusion in the Civil Procedure Bill 2005 and the Uniform Civil Procedure Rules. The review recommended that the tribunal be included in the Civil Procedure Bill when it was introduced into Parliament. The Civil Procedure Bill was introduced on 6 April 2005. The Civil Procedure Bill and the Uniform Civil Procedure Rules will consolidate provisions about civil procedure that are currently found in a number of different Acts and rules into a single Act and set of rules.

Some aspects of the Civil Procedure Bill and Uniform Civil Procedure Rules need to be modified to apply to the tribunal, to take account of the tribunal's specialised jurisdiction and the new claims resolution process. Amendments to the Civil Procedure Bill are contained in schedule 3 to the bill. Schedule 4 to the bill

contains an amendment to the Dust Diseases Tribunal Rules in light of the Civil Procedure Bill and rules. Schedule 4 to the bill also amends the Dust Diseases Tribunal Rules so that the number of interrogatories is limited to 30, as they are in the existing Supreme Court Rules 1970. I would like to emphasis that it will now be up to the parties to ensure that they and their lawyers use the tools contained in the bill and regulation. Much of the success of these reforms depends on the parties and their legal representatives actively using the new procedures in good faith.

It should also be noted that there are a number of other changes currently impacting on the dust diseases jurisdiction. The recent decision of the High Court in Schultz has apparently reduced the scope for claims to be brought in the tribunal, and some claims may be transferred to other jurisdictions. It needs to be recognised that this uncertainty might affect the operation of the system. It also should be recognised that there is a risk that in the short term legal costs could in fact increase as parties test the limits of the new system, particularly in relation to the proposed standard presumptions on apportionment.

The review's report recommended that the new claim resolution process commence on 1 July 2005. The Government intends to progress the legislation through Parliament before the end of May. The support of all honourable members is sought for that purpose. This will give both plaintiff and defendant practitioners a full month to prepare before the new system commences on 1 July 2005. I again emphasise that defendants in particular have a large role to play in reducing costs. They will need to take a commercial approach to resolving matters so that they can achieve the full of benefits of this new system. While it will take time to settle, longer term the prospects for real savings to be achieved are substantial. I commend this bill to the House.

Debate adjourned on motion by Mrs Judy Hopwood.

SENATE VACANCY

Joint Sitting

Madam ACTING-SPEAKER (Ms Marie Andrews): I table the minutes of proceedings of the joint sitting of the Houses of Parliament of New South Wales to choose a person to hold the place in the Senate rendered vacant by the resignation of Senator John William Tierney.

Ordered to be printed.

PRIVATE MEMBERS' STATEMENTS

MR MATT McFADYEN NORTH POLE TREK

Mr ALAN ASHTON (East Hills) [4.50 p.m.]: This evening I want to talk about the heroic efforts of Matt McFadyen, who lives in my electorate, and his trekking mate Rob Porcaro from South Australia. A couple of weeks ago they set off and trekked to the North Pole. Matt McFadyen, who is 23 years of age, has as a result become the youngest Australian to conquer the frozen North Pole. He is now looking at going to the South Pole. So the expression that people go to the ends of the earth to fulfil their dreams or to achieve goals is certainly appropriate in his case.

Matt McFadyen was Bankstown Young Citizen of the Year 2005. As I have said, he has just returned from a 70-kilometre trek, dragging a sled, to the North Pole. This was, in part at least, practice for a trip that he intends to make at the end of the year to the South Pole. It is quite an achievement to be the youngest Australian to have done that. The report I have says that they spent 17 hours at the pole before they were picked up and flown out by a massive Russian ex-military helicopter. That in itself is quite risky, given the state of some of the Russian equipment post the Cold War. The trip to the South Pole will occur in November this year. That trip will be 1,000 kilometres from the coast of Antarctica to the South Pole. The current youngest person to make the walk was a 26-year-old Swede. By the end of the year Matt McFadyen will be 24. Interestingly, Matt has had these dreams and ambitions for quite some time.

Some time ago Matt went on a trip to the Antarctica and on the way back, just to the north of Hobart, his boat tipped over. He was lucky to survive. He has big dreams and big adventures for a 23-year-old. When many of us were 23 it was a big excursion to drive to the Gold Coast. To set your sights on going to the South

Pole virtually single-handedly is not something that many people do. Matt reported that the temperatures were 40 degrees below zero during the 10-day trek, which resulted in him suffering from frostbite. A photograph in the newspaper shows him with snow all over him. I understand that the two young fellows had a bottle of rum that they were going to share, but it froze. They were not able to drink any rum to celebrate their arrival at the North Pole.

The expedition that Matt plans to the South Pole will undertake nightly cognitive performance tests to help scientists and space agencies gain a better understanding of how humans' cognitive performance is affected when subjected to lengthy periods of complete isolation, stress and fatigue. It is hoped that what is learned from this research, which is being undertaken by the Mars Society Australia, Australian National University and Cogstate, which is supported by NASA, will assist in the selection process of astronauts and planning exploration missions on Mars. We are all familiar with the stories of Shackleton, Mawson, Amundsen and others who have trekked to the North Pole and the South Pole and the prospect of absolute darkness for 24 hours.

As a former history teacher, I am embarrassed that I cannot remember the name of the chappie who said, "I'm leaving the tent. I may not be back for a while." He never returned. It is wonderful that 100 years on young people continue to have these adventures. When Matt got to the North Pole he and his mate put up the Australian flag and sang the national anthem. It is appropriate that we recognise his feat in this Chamber. The Bankstown Sports Club, which is just outside my electorate and always comes to the aid of good causes for good people, donated $5,000, and Bankstown City Council donated $1,500 to help Matt and his trekking partner. Also, Tony Bleasdale and Linddales Pty Ltd personnel contributed $5000. I wish him all the best for his trip to the South Pole.

GOULBURN WATER SUPPLY

Ms KATRINA HODGKINSON (Burrinjuck) [4.55 p.m.]: Urgent action is needed to reassure the residents of Goulburn that they will not be left high and dry in the face of the city's continually worsening water supply. As at last Monday Goulburn's usable water supply was 11.9 per cent of full capacity. The last time that Goulburn's water supply was close to 100 per cent was five years ago. Goulburn has been on water restrictions since 2002, and on stage five restrictions since October 2004. I believe that stage five restrictions would be unheard of in Sydney. They are severe. The use of any town water out of doors is totally banned, which means no outdoor watering, no filling or topping up of pools, and no washing of cars or outdoor surfaces. The target average water consumption in Goulburn per person per day is 150 litres. In June 2004 a Sydney Water annual report showed that water consumption in Sydney stood at a climate-corrected 367 litres per person per day. Sydney Water's target to reduce water consumption for the year 2011 is 330 litres per person per day. Compare that with Goulburn's target of 150.

Goulburn certainly is doing it tough, but the city is saving water. The weekly water consumption figures to the end of March show that Goulburn is using about one-third less water, only some 6.6 megalitres a day on its five-year average consumption, but, unfortunately, that is not enough. Some 10 days ago the level of potable water in Goulburn's water supply was 14 per cent. Last Monday it was 11.9 per cent. If this usage rate continues there could be as little as six weeks worth of water left. In September 2003 I wrote to the Minister for Energy and Utilities requesting funding to investigate the provision of emergency water supply bores. Unfortunately the Minister did not grasp the gravity of the situation and he wrote back to me on 3 February 2004 stating that he was unable to provide funding for this investigation as the funds available for drought-related works had been provided to severely affected areas elsewhere in the State.

I suggest that probably nowhere else is more seriously in need of water supplies than Goulburn. If this funding had been provided when it was requested, the Kingsdale bores would be in operation already to provide Goulburn with additional water. I acknowledge the eventual provision of $175,000 in assistance from the State Government to Goulburn Mulwaree Council to carry out these investigations, but it would have been better had it been provided sooner. I acknowledge also and appreciate the recent announcement of $618,500 in funding, about 50 per cent of the money needed to convert the test bores into production bores. These bores should come on line by August. What happens if the water runs out before that? Who will pay for the cartage of water? Who will provide the trucks for the water? What will this Government pay for? After all, Goulburn is in the Sydney Catchment Authority area, and it is a sizeable city.

Time and again in this place I have made the Government aware of the gravity of this situation. I have written to the Minister on many occasions, and I have spoken with him about it. I have gone to unprecedented

lengths to explain to the Government how dire the situation is, yet I am again raising it. Last Friday week I spoke with the mayor of Goulburn at the Police College attestation parade. He mentioned the need to halt development in Goulburn—no more development. I know that the mayor of Yass is also concerned that the lack of water will prevent further development. It could take 12 months to amend the local environmental plan. Should the councils feel it is time to say, "Sorry, we have no more water that we can use for development", I call on the Minister for Infrastructure and Planning to accede to their urgent request to halt further development in these dire circumstances in this incredibly bad drought, the likes of which many people have never seen.

SOUTH COAST MAY DAY CELEBRATIONS

Mr PAUL McLEAY (Heathcote) [5.00 p.m.]: I wish to inform the House of the celebrations I attended last Friday evening for the Annual South Coast Labour Council May Day Celebration. I am sure that members of the House are aware that May Day is an ancient celebration associated with various festivities. Since 1889 it has been co-opted by many as an international celebration of international workers' rights. The South Coast Labour Council has a proud tradition of supporting workers and participating in local, regional, national and international industrial activities. Many people who live in the southern region are very proud of that industrial heritage. When the former Labor Council of New South Wales changed its name to Unions NSW at the end of last year, the South Coast Labour Council retained its name to honour its heritage.

This year's Labour Day function at the Hellenic Club, Figtree, which is near Wollongong, was attended by many South Coast Labor activists, union officials and peace activists. Although the secretary, Arthur Rorris, was unable to attend, I was pleased to note the presence at my table of Andy Gillespie, who represented the Australian Workers Union, and parliamentary colleagues Sharon Bird, the member for Cunningham, and Jennie George, the member for Throsby. Andy Gillespie is a former president of the Australian Council of Trade Unions [ACTU]. It was also a pleasure to see former local members of Parliament such as Stuart West and Col Markham at the function. The guest speaker was a living legend of the Illawarra, Freddie Moore, who gave a great speech about the history of communism and socialism in the region and their relevance in Australia's modern society. I very proudly inform the House that last year I was awarded life membership of the Public Service Association, which also was represented at the function. We were all thoroughly entertained by the Illawarra Union Choir.

When I think of May Day and its relevance to modern society I am reminded of the comments of John Robertson, the secretary of Unions NSW, at last year's Labour Day dinner. There has not been much discussion about factions in this House this week, but it is sometimes said that there are two groups within the labour movement: some groups that support May Day, and others that support Labour Day. Labour Day marks the anniversary of the eight-hour week. At last year's Labour Day dinner, John Robertson said:

> This Labour Day is of special relevance because we are entering a period where—with control of both houses of Federal Parliament—the Howard Government is setting out to fundamentally change the industrial relations system.
>
> Behind the benign words like 'flexibility' and 'choice' the Howard agenda, at its heart, is an attempt to shift work relations from a set of rules that apply to all employees, to a series of individual relationships.
>
> One can understand the logic—in the name of competition —both economic and political—'freeing' employers of the union movement that makes a lot of sense.
>
> But I believe it is a misguided approach, that fundamentally misunderstand the history, and very nature of trade unionism—the collective expression of working people.

As 1 July approaches I often think about the point he made. A good deal of debate is taking place about where unions will be placed and what working people will be faced with under the new Howard regime which will commence on 1 July. I encourage the Howard Government to take stock of its position and not be afraid of the unions or collective bargaining. The Howard Government should not be afraid of having a rigorous and comprehensive set of industrial conditions and employment standards. The Prime Minister should resist being driven by ideological obsessions that concentrate on simplification because, when it comes to people's working rights and standards of living, a simplified approach will prove to be inadequate. Such matters need time and careful consideration. The union movement has proudly defended that approach.

HAWKESBURY RIVER OYSTER INDUSTRY

Mrs JUDY HOPWOOD (Hornsby) [5.05 p.m.]: A tragedy of unimaginable proportions has unfolded in the Hawkesbury River oyster industry as a result of the demise of Sydney rock oyster farming as we have

come to know it. The QX parasite has attacked the Hawkesbury River oysters. The name of the disease is derived from the first recorded outbreak, which occurred in Queensland, and relates to the fact that its cause is unknown. QX has swept through the Hawkesbury River region and has affected 23 oyster farms. It was detected in March last year and has killed much of the river's Sydney rock oyster crop. Roger Clarke, a spokesman for the Oyster Farmers Association of New South Wales, said:

> It has absolutely finished off any commercial Oyster activity there that has been established for nearly a hundred years.

The outbreak is an absolute tragedy. I thank Roger Clarke for his persistence in the face of an emergency. I place on the record my gratitude for the exceptionally hard work that many farmers have contributed to the industry which has enabled numerous people, including me, to enjoy the occasional Sydney rock oyster feast. The Hawkesbury oyster farmers differ from the classical definition of "farmer" because they do not own the place where they cultivate their crop. High lease fees apply, and when a disaster such as the QX outbreak occurs, there is not much left except sheds and vessels. To illustrate the history of the industry I will quote from a brochure entitled "Riverwatch", which is published by the Hawkesbury River Environment Protection Society Inc.:

> The Sydney rock oyster has been farmed since about 1870 but production nationally has been declining steadily in recent years: 14 million oysters were produced each year in the 1970s but only eight million were harvested in 2001. In 2004 there was an outbreak of QX disease in the lower Hawkesbury oyster lease. QX is harmless to humans but fatal for Sydney rock oysters, although the Pacific oyster is immune. The disease has now spread to all of the... leases around the estuary and its tributaries... and has brought the industry to a complete standstill...

The outbreak is a tragedy. An article in the *Hornsby and Upper North Shore Advocate* dated 8 June 1988 under the headline "Chinese hooked on our oysters" states:

> [The] Secretary-General of Guangdong Province... has endorsed a proposal to export Brooklyn oysters to China...

That article should be compared to another article that was published in the *Hornsby and Upper North Shore Advocate* on 14 April 2005 under the headline "Dead in the water":

> Oyster farmers came to the realisation last week that the 100-year-old cultivation of Sydney rock oysters on the river had been destroyed by … QX...
>
> QX has been identified at oyster leases from Berowra Waters to Patonga and up Mooney Mooney and Mullet creeks.
>
> The most pressing need is for the river's 22 oyster farmers to remove thousands of tonnes of oysters and trays to stop the parasite from spreading...

I am sure that everyone appreciates the magnitude of this tragedy. Some of the families whose names are synonymous with oyster farming are the Johnsons, the Moxhams, the Stubbses, the Buies, the Coopers and the Beugelings, some of whom have been involved in oyster farming for generations. When oyster farming began in the Hawkesbury area, oyster farmers used to sell bottles of oysters to train passengers or motorists who were stationary for a couple of hours while waiting for the ferry.

I have met and spoken with a number of local leaseholders—solid family members who have devoted their lives to the business of farming oysters—and there is a solemnity about them as they deal with the pall that hangs over their future. Some are painting their homes so that when the inevitable occurs and they are forced to sell, they will be able to obtain the best price. Welfare officers have been alerted to the possibility that counselling will be needed for students of local primary schools and money is being set aside to meet any school needs that the children of oyster farmers may have. At the annual dinner that was held recently to commemorate Anzac Day, for the first time in living memory there were no Brooklyn oysters on the menu—a measure of the extent of the industry's destruction.

The New South Wales Government must provide funding to clean up 400 hectares of oyster farms. It must support farmers for as long as is necessary while they assess the gravity of their situations and decide what to do about their future. The Government must monitor the affected areas and enable ongoing research so that a solution to the tragedy may be found. The rescue package offered so far by the Government is simply not good enough. The task force must come up with much better compensatory measures. Consideration must be given to waiving fees or granting extensions of time within which to pay. Assistance that has been offered to farmers so far is a mere drop in the ocean. The offer of 200,000 QX resistant oysters is nothing compared to what is needed, and the offer of $200,000 next year falls far short of the requirements of the industry. [*Time expired.*]

ST MARYS RUGBY LEAGUE CLUB 2005 SEASON LAUNCH

Mr ALLAN SHEARAN (Londonderry) [5.10 p.m.]: Recently I had the privilege to formally launch the St Mary's Rugby League Club 2005 season. My wife and I were delighted to have the opportunity to share with the club and its guests the launch of the 2005 season at a gala event of hospitality and entertainment. The master of ceremonies, Mark Kristian, introduced us to a night of entertainers which included the Popset Dancers, comedian Bruno Lucia, and Lisa Crouch and the "Dig This" Trio, along with a wonderful young singer by the name of Natalie Colauto, a talented local person who I am sure will have a great future in the entertainment industry.

Over the years the St Marys Rugby League Club has become very successful. Although it is a young club, in a short time it has become a very significant part of the community. It is a quality facility that provides a relaxing environment, great food, and fantastic entertainment for its members and guests. Importantly, it serves as a club that fosters the development of young rugby league talent. As a rugby league club it supports local youth in the game and has a very successful relationship with Penrith Panthers. The St Marys Cougars are evidence of this success, as is clearly illustrated by their involvement in the Premier League supporting the Penrith Panthers. Currently the Penrith Panthers first grade National Rugby League [NRL] team displays the emblem of the St Marys Rugby League Club on their sleeves, a fitting support for the club and also recognition of the contribution St Marys Rugby League Club makes to the game of rugby league.

The club thrives in an area that could be regarded as a rugby league nursery for a competition that is recognised to be the toughest in the world. Normally on such a night the club president, Warren Smith, would be present to welcome the members and guests, but unfortunately he was hospitalised. I know he would usually make every effort to be in attendance and was most upset when the doctors would not give him the all clear. Warren is one of those few men who can be described as "nature's gentleman". He is committed, caring and generally an all-round good bloke. It is a couple of weeks since I spoke to him but he is out of hospital recuperating and I certainly wish him a speedy recovery.

Last year the club hosted the Australian Schoolboys Championships and in doing so it was able to put not only St Marys on the map but also Western Sydney. The club was able to show how effective it can be and to display the great facilities it has at St Marys. I believe this national event was very successful, and showed that the club members can be very good ambassadors for Western Sydney. During the gala season launch, I had the opportunity to meet the club's newly appointed chief executive officer, Mr Rod Desborough. He informed me that he had grown up in St Marys and had gained extensive experience in various areas of the club industry over a number of years. I understand that he is also on the executive of Clubs NSW. Rod was delighted to return to familiar surroundings and I feel that both his background and experience will be a great asset to the club. I certainly wish him every success.

I am pleased to report that although the St Marys club is primarily focused on its role in promoting rugby league, it is also heavily involved in many community activities. The club is very conscious of the contribution it can make and this is evidenced by its involvement in the construction of a new St Marys North Neighbourhood Centre. This million-dollar-plus project was initiated by Penrith City Council and I am proud to say the State Government has provided some significant assistance—almost $300,000, for which I was pleased to negotiate on behalf of council. The centre is currently under construction and when completed in the near future it will provide properly resourced community services for the residents of north St Marys and surrounding areas. The St Marys Rugby League Club donated $20,000 towards the fit-out of that worthy project.

The St Marys Rugby League Club is a great local club. It has popular and successful local sporting teams, particularly in rugby league. However, behind every successful team there are a lot of workers. In St Marys we have champion coaches, champion trainers, champion families and friends, champion supporters and, thanks to Warren Smith and the board of directors, a champion club which has developed champion local players, thereby contributing to the future of the Penrith Rugby League team in the NRL. Apart from what the St Marys Rugby League Club provides to its teams, it is always out there developing new ideas and incentives to ensure the survival of a growing club in an ever-changing environment. That does not happen by chance; it happens because there is a focused and committed board. On and off the field I am confident the combination of all these factors will lead to a successful and memorable 2005 championship year, with many more to come, and a continually prosperous club.

WALBUNDRIE AND RAND WATER SUPPLY

Mr GREG APLIN (Albury) [5.15 p.m.]: Back in August of last year I received a letter from Brendan I'Anson, a farmer in the Walbundrie area. He wrote about the proposed new water supply for the townships of Walbundrie and Rand because the Riverina Water County Council had sunk a bore to source a better supply of water for the residents. He had attended a public information night organised by Riverina Water and was concerned that farmers along the proposed pipeline route would be charged a hefty connection fee to allow for a larger pipe and to cover connection costs. He considered that as he paid rates like the residents of Rand and Walbundrie this was a bit rough, and all the more so because he understood the Government would be funding 50 per cent of the project. He asked for help. So I contacted the general manager of Riverina Water and had a discussion about the matter. Gerald Pieper was most helpful. He explained the difficulties with the irregular and saline flows of Billabong Creek, which is the main water supply for the towns. By the way, it may interest honourable members to know that Billabong Creek is reportedly the longest creek in Australia—that was a question I encountered at a recent trivia evening!

Riverina Water planned to upgrade the town water supplies to Walbundrie and Rand to provide 95 existing consumers with improved quality and reliability of water supply. The plan was to also accommodate potential rural customers along the pipeline route by building additional capacity. The estimated cost of the village scheme was $1.6 million and while it would be eligible for financial assistance under the State Government's Country Towns Water Supply and Sewerage Program the assistance would cover only the town water supply, not rural connections. So the costs of water supply to rural customers would have to be fully met by council, hence the need to charge the full cost for any rural connections. Following changes to the Country Towns Water Supply and Sewerage Program towards the end of last year, I asked the Minister for Energy and Utilities what assistance would be available to Riverina Water for the upgrading of the town water supply to Walbundrie and Rand. I was advised that $50,000, which is 50 per cent of $100,000, had been provided in May 2003 for ground water investigation to upgrade the water supplies which were near failure because of the prolonged drought.

The Minister informed me also that new conditions would limit financial assistance to only 20 per cent of eligible costs because Riverina Water was a large water utility. So the funding of 50 per cent was slashed to 20 per cent for a project to provide an essential service to those rural townships. But worse was to come. A couple of weeks ago Riverina Water received advice from the Minister that funding of $153,867 would be provided under the Country Towns Water Supply and Sewerage Program towards the construction costs of the Rand Walbundrie Water Supply Augmentation Scheme. It was noted that the full cost was $1,293,000 and that this funding therefore represented 11.9 per cent. A miserly 11.9 per cent for a vital project that the Minister himself recognised was a priority because, in his words, the existing Rand and Walbundrie water supplies were near failure because of the prolonged drought.

The drought has not broken. Last April was the hottest on record, and the best that this program can come up with is 11.9 per cent. I have written to the Minister asking him to review this low level of contribution. He also seems to have trouble accepting that Riverina Water would use its own work force in the construction work for the pipeline and magnanimously allowed this "as a special case because of the urgent need to improve the quality and security of the water supplies to both Rand and Walbundrie." Not surprisingly, the management and staff of Riverina Water were offended at this suggestion that they were neither competent nor experienced enough to undertake this project. In fact, they pride themselves on their expertise and achievements in many water supply projects. The Minister might well take a look at his letters before signing them because this attitude is not conducive to good relations; nor is the confrontational comment in relation to a whole set of criteria that "construction funds will be withheld pending compliance."

On the subject of good relations, I cannot pass up the opportunity to congratulate the Walbundrie netball and football clubs on the presentation of their debutante ball on 2 April in the Walbundrie Hall. It was a magnificent night of superb organisation and true country hospitality which saw the hall packed to overflowing for the presentation of debutantes Kimberly Wallis, Annika Lieschke, Rebecca Fulford, Olivia Beesley, Rachel McMaster and Sarah McMaster. Each was accompanied by a partner dressed in black and the presentation was completed by the inclusion of six flower girls and six pageboys. Local identity Max Newton did a wonderful job as master of ceremonies and the debutantes were presented to my wife and me by the matron of honour, Shirley Fry. Shirley was accompanied by her husband, Graeme, who took part as a rider and trainer in the movie the *Man from Snowy River*. Congratulations to the organising committee—Sue Collins, Sue Trethowan and Debbie Lieschke—for a wonderful night. I hope that when they organise the next Walbundrie Debutante Ball the water supply will be fresh, plentiful and have some generous State Government backing.

ARMENIAN GENOCIDE NINETIETH ANNIVERSARY

Ms VIRGINIA JUDGE (Strathfield) [5.20 p.m.]: Tonight I inform the House of a tragic event that was recently commemorated—the ninetieth anniversary of the Armenian genocide—at Town Hall in Chatswood. I was privileged to be invited to that event, one of the most overwhelming and tragic events that I have ever attended. On 24 April each year members of the Armenian community come together to commemorate this sad occasion. This genocide is not as well known or recognised around the world as those that have befallen other races. However, its brutality and tragedy were of a terrible magnitude. It is important to understand the background to this genocide as it provides a context for the atrocities that were to occur. Armenians and Turks had lived in relative harmony within the Ottoman Empire for many centuries. However, the Armenians were not receiving equal treatment.

From 1908 there was a rise in Turkish nationalism that led to increasingly violent actions by the dictatorial Turkish ruling triumvirate against the Armenian people, whom they viewed as an impediment to a future Pan-Turkic Empire. This violence culminated in the events on 24 April 1915 when hundreds of Armenian leaders were summoned to Istanbul, exiled to Anatolia and put to death. The Minister for Internal Affairs at the time, Talaat Pasha, tried to justify the behaviour with suggestions that Armenians were untrustworthy, that they might harbour enemy combatants because of events that occurred against the background of World War I and that they were in a state of imminent rebellion. It is notable that these executions did not occur in Istanbul where prosperous foreign merchants would have witnessed this shocking genocide.

These actions left the Armenian people with no leaders. They were left to muddle through the deceptions of the Turkish rulers as best they could. Deception, secrecy and surprise were all essential parts of the Armenian genocide. Often it appeared that Armenian Catholics and Protestants were exempted from deportation decrees. However, after the Armenian Apostolic Church followers had been executed decrees soon followed for Catholics and Protestants to be exiled. Similar deceptions were practiced in relocating, disarming and disabling the remaining Armenian community. The Government suggested that any mass relocations were for the protection of the Armenians, and the leaderless community complied. Armenians were asked to hand in their weapons for the war effort and they did so. Able-bodied men were then drafted to help with the war effort. That meant the community was now vulnerable.

The Armenians were unarmed, in an unknown land and without the protection of their most able defenders. It was then that the ruling Turkish triumvirate began mass relocations through a process that became known as death marches. During these marches Armenians were raped, starved, dehydrated, murdered and kidnapped. Those who survived the initial atrocities would be left to fend for themselves in the Syrian Desert. Much of what we know about the events of those days was recorded by survivors and foreign missionaries. Australian prisoners of war also bore witness to the terrible events that unfolded. A letter from Lieutenant Edward John Gaynor from Gallipoli to his nephew Bernard Gaynor dated 21 November 1915 is a long account of part of the genocide of 1915 which took place while Australians were fighting the army of Attaturk in the trenches of Gallipoli. This Australian states:

> What I saw was about 100 human wolves plunge... about ten times as many defenceless human beings tearing them to pieces with bayonets. The Armenians were unable to run away—they were tied together four by four and utterly exhausted. The assassins simply nailed them to the ground. One strange thing we found was that the road on the way back was strewn with money. They knew what was going to happen and they threw the money away. The bayonet was used as it was a quieter and more silent method to shooting. We came back to Ankara and proceeded back to our barracks. Next day about 400 Armenian soldiers from labour corps were brought and delivered—these were sent on a similar expedition. I was not in escorting party this time—but I saw these unfortunates pass within 50 metres of my window going to meet a similar fate as previous ones.

The story he recounts has many potent lessons for us, both as political leaders and members of our broader communities, to ensure that these heinous actions never occur again. It is clear that governments must always be transparent in both their intentions and their actions. We are also reminded that discrimination in any form is disastrous not only for individuals but also for once great nations. Lastly, we are reminded that all it takes for evil to triumph is for good men to do nothing. It is in this spirit that in 1997 the New South Wales Parliament moved a bipartisan motion recognising and condemning the Armenian genocide, as well as all genocides, and calling on the Australian Federal Government to do the same.

One needs only to look Germany, Rwanda and, more recently, Darfur in the Sudan, to see that these events take generations to heal. However, this healing can occur only when all parties involved truthfully acknowledge the role that they played. It is with this in mind that ordinary Australians have asked the Turkish Government to acknowledge the role of the government of the time so as to allow all affected to move forward

in a spirit of peace, to acknowledge these events and to say sorry. This year will mark 90 years since the beginning of the Armenian genocide. I conclude with the words that Peter McNamara once said:

> One cannot hope to build a successful nation on a foundation based on human suffering.

Those words were true when he said them and they are true today. I hope that genocides such as this do not occur in the future.

CAMPBELL HOSPITAL, CORAKI

Mr STEVE CANSDELL (Clarence) [5.25 p.m.]: Tonight I refer to the concern that has been expressed and the anxiety that is being felt by the people of Coraki and the mid-Richmond area over the threatened closure of Campbell Hospital. I have raised this matter in the House on various occasions, I have asked the Minister for Health questions, I have spoken in debate on private members' days and today I gave notice of a motion that I will move in this House. Members of the mid-Richmond community are concerned about the imminent closure of this hospital, but they will not accept it. The spirit of the community has not been dashed. Just last Wednesday I attended a rally at the cenotaph on the main street of Coraki. More than 400 people turned up—schoolchildren, mothers and fathers, businesspeople and farmers. Elderly people from the mid-Richmond retirement village, who were transported to the rally, sat waving their flags and holding up banners that read, "Bob Carr, you've gone too far", and "Save our hospital."

I was the master of ceremonies at the rally. Members of the Lions Club organised a sausage sizzle and sold sausage sandwiches in an attempt to raise money for the community. Four Richmond Valley councillors also attended the rally—Councillor Norma Wise, Councillor Ray Jeffries from Evans Head, Councillor Norma Thomas, who helped members of the Lions Club with the sausage sizzle and served sandwiches to the community, and Councillor Charlie Cox, Mayor of Richmond Valley. Before the guest speaker commenced his speech a little seven-year-old girl came up to me and said, "Will you please read this?" I asked her whether she wanted to read it but she declined because she was very shy. She said to me, "No, you read it. You will see what it is." Her letter reads:

> We don't want you to shut our hospital because we will get sick and we will have nowhere to go. Please don't shut the hospital. Please my brother is sick, very sick. He has asthma and that is bad isn't it? We don't have a car.

Further on in her letter she stated:

> This is for my Nan Harmony to give to the man.

She signed her name and then stated:

> I am 7 and my brother is 5.

That cute letter—it is a fair dinkum letter—comes straight from the heart. She started off the rally, which the media loved. It was a great spur of the moment prop that I wish I had orchestrated myself. Captain Mark Williamson from the Salvation Army was the first speaker at the rally. He spoke about the Anzacs, the spirit of Australia and what our soldiers had fought for. He said that the community in that area were fighting just as hard for something they believed was vital for their community—the Campbell Hospital. He said that the lives of many people had been saved because the hospital was always open after hours. He referred also to the social work carried out by the hospital. He then recited a prayer for the community and the hospital.

The next speaker was Mr Lance Manton who represented the Karachi Aboriginal Co-operative and the Aboriginal community. He spoke about the divisiveness of the health plan of the North Coast Area Health Service to build a health centre at Box Ridge Aboriginal community. He said, "I do not want it there. If the health service has $400,000 it should put that money into the hospital. It has taken 100 years for the Aboriginal community to accept the hospital as their land and their place. If you move that they just will not bother going to the hospital to seek health care when they need it." Sandy Weekes, representing the Nurses Association of New South Wales, also addressed the rally.

Rosemary Craig, the local doctor and visiting medical officer at the hospital, talked about the loss to the community if the hospital were closed. She said that it would threaten the livelihood of one of the doctors that was practising at her surgery. Mr Charlie Cox from Richmond Valley Council gave his full support to maintaining the hospital in that area. Following those presentations there was a march down the main street,

despite pouring rain and adverse conditions. The people who marched chanted the whole way, "Save our hospital. Bob Carr, you've gone too far."

RYDALMERE EAST PUBLIC SCHOOL HALL

Ms TANYA GADIEL (Parramatta) [5.30 p.m.]: Today I draw the attention of the House to a wonderful school in the electorate of Parramatta. Like most of our State's schools, Rydalmere East Public School is special. It has a wonderful sense of community. It has 166 students, almost 50 per cent of whom come from non-English speaking backgrounds. It also has 20 pre-school students. In fact, because the Parramatta electorate is so wonderfully culturally diverse most of the schools there have high percentages of kids from non-English speaking backgrounds. Indeed, I am proud of the diversity in Parramatta. Rydalmere East has a great student body and very dedicated staff. I recently had the pleasure of attending a sod turning for the new hall that will be built this year and opened in November. After the sod turning the students were treated to a party, with games and a sausage sizzle. It was a fun day. There is a great story behind this hall—the story of a wonderful principal's tenacity. The principal's name is Gail Henley. With the indulgence of the House, I would like to tell the story in her own words—just as she told them to the Rydalmere East assembly. It is a lovely speech from a special lady. I want to honour Mrs Henley by putting her words on the public record. Here is what she said:

> I am sure that at some time you have all dreamed about special things you would like to have or special things you would like to do. Some of you have dreamed about what you will do when you grow up—will I be a famous sportsperson? Will I become prime minister? Will I be rich?
>
> Teachers do that too and so do Principals.
>
> When I came to Rydalmere East I dreamed about having an Assembly Hall so that on Monday mornings, children would not have to sit on the asphalt in the hot sun in summer or in the freezing cold wind in winter.
>
> I dreamed that we would have a performance space where the choir could sing and the string ensembles could play to an audience.
>
> I dreamed that when Presentation Day came, we would have our own place where parents could come and see their children being rewarded for work well done.
>
> Sometimes dreams can come true if we do things to make them happen. This is what we did.
>
> We asked permission from the Department of Education to sell some land. This took quite a long time but it was finally sold in December 2003.
>
> We than applied for permission to build not just a hall but new toilets, a new canteen and a big covered outdoor area which will be attached to the hall.
>
> We visited other schools to look at assembly halls. We made plans together. Then we had lots of meetings until we all agreed what the hall would look like.
>
> So that you and your parents would know what it looked like, we put the plan of the hall on display in the foyer of the admin building. It is still there now.
>
> Now our hall is about to become a reality. Not just an assembly hall, but new toilets, new canteen and a new covered outdoor learning area. It will be right where you are standing today. At the end of 2005, Presentation Day will be in our hall! Doesn't that sound great?

And the all kids agreed that it did. Mrs Henley continued:

> My dream is about to become a reality and I feel very happy. Happy for Rydalmere East Public School. Happy for you, the students here and happy for all your parents who are part of our school too.
>
> It has taken 13 years for all this to happen so when our planning started, none of you were born. It has been a very long journey but the end is now in sight.
>
> I feel very privileged to be the person who turns the first piece of earth over to begin the building of our hall.
>
> I would like to give you some advice to remember. Our school motto is "Strive for success". That is what you need to remember. Dream your dreams and never give up. Keep striving because dreams do come true."

So there you have it: the story of how Rydalmere East Public School came to get its hall. It all started as a result of Mrs Henley's dream and will be finished because of her hard work. I congratulate Mrs Henley, who I understand is soon to retire. She will be a very sad loss to the teaching profession and to Rydalmere East. I wish her and her husband, who was also a dedicated principal, all the very best in their retirement. I also congratulate the staff, students and parents of Rydalmere East on a job well done. I look forward to seeing their new hall later this year.

LANE COVE NATIONAL PARK FIREFIGHTING EQUIPMENT

Mr BARRY O'FARRELL (Ku-ring-gai—Deputy Leader of the Opposition) [5.35 p.m.]: One of the most beautiful things about my electorate is the fact that it is bounded on either side by national parks: by Lane Cove National Park on the west and by Ku-ring-gai Chase National Park on the east. Tonight I shall raise an issue in relation to Lane Cove National Park, which covers 600 hectares of northern Sydney and stretches from the electorates of Epping in the north to Lane Cove in the south and is bounded on the western side by the electorate of Ryde and on the eastern side by my electorate of Ku-ring-gai. It runs from the Commenarra Parkway at South Turramurra to Sugarloaf Point. Tens of thousands of people live immediately adjacent to the park, particularly in the electorates of Ryde and Ku-ring-gai. So locals and the public generally will be most concerned to learn that the Lane Cove National Park's bush fire fighting capacity has been downgraded.

The park was previously equipped with four Cat 7 vehicles—that is, Toyota Land Cruisers fitted with water units and pumps on the back. It also had—albeit in a non-serviceable condition—a Cat 9 large portable tank and pump that is not attached to a specific vehicle. Due to cost cutting, one of the Cat 7 units at Lane Cove National Park has now been removed. This is cost cutting at its worst and a false economy given the potential for fires in the park and the adjacent suburbs. Frankly, it is downright dangerous given the potential threats to lives and property from fires that occur in the Lane Cove National Park. The Government's spin in relation to this matter is that repairing the unserviceable Cat 9 more than compensates for the removal of the Cat 7 unit. In other words, it argues that four serviceable fire units remain, except that there are now three Cat 7 units and one Cat 9. Not surprisingly, as with most Government spin, that is simply nonsense. Four mobile units have been reduced to three.

It displays the Government's ignorance about the way in which these units are used. When fires occur, when they are likely or, on days like today, when hazard reduction burns occur, the Cat 7s go out on patrol. If they come across spot or other fires the operators of those vehicles put them out immediately, avoiding greater damage. A stationary Cat 9 cannot do that. By the time that unit is available and directed to the site of the fire enormous damage and loss of life may have occurred. Instead of cutbacks more units, not less, are required both in Lane Cove National Park and in similar urban parks. This is the most visited national park in the city and one of the most visited national parks in this country. More units are required, especially given the increasing development adjacent to the park as a result of the Government's medium-density development program—particularly on the western side of the park in the electorate of Ryde, which the Minister for Transport represents in this place.

I do not understand how petty cutbacks such as this can occur when it was revealed today in the Appropriation (Budget Variations) Bill that $575,000 was found to spend on fitting out the office of the Minister Assisting the Minister for Infrastructure and Planning (Planning Administration) and $700,000 was spent on an advertising campaign selling public transport fare increases despite the failing rail system. Regrettably, the Carr Government has forgotten the lessons of the 1994 and 2002 fires in Lane Cove National Park. In 1994 about 70 per cent of the park was burnt from the north across Ryde Road and well down into Lindfield. Houses were lost, including houses in Winchester Avenue, which is literally a block away from my home, where the mother of the current fire brigade commissioner lives. Only luck and the excellent work of both the National Parks and Wildlife Service and NSW Fire Brigades personnel averted loss of life. In 2002, 600 hectares of Lane Cove National Park and Pennant Hills Park burnt after a fire was deliberately lit and homes from South Turramurra to West Pymble were threatened.

Remarkably, as a consequence of the Government's policy on hazard reduction, not a single hazard reduction burn was conducted in the park between 1994 and 2002. The Government is behaving like a child playing with matches. It is clearly putting its staff and the public at risk. A month before the January 2002 fire a National Parks and Wildlife Service officer in a Cat 7 came across a fire at Canoon Road, South Turramurra. He radioed for the fire brigade, which helped him to put out the fire. That is why this ridiculous decision to remove a mobile fire unit is so important. It is simply crazy and does not make sense. I urge the Minister for Emergency Services to reverse the decision or, if he does not, to accept responsibility for any loss of life and property that may occur. [*Time expired.*]

WOLLONGONG ELECTORATE ANZAC DAY CELEBRATIONS

Ms NOREEN HAY (Wollongong) [5.40 p.m.]: It was heartening during the recent Anzac Day celebrations to see the increasing number of people, especially our younger generations, attending dawn services. This year's Anzac Day march, particularly in my electorate of Wollongong, was a great example. I

know that the ever-decreasing ranks of our veterans value very much the attendance of the younger folk. This year I attended a number of Anzac Day ceremonies across the electorate. As always, it was a day not only to salute the Anzacs but also to pay tribute to them, and to take the opportunity to invigorate our national spirit and pride. The Illawarra sub-branch of the Vietnam Veterans Association of Australia once again held a moving Anzac Day ceremony at the Vietnam Veteran's Memorial at Flagstaff Point. The spectacular ocean and escarpment views from Flagstaff Point added to the emotion of the ceremony. I acknowledge the excellent job done by the sub-branch, in particular, the senior vice president, Pam Bowmaker, in making the ceremony a special one. I also acknowledge the efforts of my dear friends Allan and Linda Groome.

On Anzac Day we remember all those, whether service personnel or civilians, of every nation who suffered or continue to suffer through war. We do not attend Anzac ceremonies to glorify war or praise victors, but to remember those who have served our country during times of conflict and crisis, and to reflect upon their selfless sacrifice. The dawn service of Port Kembla RSL, as always, was attended by hundreds of people—veterans, war widows and children. It was held at a magnificent site. The backdrop of the steelworks made a dramatic landscape to the solemn service. Once completed the mood changed to one of nostalgia as mates remembered those who were not so lucky, and reminisced about the old days. I had the pleasure of the company of Peter and Ken Vaughan, together with their mother, Faye. We acknowledged the memorial to their father, Paddy Vaughan, whom I first met years ago in the union movement. On that morning children proudly walked around with their chest puffed up, displaying medals once owned by their grandparents. Everyone took a moment of quiet reflection on what a wonderful nation we live in.

Then we had the festivities. What Anzac Day would be complete without the traditional game of two-up? Angus Campbell, Ray Wetherall and Darcy Martin from the RSL certainly run a mighty fine two-up circle. Bets were exchanged, moneys won and lost—and all in good spirits. Then it was on to the Town Hall for the commemoration service attended by Peter Poulton; Keith Clemmett; Ian Callaway; Alex Darling; Carol Douglas; Brigadier Phillip McNamara; Reverend Reg Piper; Bishop Ingham; Major Elwyn Grigg; Nell Hogan; Sharon Bird, the Federal member for Cunningham; the Minister for the Illawarra; legatee Wal Stinson, chairman of Wollongong Legacy; Captain Rod Nairn, Royal Australian Navy, hydrographic services; and me. After the Easter school holidays, the city of Wollongong RSL sub-branch Returned and Services League of Australia held the third combined schools Anzac service in MacCabe Park, Wollongong. Twenty local primary and high schools attended the ceremony and a representative from each outlined what Anzac Day meant to them.

I acknowledge the great work done on the day by the police. All marchers from various areas in the Illawarra and Wollongong were well behaved and the police were magnificent, with thousands of people in the crowd watching. I congratulate Daryl Walker, secretary, and Peter Poulton, president, of the Wollongong RSL on organising such an event. The participation of our younger generations ensures that the true meaning and the memory of our Anzacs will never be forgotten. We have the ability to face challenges, whatever they may be, together and overcome them, to put community before self and to be courageous, determined, self-reliant and strong. We should be proud of our heritage. This is the spirit of Anzac; the spirit that we must pass on to the next generations. I commend all those who attended the dawn service. The old diggers marching through the streets of Port Kembla at that hour of the morning deserve absolute commendation because it was not easy for many of them.

NORTHERN STARS UNDER THE BIG TOP

RICHMOND AREA COMMAND AWARDS

Mr THOMAS GEORGE (Lismore) [5.45 p.m.]: Lest we forget. On 9 April I had the honour of attending the Northern Stars Under the Big Top 2005 event, of which the honourable member for Tweed and I are honoured to be co-patrons. It was an outstanding success. I pay tribute to the Director of School Education, Greg Cloak, who was supported by his department, Robyn Ludeke and the team from public education who were responsible for the preparation of the event. It would take me an hour to name the people involved, but for fear of leaving someone out I will not. I recognise the support received from principals, students, parents, friends, sponsors and teachers from Taree to the border.

They provided public education students the opportunity to show and perform their talents in their local area under a magnificent marquee, and to enjoy and appreciate the experience that would never have been possible if they had to come to Sydney. Approximately 3,000 students were involved in the three days of the show. I thank the organisers for the opportunity they gave students to appreciate and believe in this year's theme: the sky is the limit. I spoke to students after the finale and they believed the sky was the limit after

participating in this great spectacle for public education. It was the second of these events, which are held every two years, in Lismore. It was a credit to everyone involved.

On Wednesday 27 April I had the pleasure of being accompanied by the Acting Regional Commander, Lee Sheather, together with Superintendent Bruce Lyon, the Area Commander for the Richmond Area Command, the mayor of Ballina, the deputy mayor of Lismore and the honourable member for Clarence in presenting annual awards at the Richmond Area Command to the police and emergency services. Superintendent Virginia McKenna from the New South Wales Ambulance Service and Superintendent Geoff Barnes also attended. Again members of the police force received national medals, NSW Police medals for 10, 15, 25 and 35 years service, and certificates of commendation, second to fifth clasp to the NSW Police medals.

Volunteers in policing received certificates, and general support and human resource officers were also commended. Sadly, time does not allow me to name the recipients. Award ceremonies provide the community, the NSW Police, the New South Wales Ambulance Service and the New South Wales Fire Service the opportunity to recognise the dedication, loyalty and professional work of the people who provide us with a better community in which to live. Such award ceremonies also give the community an opportunity not only to appreciate their jobs but also to recognise the love and support of their families, partners and friends that enable them to do it. Some award recipients had tears in their eyes. Some were retiring from service organisations after being on long-term sick leave or due to injuries, but they have dedicated their life to those organisations. They have given unconditional support to the community. I pay tribute to them. I had a wonderful time taking part in that presentation.

ACD ENTERPRISES PTY LTD SUBCONTRACT PAYMENTS

Mr PAUL CRITTENDEN (Wyong) [5.50 p.m.]: I wish to raise a matter on behalf of a constituent, Mr Andrew Dash, Manger of ACD Enterprises Pty Ltd, of Gavenlock Road, Tuggerah. Mr Dash is concerned about security of payment to subcontractors. He is owed $80,000 for work performed by his company as a subcontractor to the head contractor, Austin Australia, when ACD Enterprises undertook work on a number of sites for the New South Wales Department of Housing. All invoices raised against those jobs carried the words "This payment claim is made under the Building & Construction Industry Security of Payments Act 1999 NSW".

This matter is of great concern because there are some 400,000 small businesses in New South Wales. All politicians and political parties acknowledge that small business is the backbone of the economy, yet this small business is burdened by non-payment of $80,000 for work it has performed. The security of payments issue has been around for several years. I well remember, as chair of the Public Works Committee, a discussion of a possible reference by the committee on this matter. The then Minister for Public Works, the Hon. Carl Scully, said he had the matter in hand. Subsequently, the Hon. Eddie Obeid of the other place became chair of the Joint Standing Committee upon Small Business and decided to take a reference on this whole issue of security of payments. Good luck to him! The report that was produced was like the curate's egg: it was good in parts. The report was tabled in the Legislative Council on 13 October 1998. There was talk about cascading deemed trusts and complex issues in the building industry.

The bottom line is that Mr Dash's business cannot afford to be owed a debt of $80,000. Apart from this case, I believe the State Government has a moral obligation to protect subcontractors when the head contractor does government work. We ought to be able to streamline the processes to ensure that those who do the work get paid. We live in an era of big everything: big government, big business, big political parties. But it is important to keep in mind the Australian notion of getting a fair go. Mr Dash wants a fair go. I hope the new Minister for Housing, who was a member of the Joint Standing Committee upon Small Business at the time it considered the security of payments issue, will review the matter I have raised. People like Mr Dash simply cannot afford to be out of pocket $80,000. It will be no good if the department merely comes up with some mealy-mouthed response. That was the nature of the reply I received from the then Parliamentary Secretary following my representations to the Minister for Housing. It said:

> The Department of Housing has advised that two situations arise in relation to work performed by a sub-contractor. Where the Department has not paid a head contractor for work performed by a sub-contractor, a sub-contractor may effect recovery from the Department through the Contractors Debt Recovery Act (NSW) 1987.
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> However, in the situation where the Department has already paid the contractor, the sub-contractor's remedy is against the head contractor and not the Department because the Department has already paid for the work.

The fact that the head contractor in this case, Austin Australia, went into liquidation shortly after Mr Dash's company did the work worth $80,000 presents a legal nicety. In this age of computerisation and information and communications technology, there should be no impediment to establishing a system whereby, when payments

are being made to the head contractor, subcontractors also are assured of being paid. I hope this whole issue of security of payments can be investigated further with a view to not only developing appropriate legislation and policy but, more importantly, putting in place programs to ensure this anomaly is remedied and subcontractors get a fair go.

SOUTHERN HIGHLANDS ELECTORATE HEALTH SERVICES

Ms PETA SEATON (Southern Highlands) [5.55 p.m.]: Tonight I wish to draw local health issues to the attention of the House and ask the Government to deal with problems being experienced in the Wingecarribee Health Service area. I urge the Minister for Health to include in the forthcoming budget a provision to address at least some of those problems. In recent times elective surgery facilities at Bowral hospital have been closing over school holiday periods. We have been told to expect that to occur over the longer Christmas school holiday periods, sometimes involving four or even six weeks of reductions in services or even the closure of operating theatres, except for emergencies. The practice of closing hospital operating theatres for elective surgery during other school holiday periods is nothing short of a cancer in the health system. As a result patients are being forced to wait much longer than they normally would. Many of them have already been on waiting lists for 18 months and two years, and some even longer.

In the most recent school holiday period there was a total closure of operating theatres for elective surgery in the first week of the school holidays, followed by a partial closure in the second week of the holidays. The consequence was that, even though a full team of surgical staff and theatre staff was available and persons on the waiting lists were ready for their surgery, in the first week of those holidays no surgery was performed in the operating theatres, and in the second week there was a reduction in the level of surgery. Some of our local surgeons are allocated perhaps one, perhaps two, surgery cases a week. Some orthopaedic surgeons are allocated, perhaps once a fortnight or once a week, surgery of a type that would result in the patient needing intensive care and other treatment for a longer period of time.

I was curious when the Premier announced last week that additional hospital beds would be allocated in the upcoming budget. None of those beds have been allocated to our area, and the number of beds announced will go nowhere near replacing the 5,000 hospital beds closed during the term of the Carr Government. If Bowral hospital were allocated some of those additional beds, staff would be available to handle an increase in the surgery waiting list, particularly hip and other replacement surgery as well as orthopaedic surgery. That Bowral hospital will not be allocated any of those beds means we have no hope that in the near future there will be any acceleration of the rate at which patients on that waiting list can be dealt with.

There is an enormous demand for mental health services in the Southern Highlands and Southern Tablelands. The Chisholm Ross hospital in Goulburn is, of course, an acute-care facility where many people go for treatment. Anyone in the Southern Highlands who has a mental health problem relies on the mental health team and the community-based care provided at that facility. However, the family of a person with mental health problems can expect to make many, many calls and be passed between State government services many times before getting the help that is needed. Carers of people with mental health problems are often not listened to closely enough. They know the patients really well, and can often tell a mental health practitioner of the development of signs in that person that indicate a need for treatment. On too many occasions their expertise and knowledge of the patient is not accorded proper recognition. I put the Government on notice also that major work needs to be done in the children's ward at Bowral hospital. I am told that there might be some movement in that later this year. We need a full budget and set timetable for that work.

We also need resolution on the helipad at Bowral Hospital as well as resolution for the people who have worked so hard on the Southern Highlands renal campaign to raise hundreds of thousands of dollars for renal dialysis facilities for our local area. Their hard work must be rewarded. We had several commitments from the former chief executive officer, Ian Southwell, before his departure. We need a full commitment from the Government that it will match the hard work of the Southern Highlands Renal Committee in recent years to ensure that renal dialysis services are available to local people.

AUSTRALIAN MUSLIM COMMUNITY

Mrs BARBARA PERRY (Auburn) [6.00 p.m.]: This past Saturday I was invited to attend the forty-first anniversary of the Australian Federation of Islamic Councils [AFIC]. I accepted, together with a number of highly distinguished members of the Muslim community, Federal politicians—the member for Parramatta, Julie Owens, and the Minister for Citizenship, Peter McGauran—and the Rev John Henderson of the National

Council of Australian Churches. The evening was a welcome chance to pay a fitting tribute to the achievements of AFIC over more than four decades of outstanding service and commitment to the needs and aspirations of the people of its 50 affiliated groups and associations.

Under the guidance of AFIC much good has been effected on the stage of numerous community events, youth camps and other activities, publication of a vast body of literature, guides and booklets, establishment of schools and the initiation of constructive dialogue both within the diverse groups of the Australian Muslim community and with other religious groups and the wider community. I took this timely opportunity to extend an extra measure of appreciation to Dr Ameer Ali, President of AFIC, for his firm approach in addressing comments made in recent weeks about women and dress. For the record, I also acknowledge the media release issued by the Lebanese Muslim Association, and other Muslim groups and all members of the Islamic community who so vocally condemned the remarks made by Sheikh Faiz Mohammad.

As honourable members would be aware, community outrage at the comments was widespread and provided much discussion for talkback radio, major newspapers and network television stations. Despite the initial wave of pessimism that hit me, I was heightened by the sheer number of Muslim Australians who took to the mainstream media to add their voice of concern and indignation in chorus with other members of the community. As illustrated by press releases issued on behalf of the Islamic community, rape is the most heinous violation of the sanctity of the individual. Islam condemns rape in the strongest terms. The Islamic community has forcefully and unequivocally made their position known. Therefore, it is crucial that all members of society refrain from vilifying or in any way associating themselves with the sentiment expressed by Sheikh Mohammad. I cannot emphasise that enough.

Over the course of the last week I have been mulling over a few thoughts that I would like to touch on briefly. As a believer in the notion that some good can always come from the regrettable, I am convinced that the incident set the stage for further positive discussions between Muslim Australians and the wider community. As I mentioned in the wake of the ill-fated comments made by the Sheikh, many Muslim Australians took the opportunity to engage with mainstream media channels—most, I would imagine, for the first time. Their views were measured and well thought out and, as such, cannot be dismissed. I am grateful that a dialogue has been born and I would like to see a greater opening up of discussion between Muslim Australians and the wider community on many related issues.

Although differences remain, strong grounds of commonality need deeper exploration. For instance, many Muslim Australians and the wider community are deeply concerned about the arguably growing centralisation of advertising, fashion and the media in general. In short, sex is being used increasingly to sell without any thought for the longer-term implications of such a change. I do not for a moment suggest that consumers should have their rights limited, but measures must be taken to balance those rights against what is good for the community. To ensure that this burgeoning dialogue is not jeopardised it is imperative that we do our part to steel our constituencies against any prejudiced and stereotypical ideas that the Sheikh may have unwittingly exacerbated.

Today I stand united with the Muslim Australian community in firmly resisting and condemning efforts by fringe elements to define Islam and its teachings. I am angry that somehow it is always the extremists who are paid the most attention, as if they speak for all. Now that we have finished with condemning, let us move to ensuring that something good, right and rewarding can come from all of this. I use this occasion to commend the many Muslim associations and individuals who so properly stood up in defence of our shared values and humanity. We owe it to them to fight any sensationalist, ignorant or divisive attempts to cast them in a negative light.

KOREAN WAR VETERANS

Mrs SHELLEY HANCOCK (South Coast) [6.05 p.m.]: I speak in support of the Korean war veterans of Australia, particularly those in New South Wales and in my electorate who have been working for a long period to gain appropriate recognition for a particular group within their ranks whose war service, as they see it, has been ignored. The Korean war is often called the forgotten war, but we should all remember that it was one of the bloodiest wars of the century. Nearly four million Koreans and Chinese were killed and more than half the dead were Korean civilians. Australian casualties numbered more than 1,500, including 339 dead. Australians were involved in combat and active service until 1957. Upon their return the public apparently were indifferent to the deeds and sacrifices. Hence the war became known as the forgotten war.

However, many Australians would be surprised to learn that Korean war veterans are still fighting to gain appropriate recognition for those who served in Korea after the signing of the armistice on 27 July 1953. Despite that armistice, hostilities did not cease and Australians continued to fight in the conflict until 1957. But

due to the technicality of the armistice signing, appropriate medals have not been awarded to those who served between 1953 and 1957. Surely that group of veterans is no different from any other veterans who served and made sacrifices on behalf of their fellow Australians in hostile circumstances. In excess of 9,000 violations of the ceasefire occurred after the armistice and even today hostilities remain suspended, with no permanent peace treaty having been signed.

Approximately 7,400 Korean war veterans are still alive today, and about 2,000 to 3,000 of them are waiting for appropriate recognition for their years of service in Korea between 1953 and 1957. I have no doubt, after carefully researching this issue and reading information supplied to me, that these war veterans deserve the recognition they seek. I am pleased to be able to take this opportunity to speak on their behalf in this place. I have written to Federal Ministers about the situation and also to the Prime Minister. Although I am pleased that a working party finally has been established to consider the case, any further prolonging of a decision will result in increased frustration and despair for the Korean war veterans, several of whom have passed away in the past month without the recognition they sought. Surely this should be incentive enough to expedite a decision.

Korean war veterans have fought for recognition for more than a decade. Men like Bob Morris, Rod Coupland, Kevin Cook and others have shown inspired leadership and determination to succeed on behalf of their companions. I quote from a letter from Mr Bob Morris, President of the Korean War Veterans of Australia and a resident of the South Coast, who writes on behalf of the 1953 to 1957 veterans:

> What we are now seeking is that the Commonwealth issue those 3,000 vets the Australian Active Service Medal 1945-1975 with Korean clasp and the Returned from Active Service Badge. They fought for our country and deserve to be wearing those medals.

In addition Mr Morris requested that those Korean war veterans who died during their allotted service between those dates have their deaths accepted as war-caused deaths, their names included in official honour rolls and memorials, and their bodies buried appropriately. Mr Morris concluded with the following sentiments, which we should all support without question:

> Time is fading fast. Having faithfully served their country and the United Nations with distinction they clearly require speedy resolution before they fade away and are forgotten. The fact is that 17 lost their lives after the armistice in Korea and only two are recognised on the Wall of Remembrance—this is nothing short of a national disgrace. Please help us.

I ask for the support of this House and call on the Federal Government to decide in favour of the Korean war veterans' submission and request. Surely what they are asking for is very little compared to the sacrifices they made for their country and for the peace and wellbeing of generations to come. I know that Korean war veterans will listen and watch with interest as the working party which has been set up by the Federal Governed deliberates and determines this issue. I can see no problem in granting the war veterans' request. They are not requesting money. They are requesting medals, in recognition of their service in hostile circumstances in a theatre of war, in Korea. I ask the working party to give the Korean War veterans, who have so proudly represented their country, the respect they deserve, and accede to their request

HASTINGS WOMEN'S AND CHILDREN'S REFUGE FUNDING

Mr ROBERT OAKESHOTT (Port Macquarie) [6.10 p.m.]: There has been a good deal of discussion in this House related to infrastructure services, but tonight I wish to refer to human services and the need for increased expenditure and more resources on the mid North Coast associated with the human services provided by government. Previously I have referred to mental health, a topic regularly discussed in this House, to the need for increased funding for disability services, and to the need for funding of respite services, particularly in my electorate at Seabreezes. Tonight I wish to discuss the need for increased funding and resourcing of the Hastings Women's and Children's Refuge and similar refuges.

The refuge has recorded some startling figures for women and children who were turned away in 2003-04 because of a shortage of resources. The refuge conservatively estimates that 213 women and 185 children were turned away during that period. By any measure, those figures represent a shameful effort on the part of all levels of government, which have failed to provide adequate funding and resources. Unmet demand will increase unless additional funding is provided. In some cases, women are forced to return to live with domestic violence. Domestic violence is the main reason that people try to access refuges. Owing to insufficient funding, many women are forced to return to circumstances of violence because they have no other choice or they are committed to an area because of schooling commitments, extended family networks or employment.

Some women persevere with living conditions that include coping with violence while they wait for a refuge vacancy to become available. However, often their courage evaporates when, having made the decision to escape violence, they are told that there is nowhere for them to go because there are no vacancies in refuges.

The problems are compounded by insufficient child support. The Hastings Women's and Children's Refuge has one child support worker who is employed for 29 hours per week, and another who is temporarily contracted to work for 20 hours per week. The No. 1 priority for the refuge is to obtain sufficient funds to be able to employ another child support worker to ensure that the needs of children in the refuge are met.

Inequity of funding in comparison with other refuges is a significant factor. The Hastings Women's and Children's Refuge is the most poorly funded in the mid North Coast region, despite having a large number of clients. The refuge provides an outreach service, but is able to offer only part-time positions of 20 hours and 26 hours per week, even though it has between 40 and 60 outreach clients per month. In an environment in which the Supported Accommodation and Assistance Program [SAAP] negotiations are currently under way between the Commonwealth and State governments, and with SAAP 4 funding due to cease in July 2005 with SAAP 5 to begin on 1 July 2005, there are strong arguments in favour of significant increases in funding.

Many within the accommodation assistance sector are concerned that the SAAP 5 will be insufficient to deal even with the present level of demand and maintain current services, let alone deal with unmet needs. The figure that has been suggested as sufficient to deal with current clients without addressing wider needs is an increase of $17 million in the SAAP funding. To expand the program, the top-end estimate is approximately $40 million. Unfortunately, the Commonwealth Government has announced that the next round of SAAP 5 funding will provide an increase of a mere 2 per cent per annum to keep pace with inflation.

In the light of those circumstances and taking into account the persuasiveness of the statistics on service delivery produced by just one refuge—particularly those relating to the number of applicants for accommodation who are turned away—there is a pressing need for the State Government and all members of this House to ensure that representations in the strongest possible terms are made during the negotiations associated with the Commonwealth-State agreement for increases in SAAP 5 funding. The Hastings Women's and Children's Refuge is only one example of the plight of refuges in this State. It is very much to the shame of all levels of government that a centre such as the Hastings Women's and Children's Refuge has had to turn away 215 women and 185 children in the recent past. It is cogent evidence of the failure of policy at all levels of government in relation to the accommodation and assistance sector.

DROUGHT SUMMIT

Mrs DAWN FARDELL (Dubbo) [6.15 p.m.]: I bring to the attention of honourable members the fact that an emergency drought summit in Parkes has been organised by the New South Wales Farmers Association. I will be attending the meeting on 17 May and I hope to see strong support from Federal and State governments and oppositions. With more than 75 per cent of the State in extreme drought, this is no time for political point scoring or one-upmanship. What is required is a compassionate, co-ordinated and immediate response to the great social upheaval that has been caused by malignant drought conditions. It is hoped that some practical measures will emerge from the summit to ease the despair of many rural communities. With that in mind, I will point out the particular hardship suffered by farmers in the Dubbo Rural Lands Protection Board district—an area that stretches from Dunedoo in the east, up through Gilgandra and Armatree, west to Nevertire and south through the Peak Hill area and Yeoval.

Dubbo sits to the centre of that area, which has suffered 14 months of unrelenting drought and has entered its fourth year of drought overall. Things are worse there than even Old Mother Hubbard could have imagined—much more than the cupboards are bare. Given the level of devastation, people would suppose that the 2,000 or so primary producers in the district would be eligible for financial assistance. Wrong! Despite the obvious privation of the local farmers, the district is not approved for exceptional circumstances (EC) assistance and, consequently, the farmers are not eligible for any income support. Yet the district is almost totally ringed by rural lands protection board areas whose constituents qualify for financial assistance in the form of Centrelink payments. In this regard, the Dubbo Rural Lands Protection Board district sits like a great barren paddock of neglect.

If anybody were to ask me whether compassion has its limits, my answer would be: "Yes. Just look for the big black lines on the map marking the boundary of the Dubbo district." It is ludicrous that a farmer on one side of Yeoval qualifies for assistance but his mate across town does not. Two farmers on either side of a shared fence may have very different outcomes The grass might not be greener on the other side, but the support is certainly better. A more demoralising or arbitrary system could not have been dreamt up had we sent a gaggle of bureaucrats into a back room and told them to draw straws. How did this anomaly come about? I do not know, and therein lies one of the main problems with the current EC system—a total lack of transparency and consistency.

The Macquarie Rural Advisory Service is currently collating information for a new EC application that will be lodged with the Department of Primary Industries at some time in June. From there it will be forwarded to the National Rural Advisory Council for its recommendation to the Federal Government, with which the final decision rests. My understanding is that the Macquarie Rural Advisory Service is in the dark as to why the Dubbo district's EC rollover was rejected in November last year or why other rural lands protections board areas that are apparently less worse off were successful. Was it based on unrealistic crop predictions, or the likelihood of rain that never eventuated? Are the futures of farming families in the hands of fortune-tellers and weathermen? Surely the outcome has nothing to do with the level of hardship. At the time the decision was announced, the Dubbo district was classified as drought declared, yet it was unsuccessful. The neighbouring Central Tablelands district was listed as marginal and has since become satisfactory: it was successful.

Given this lack of transparency and consistency in the system, there is a great deal of angst among farming families in the Dubbo Rural Lands Protection Board area regarding this new round of applications. If a strict formula is applied—and, one would hope, applied consistently—an area that fails to meet the formula should be afforded a detailed explanation, which would also open the door to an appeal. The fact is that life is not trundling along nicely in the Dubbo Rural Lands Protection Board area—far from it. There were perhaps five months of better conditions towards the end of 2003, but that is now a distant memory. Such a brief reprieve does not suddenly fill the pantry, put school uniforms on the backs of children or put savings in the bank. It simply brings people back to square one. They are nowhere near square one now. They are not even on the game board. Perhaps they have dropped off the radar completely.

It is my understanding that the data being collected by the Macquarie Rural Advisory Service paints a very grim picture. Financial counsellor Amanda Croft, who takes her responsibilities very seriously, has described the situation in the Dubbo district as "heartbreaking". The service is seeing clients that it has never seen before. Others are walking through the doors for the first time in over a decade. Everything Ms Croft has shared with my office suggests that hope in these parts is about as rare as a good crop. I am told that young people with good jobs in cities or towns are quitting to work the family farm for no pay because paid farm workers are a luxury these days. What is happening within the dwindling ranks of farm workers is another tragedy.

The advisory service's investigations suggest mental health inquiries have increased and stress-related health problems among farming families are also increasing. The impact of the drought is reverberating throughout our towns and villages. It is being felt by farm suppliers, in the offices of real estate agents and within the shrinking classes of schools. For my part I would not like to be at the head of the line to receive the brickbats for this piece of social vandalism when the full extent of the desolation finally emerges. When the district last had EC status, about 650 families received income support. EC approval for a district does not equate to an easy ride to the Centrelink office—far from it. Farmers must still demonstrate that they qualify for assistance. This is the period when the winter crops are sown. It comes at a time when the term "keeping your head above water" takes on a black irony. These are tough, demoralising times and it is vital we support initiatives such as the New South Wales Farmers Association's drought summit. When the next round of EC applications are lodged I, along with the people of the Dubbo district, will be watching carefully. [*Time expired.*]

Private members' statements noted.

The House adjourned at 6.20 p.m. until Tuesday 24 May 2005 at 12 noon.