

LEGISLATIVE ASSEMBLY

Wednesday 2 June 2004

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

Mr Speaker offered the Prayer.

REGIONAL DEVELOPMENT BILL

Second Reading

Debate resumed from 5 May.

Mr ANDREW STONER (Oxley—Leader of The Nationals) [10.00 a.m.]: Regional development is a heartland issue for The Nationals of New South Wales. It is an essential ingredient for quality of life for those living outside metropolitan areas and for the balanced and sustainable growth of our State. The Nationals and Liberals support intervention by governments to ensure that we have strong local and regional economies in country and coastal New South Wales. We are committed to opening up long-term investment opportunities to increase employment and stimulate economic activity throughout regional New South Wales. It is our view that businesses should be given the tools and the environment to flourish, thereby creating severely needed jobs and desperately needed growth.

Much more potential in rural and regional New South Wales is just waiting to be unleashed given the right framework. This is incredibly important not just for country New South Wales but also for the city of Sydney, which is bursting at the seams and struggling to cope with inward migration of around 1,000 people per week, water shortages, traffic congestion and pollution. Sadly, Labor has not provided that framework over the past nine years, either because it simply does not understand country New South Wales or it chooses to devote most of its time and resources to Sydney, Newcastle and Wollongong. Simply put, Labor lacks any sort of vision for the future development of the whole of New South Wales and this bill does absolutely nothing to move toward such a vision. I will delve into these issues in more detail later.

The bill has five main aims: firstly, to enshrine in legislation economic development and employment growth principles in regional New South Wales; secondly, to link financial assistance for regional industry to jobs and investment targets and allow the Department of State and Regional Development to recover money from businesses that default on agreements with it; thirdly, to establish a Regional Development Trust which is designed to house money obtained from businesses by applying so-called moral pressure when they close or reduce operations in a rural or regional town; fourthly, to give statutory recognition to the Regional Development Advisory Council; and, fifthly, to repeal the Country Industries Payroll Tax Rebate Scheme. Clause 3 states that the object of the Act is, firstly, to provide a framework for strategic intervention in the economies of regional New South Wales for specified purposes, including to help fill the gaps left by the market system; secondly, to promote economic and employment growth in regions; thirdly, to assist regional communities to capitalise on the regional strengths; fourthly, to broaden and reposition the industry base of their regions; fifthly, to develop new products and new markets; and, finally, to develop regional or local solutions to business problems.

By anyone's standards these are all worthy aims but the key question is whether, after nine years, this State Government has the will and energy to back up its rhetoric. Based on its record one could think that Labor cannot back up its rhetoric in this regard. One must ask why it has taken nine years to give any attention to regional development by way of legislation. The Carr Labor Government has had an ad hoc approach to regional development. Under Labor the regional development Minister is a junior Minister who does not have the authority to genuinely influence Government decisions affecting rural and regional New South Wales. The Minister has little or no power to stop anti-country decisions and does little more than rubber stamp ministerial decisions. This is demonstrated regularly. An example was the recent decision to close the Murrumbidgee College of Agriculture at Yanco. We have not heard a squeak from the regional development Minister on a range of issues vital to country and coastal New South Wales.

The Premier's much-lauded rural impact statements are ignored. This is evidenced in many of Labor's policies such as on forced council mergers, which will cause job losses and a diminished voice for regional communities. The Government has not formulated or made publicly available benchmarks to measure the

success or failure of regional development policies and programs. The relative success or failure of these policies or programs is therefore left to guesswork. Labor fails to monitor business activity, meaning there are no publicly available short, medium and long-term trends, such as the flight of businesses to Queensland and Victoria in particular, which offer a more attractive investment climate. Only yesterday I raised in this place the awarding of a contract in northern New South Wales to a Brisbane-based bus firm to replace the axed Casino to Murwillumbah train service. Clearly, if the Government were about regional development in rural New South Wales it would not be taking such decisions and sending jobs and money north into Queensland. Labor has demonstrated no commitment to a genuine process of decentralisation.

I will briefly touch on a wide range of recent decisions and issues showing that the Labor Government has seemingly done its best to discourage investment in regional New South Wales, which really makes a mockery of this bill. Two weeks ago Labor axed the Casino to Murwillumbah passenger rail service. Who knows which rail line will be next? Just looking at the map of our rail lines, one would be very worried if one lived in Armidale or Moree or anywhere along the line to Yass. These lines are in a similar category, being effectively branch lines on the main rail network. The Labor Government is also intent on shutting down CountryLink travel centres and raising fares, despite taxpayers subsidising CountryLink services to a far lesser extent than they do CityRail services. Meanwhile, a Rail Infrastructure Corporation memo that was leaked to The Nationals recently revealed that the Carr Labor Government will shut down at least four grain rail lines across the State. The memo confirms what The Nationals have feared all along: Labor decided long ago to close grain rail lines but was holding a sham public consultation process. In conjunction with this memo, recently 14 rail jobs at Narrandera were cut, which was a massive blow to that community.

Infrastructure is critical if rural and regional businesses are to have any chance of operating successfully, given the added costs associated with the tyranny of distance from markets and suppliers. Yet Labor seems determined to rip the guts out of country rail infrastructure and services. Country communities were stung by the raft of tax increases and budget cuts in Labor's recent mini-budget. The measures announced in the mini-budget will have a lasting impact on regional development, country businesses and jobs. Those measures include a \$100 million cut to the roads budget over the next two years, which means that there will be a blow out to an already large backlog of maintenance work, and the ailing country road network will deteriorate further. That is another attack on rural transport infrastructure.

Given that the Federal budget has committed \$11.4 billion over five years to the new national land transport plan, it is interesting to contrast the priorities of the Federal Liberal-Nationals Government with the priorities of this State Labor Government. Abolition of the land tax threshold was another bitter blow for small business and property investors in rural and regional New South Wales. That is a new tax on country businesses and property investors. Many businesses in country areas that own properties—they either own stores or blocks of land—have been caught up in the land tax net. It is an added cost for businesses in New South Wales that is simply not faced by businesses in other States. It is a major disincentive for small businesses that want to set up in or relocate to country areas.

The introduction of a 2.25 per cent stamp duty on the sale of investment properties is also a major disincentive to construction and property investment in country areas. There has been a huge impact in the north of the State and in the Tweed area. People look across the border into Queensland, which is really nothing more than a line on a map, and they see a far lower tax regime, so they are taking their investment dollars there. Mr Beattie is always smiling because people, funds and jobs are going across to Queensland. New South Wales is not in the regional development, economic activity and business race. As I said earlier, these new anticompetitive taxes on the property market will cost jobs in the housing and construction industry in regional New South Wales where we experienced a property boom because investors were looking outside Sydney for better value. Sadly, that investment trend has cooled, if not stopped.

Another slap in the face for country New South Wales was the slashing of business assistance grants and other programs run by the Department of State and Regional Development to the tune of \$2.5 million next year and increasing to \$6 million in following years. It is breathtakingly arrogant of Labor to do that and then, in the blink of an eye, introduce this bill which establishes a trust to which the private sector is expected to contribute, as though businesses do not already pay enough tax in this State. The mini-budget also contained a slug on coal companies which will net the Government \$44 million this year, which will certainly affect the competitiveness of the New South Wales coal industry and cost jobs in mining communities.

I am also deeply concerned about the effects of the merger into a super department of the departments of Agriculture, Fisheries, Mineral Resources and State Forests. The Treasurer, Mr Egan, said that that would

save \$30 million next year and \$58 million by 2007-08. It beggars belief how that can be done without cutting frontline services and essential research support. In today's *Questions and Answers* is an answer to a question that I asked about how those departments were going to restructure to achieve those sorts of savings. The response, courtesy of the Minister for Mineral Resources, is as follows:

An interim board comprised of NSW Agriculture, Fisheries and the Department of Mineral Resources and State Forests is working on the administrative establishment of the Department of Primary Industries. Details of the new structure will not be finalised until the restructure has been completed.

Those departments do not even know how they will achieve these savings. The Minister said that this will not affect frontline services, but the departments have no idea how to achieve those savings. This seems to have been a political decision taken by the Treasurer and the Premier after bullying relevant Ministers to cough up dollars regardless of how they were going to do it. They were told to axe those departments and to worry about the detail later. That will hurt country New South Wales. Agricultural research stations and decentralised NSW Agriculture offices are helping people on the land and they are helping regional economies. I will eat my hat if those positions are not affected. I have an Akubra hat that I purchased from a terrific regional business in Kempsey. It would be hard to eat that hat as it is made from quality rabbit fur.

The Nationals are also concerned about the delay in the commencement of 60 projects that were earmarked for funding under the Country Towns Water Supply and Sewerage Program, at a cost of \$30 million. Last week I visited Glen Innes. Glen Innes Municipal Council is deeply concerned, as its sewerage scheme had been earmarked for an upgrade. It has been paying additional licensing fees because phosphorus and other nutrient levels are above the guidelines of the Environment Protection Authority. The council is desperate to get this upgrade, which has been on the list for years. The Government has continually deferred Glen Innes council's share of that funding. Over successive years it has cut back on that funding.

That sort of infrastructure enables decentralisation and it assists country towns in the delivery of services, for example, the provision of quality water, good sewerage schemes or other services that city people take for granted. Yet this Government has cut back funding for the Country Towns Water Supply and Sewerage Program. No money has been allocated for two years. The people of Glen Innes will be devastated to hear that. There was also a slashing of \$8.7 million in capital works funding to State Water. Again that will cut into essential infrastructure funding for decentralisation and economic activity. Most disturbingly, the Labor Party is in the middle of a major job-slashing exercise across country New South Wales.

I mentioned earlier the new super department of Agriculture, Fisheries, Mineral Resources and State Forests. The union has said that it will result in the loss of about 600 jobs. I cannot understand how that will not affect frontline services. There will be a loss of 500 regional jobs in the Department of Infrastructure, Planning and Natural Resources. The National Parks and Wildlife Service is also undertaking major job cuts. These are decentralised public service jobs—pay packets that contribute to local economies. The downstream or multiplier effect will spin off into jobs, whether they are in the coffee shop, the service station or the produce store. Pay packets will come out of those country towns.

It will not be long before we get below a critical mass as schoolchildren drop out of schools and local doctors lose their patients. If one doctor leaves the other doctor would not be able to continue, which will result in a negative snowballing effect. These cuts impact not only on jobs in these areas; they impact on jobs in other smaller country towns that are under threat. If this Government is serious about having a proper debate on regional development the Minister should compile job loss figures for all government departments across the State and publicly release those figures.

I understand that 15 National Parks and Wildlife Service jobs have been cut in Grafton alone. That is estimated to cost the Grafton community \$1 million a year. Labor's club tax will cost country communities millions of dollars a year. Direct and indirect job losses are estimated as being 39 in the Bathurst electorate, 40 in Tamworth, 206 in Monaro, 48 in Dubbo, 12 in the Northern Tablelands, 159 in Port Macquarie, 827 in the Tweed and 275 in Murray-Darling. If this Government is serious about regional development it should consider the impact of its club tax on jobs in those areas.

I understand that the Labor Government is planning to sell off the State's forestry assets. How many jobs will that cost? The thousands of jobs that Labor's policies are responsible for removing from country communities make a major downstream contribution to local economies. Speaking of jobs in country areas, irrigation is the mainstay of many rural and regional communities. We need a definitive statement from the Minister about whether he supports Federal Labor's determination to allocate 1,500 gigalitres in environmental

flows to the Murray River. That would effectively wipe out many irrigation communities. It has been said that where the water flows investment goes.

There are general disincentives to businesses operating in New South Wales, including high payroll tax rates, ludicrous workers compensation premiums and occupational health and safety red tape. Obviously, very few members of the Labor Party have ever run or owned a business. If they had they would understand how tough it for business in New South Wales, especially in rural and regional New South Wales. The Labor Party's decisions, policies and attitudes that I have outlined do nothing to inspire confidence or to encourage business relocations to regional areas. The future of our country communities is inextricably linked to the State Government's willingness and ability to attract businesses and jobs, and to create opportunities and provide adequate services and infrastructure in regional areas. We need a major attitude change from Labor if this legislation is to do any good.

Most of the clauses are routine. Clause 5 gives the Minister discretion to grant, withdraw or vary financial assistance to people proposing to establish an industry or other business that is likely to assist in developing a regional economy. Clause 6 provides that the financial assistance granted under the legislation may consist of all or any of a grant of money, subsidy or payroll tax rebate. That would be fine, but given that the department's budget is being cut one must question the extent to which the clause will have any meaningful impact. Clause 7 enables the Minister to make a grant of financial assistance subject to conditions such as meeting specified performance targets or outcomes, obtaining specified investment levels and repayment of assistance where targets, outcomes or investment levels are not met. Clause 8 specifies that an employer must pay all payroll tax for a year to entitle the employer to qualify for a rebate for that year.

Clause 9 enables the Minister to require financial assistance to be repaid if a condition of the assistance was that it be repaid or if a condition has not been complied with. Will there be any latitude in the event of a severe general economic downturn or a local economic shock that causes a business to renege on one or more of its conditions? The recent drought is an example of a situation in which country businesses, including those not directly involved in agriculture, have experienced a major downturn. Drought causes a major negative flow-on. One in four jobs in agriculture have been lost in Australia as a result of the drought. That has an impact on any business in a country area, but obviously it has a greater impact on those directly involved in agriculture. People do not have the money to spend at the local car dealership or coffee shop. It would be most unfortunate if the Government were to contribute to the demise of a country business by enforcing the agreement when a business is grappling with a major problem not of its own making.

Clause 11 provides for the establishment of a regional development trust fund into which money appropriated by Parliament and other money, including gifts and bequests, is to be paid for the purposes of the legislation. The fund is to be used for the payment of financial assistance under the legislation and to pay the costs of administering the legislation. The Minister's second reading speech states that the trust will encourage private sector contributions to regional development across New South Wales. The Government believes that large businesses have a responsibility to the regions and towns in which they operate, and that if they close or reduce their operations in those towns they have a moral obligation to help the community to find new investment and employment opportunities.

I would like several assurances and explanations. How will the trust encourage private sector contributions? How will the Government apply moral pressure to companies closing or reducing their operations in a town? What criteria will be applied to expected contributions? Will companies in serious financial trouble be expected to pay and by so doing further endanger their capacity to survive? What consultation has taken place with New South Wales businesses or industry representatives about this fund? Will the fund act as a disincentive to businesses looking to set up in a regional area? The mechanisms for encouraging contributions and applying moral pressure are not spelt out in the legislation. The Minister states that contributions to this fund will be held in the trust and reinvested in the local communities concerned. That statement is not supported by the legislation. There is no mention of the money being reinvested in the local area from which it came. The fund must not become a Labor Party slush fund, distributing largesse at the Minister's whim.

Clause 12 gives statutory recognition to the Regional Development Advisory Council, which comprises the chairs of the 13 regional development boards. The council advises the Minister on any matter referred to it by the Minister and any other matter it considers relevant to the object of the legislation. This council is already operational, so there is little change. It is all about resources and power allocated to the council. It is pointless if the Minister takes no notice of the council's recommendations. I know that this Minister will; he is a good bloke. He is a former member of the Staysafe committee. However, he may not always be the Minister for Regional

Development, and his successor may totally ignore the council's recommendations. If statutory recognition means that country New South Wales has a louder voice in trying to convince the Labor Government to agree to a better deal and provides a forum for regions to share and learn from each other's experiences, that will be a good thing.

Clause 17 repeals the Country Industries (Pay-roll Tax Rebates) Act 1977. Its functions will be undertaken by the Regional Business Development Scheme. There is a definitional change regarding the areas of the State that can access assistance. Under the scheme businesses in Newcastle and Wollongong are eligible for assistance, thereby effectively diluting the scheme for country areas. Labor's pre-occupation with Newcastle, Sydney and Wollongong is cause for concern. Will there be sufficient money for businesses west of the Great Dividing Range and on the north and south coasts? The Minister stated in his second reading speech that the Regional Business Development Scheme has an annual allocation of \$8 million. Have the mini-budget cuts to the department's budget impacted on that scheme? Is this a guaranteed \$8 million a year? Country communities have not forgotten that in 2000 the Labor Government voted against The Nationals private member's bill. The honourable member for Lachlan introduced that very good bill, but sadly the Government rejected it.

Mr Ian Armstrong: Twice.

Mr ANDREW STONER: Yes, it was voted down twice. The Payroll Tax Amendment (Country Employment) Bill would have provided an exemption from payroll tax for businesses located in rural areas of the State, including value adding primary industries or businesses employing additional workers aged 25 or under. Many areas have unacceptably high levels of youth unemployment, and that bill would have gone a long way to helping ease that terrible situation. The Minister claimed in his second reading speech that his Government is responsible for more than \$2.9 billion in investment and the creation of more than 19,000 full-time jobs in regional New South Wales since April 1999. Obviously that data has been compiled for the Minister to make that claim. I ask that the Minister furnish the Parliament and me with a copy of it. I would like information about the nature of assistance provided to those businesses, the number of jobs created in each instance and the locations at which those businesses were established.

In conclusion, many elements of this bill represent little more than an attempt by Labor to be seen to be doing something about regional development. Sadly, hyped media spin from glass office towers overlooking Sydney Harbour is something of a hallmark of this Government. Unfortunately, it does nothing to enhance economic development and decentralisation in rural and regional New South Wales. If Labor were truly and seriously committing itself to the principles contained in clause 3 of the bill we might start to see a reversal in the absolute neglect of country and coastal New South Wales by this Government. The Nationals and Liberals will not oppose the legislation, but I remind this New South Wales Labor Government that actions speak louder than words.

Mr RUSSELL TURNER (Orange) [10.28 a.m.]: It gives me pleasure to speak on the Regional Development Bill. As the Leader of The Nationals said, the Opposition will not oppose it and certainly supports it in principle. Honourable members on this side of the House support any legislation, plan or financial assistance designed to promote regional development. One hopes that somewhere down the track this bill will achieve some of the stated aims. I note that the Minister has set out the legislation's main aims, which include: to enshrine in legislation important principles relating to economic development and employment growth in regional New South Wales; to link financial assistance to regional industry to jobs and investment targets; and to establish the Regional Development Trust, which will encourage private sector contributions to regional development across New South Wales. Although the Minister said that he hopes to encourage private sector contributions, I cannot see anything in the legislation that will encourage superannuation funds or even the State superannuation fund to make a contribution to the fund.

Perhaps the Minister for Regional Development could consider how superannuation funds, which have vast amounts of money to invest, could become involved in the Regional Development Trust. One of the four main aims of the bill is to give statutory recognition of the work of the Regional Development Advisory Council. I note also that the bill enables the Minister to grant financial assistance to a person conducting, or proposing to establish, an industry or other business in a region. I hope that "region" will include not only large cities and towns, such as the city of Orange and the town of Cowra in my electorate, but also small villages. Country members with small villages or towns in their electorates are constantly asked, "How will you attract development and jobs to our area?" We are stymied as we do not have an answer—it is difficult to attract development to a large city or town, let alone to small villages.

I hope the bill will provide assistance not only to regional industry but also to farming enterprises that in many instances are value adding. For example, the MacSmiths at Cudal have established a canola crushing

plant. Another farm might put in a lime crushing plant or other infrastructure that creates extra jobs. Many vineyards throughout my electorate now have cellar door sales, crushing facilities and so on. They are major regional industries and value-adding rural enterprises that should be encouraged. I note that under clause 5 (1) the bill enables the Minister to grant assistance to a person or a group of persons for the purposes of carrying out an undertaking that is likely to assist the economic development of a region. In determining whether to grant financial assistance, the Minister may consider the likely economic impact on a region of granting it assistance.

Financial assistance may consist of a grant of money, a subsidy or a payroll tax rebate. I hope the Minister will recognise that we are concerned not only with new enterprises and new jobs but also with existing businesses that are planning to upgrade in order to maintain existing employment. I acknowledge the assistance this Government has given to the Electrolux plant in Orange, which is undergoing a major restructure. Although the size of its work force must be reduced, it is guaranteeing to maintain existing jobs. I hope the financial assistance guidelines will also take account of companies such as Electrolux. As to repayment guidelines, the Minister may require a person to repay financial assistance received if that was a condition of the assistance. I hope that enterprises will not find it too onerous to get loans in the first place. I hope that businesses will receive all possible assistance and that funding will be made available to as many people and companies as possible, within reasonable guidelines that ensure their future viability.

Regional development comes in many forms. I have seen regional development boards come and go in Orange, and I do not believe they have ever really achieved their aims. Such bodies hold many meetings, but most of the businesses they purport to assist or promote would probably have succeeded any way. I sometimes doubt the benefit of regional development boards, country enterprise zones, and other departments and facilities that have been set up over the years. I hope this bill will achieve more than has been achieved in the past. State and Federal governments must lead by example, as I have said many times in this place. It is good to see the honourable member for Lachlan in the Chamber. As Minister for Agriculture, he instigated the relocation of the Department of Agriculture to Orange. That is a prime example of a government leading by example and showing how decentralisation can work and how jobs can be successfully relocated outside the Sydney Basin.

That relocation has been a wonderful success story—I will not go into the cuts and the rationalisation occurring at present. Appropriate assistance was provided not only by the State Government but also by Orange City Council, which launched a staff education program. Council representatives travelled to Sydney and sat down with departmental staff and their families to allay their fears about moving to a country town. Many of them had not been over the mountains before. They were not aware of the educational, medical and shopping facilities available in Orange. Once their fears were allayed they were much more comfortable about moving to a regional area.

There is more to regional development than merely passing a bill. We must lead by example and support private enterprise. We must build road and rail infrastructure, we must build schools, and we must maintain law and order. Most importantly, we must provide cultural facilities, because without them we will not convince families to move from Sydney, where such opportunities are readily available. There is more to attracting businesses and jobs to the regions than simply creating a trust fund that offers a certain amount of money.

I have another concern regarding industries in Orange or in country areas. I particularly mention the Langfield Pastoral Company, which is a major poultry enterprise at the southern end of Cowra, in my electorate. The company was looking to separate its breeding facility from its laying facility and to relocate it for quarantine purposes. However, one of the councils it approached initially put so many conditions on the company's relocation to its area—such as upgrading the road to allow access by B-doubles—that the move became unviable. The company would have had to spend hundreds of thousands of dollars before it got to the farm gate, let alone build the facility. So the company approached another council, which welcomed it with open arms, and relocated its facility at virtually no cost. The company moved to that area because the first council imposed so many conditions that it made the relocation unviable.

State, Federal and local governments can assist regional development not only with money but with in-principle support and legislation. I acknowledge the Howard Government's plan to attract skilled migrants to the regions. I hope that that policy is supported by local and State governments and that the plan gets off the ground. Regional areas do not receive their share of migrants—most of whom settle in Sydney. Orange is successful today partly because of the post-World War II migration program. At that time many Italian, Dutch and German migrants found employment with Emmco—which then became Email, and is now Electrolux—and helped Orange to grow. Migration to Orange is now down to a trickle. The people who are moving to Orange these

days tend to be from Sydney or of Australian background, rather than migrants. We could promote regional development by making sure we get our share of skilled migrants and refugees. The State Government could assist in that regard by establishing appropriate TAFE courses in major areas, such as Wagga Wagga, Dubbo, Orange and Tamworth, to teach English and other skills that migrants may need.

I have been advised that the Government will provide an annual funding of \$8 million for regional development. I hope that is only the beginning and that the funding will be increased over time. No fine detail has been provided as to how the Government intends to encourage private enterprise to put money into the Regional Development Trust. I look forward to hearing the Minister's comments on how we can also get superannuation funds involved in putting money into the Regional Development Trust. It can be done if there is a will. The Government talks about guarantees and sureties, and companies going bust, and it says there is not as much security in regional areas. Again, if the State Government is serious about regional development it can overcome those problems by providing guarantees.

I hope that regional areas west of the Blue Mountains and on the North Coast and the South Coast receive their share of grant funding, and that the vast majority of the funding does not go to Newcastle and Wollongong. The Minister said he will enshrine these measures in legislation. I trust that the Government will see regional development as a serious issue, and that it will not simply talk about drafting legislation and putting some money into addressing the issue. I hope the Government is as serious as The Nationals are about real regional development on the North Coast and the South Coast and west of the Blue Mountains, and not just in Newcastle and Wollongong.

Mr ANDREW CONSTANCE (Bega) [10.42 a.m.]: The question that comes to my mind in relation to the Regional Development Bill is: Where has the Carr Government been on these issues for the past nine years? It is amazing that in 2004 a bill is introduced to establish a framework to enhance regional development. The bill is about the future of regional development in New South Wales and, of course, the Coalition supports any measure that puts a general focus on regional development. Having said that, I can only encourage the Minister for Regional Development and the department to get out into regional New South Wales and talk to some of the key experts who provide advice and consultation on regional development issues. I believe that we have a long way to go in relation to necessary consultation with people who have the expertise to facilitate regional development.

This bill must go beyond simply providing financial assistance. It must promote partnerships between the various tiers of government—local, State and Federal—to enhance economic and social development in regional areas. We know regional development goes beyond increasing infrastructure and employment in an area; it is also about enhancing what is already there. Regional development is about engaging the community and ensuring that regional communities and businesses work together as the main drivers of change in the regional parts of the State. It is the responsibility of government to assist in those partnerships, rather than dictate to business how it should function.

Recently my office received a letter from Robin Owen, a director of Cluster Navigators Australia, which made it very clear that regional development needs to be driven from a community level. Mr Owen referred to the book *Strategic Foresight: The Power of Standing in the Future*, which I suggest the Minister read. Unlike other State governments in Australia—such as the Bracks Government in Victoria, which has been addressing these issues for a long time—the New South Wales Government is again behind the eight ball. In his letter Mr Owen made the point that the regional development approach should be very much carried out in the textbook style of that used to achieve government funding for Eden since 1997. As members would know, there was a lot of microeconomic reform in Eden. Mr Owen went on to say:

My colleague Gordon Barclay has estimated that about \$80 million has been injected into the Eden economy, largely due to regional development efforts applied by the community and delivered largely by government.

The process used with the South East Regional Strategic Planning Forum worked well because it was driven by local champions who generated social capital, working with a critical mass of local businesses that were investing in technology and knowledge formation. Since 1997 this process has evolved from its Mindshop business planning base to become the Cluster Navigators process driven by Mindshop.

These are the types of people who need to be engaged in the regional development process. I express concern about the Regional Development Advisory Council and which experts will sit on it—or, more to the point, which politically affiliated people will sit on it—because there are terrific ideas in regional New South Wales that need to be captured. The Minister indicates he has read the book to which I referred.

Mr David Campbell: Which chapter?

Mr ANDREW CONSTANCE: Chapter 7. The Minister would have noted that a number of key factors identify the types of environments that should be created to ensure that regional development succeeds in New South Wales. I agree that regional development encompasses innovation, high technology and the like. The book highlights the need for a high-tech business environment, which includes the establishment of high-tech clusters. Clusters are not simply a fad; they work. On the far South Coast, the Bega Cheese Co-operative is a great example of a regional cluster that is working for a local economy. A high-tech business environment also demands proximity to excellent research institutions. There is a real need for excellent research institutions in regional New South Wales. However, we have a Government that continues to gut TAFE institutions in regional areas. It is important that the Government not only establishes advisory councils to manage trust funds, as the bill does, but also provides closer examination of the best direction for technology and education in regional New South Wales.

Universities such as the Southern Cross University, in the northern part of the State, have succeeded to this end. However, more assistance and better co-ordination between education technology and access to capital needs to be provided throughout the State, to ensure that regional development proceeds in the way we need it to proceed. It is important to ensure that regional development does not focus simply on taxation measures. There are obviously other ways in which the Government can assist regional communities, whether through land availability or assistance through the planning processes.

The book I referred to stipulates that another important factor in ensuring the success of regional development is the low cost of doing business. This includes matters such as tax structure, compensation costs and other costs associated with creating an appropriate business climate. It is also important, as exemplified on the far South Coast, that people must have an attractive place in which to live. We have a wonderful opportunity in this State to create telecommuting corridors. The State Government must play its part in ensuring that technology is enhanced in regional areas. It would be terrific if a lot more people lived in regional New South Wales and worked for some of the leading businesses of the world and Australia. It is important that we create that environment. I am not convinced that the Government has thought through what regional development means. It is important for the Government to give a clear indication of support, beyond establishing another advisory council, and provide more funding.

Another important requirement in my area is the enhancement of our current industries. The commercial fishing industry is suffering much pain, and maybe the Government can do more to reduce the amount of red tape associated with industries so they can not only continue but also enhance their businesses. For instance, the Government could assist by looking for better marketing opportunities for regional businesses. The Opposition will not oppose the Regional Development Bill, but it is concerned that the Government has failed regional development in the past.

Mr IAN ARMSTRONG (Lachlan) [10.51 a.m.]: The Government has missed four golden opportunities to demonstrate its credibility in relation to regional development. The first was in 1995 when it came to office and had the opportunity to pick up the template established by the previous Government, which moved the Department of Agriculture from Central Railway to Orange and created 482 positions in the region. Everyone talks about the number of jobs but it is often not recognised that one of the most important consequences is the increase in local productivity that follows the decentralisation of government agencies and allied businesses. For example, Incitec Ltd, Dalgety Essex, a computer business, and Poolman and Partners moved to Orange within 12 months to service the Department of Agriculture, with a resultant additional 660 jobs in the area. An analysis of the productivity of the Department of Agriculture in the third year after its move to Orange showed an improvement of 27 per cent. The Government did not build on those factors.

The second opportunity was as a result of a tender won by the previous Government to develop 712 mine hunter vessels in Newcastle. The forecast profitability of that project was in relation to not only jobs created in Newcastle but, more particularly, new developed technologies. Subsequent to the mine hunter project development, a major growth in those technology industries in the Hunter Valley was hoped for. The previous Government put a lot of money into that project and in 1991 it won the tender in opposition to Western Australia, South Australia and Victoria.

The third missed opportunity was when every member of the Government, including every Country Labor member, voted against a payroll rebate for young people in new jobs in inland New South Wales. The Government has twice rejected that opportunity. The fourth missed opportunity relates to how in the past nine years Queensland to the north and Victoria to the south gutted regional growth in New South Wales on a per capita basis, and almost doubled its own regional growth. I instance the furniture manufacturing industry, the

caravan manufacturing industry, and the canning and food processing industries, which have essentially contracted into northern Victoria. The growth prospects for inland New South Wales are probably best recognised by the fact that one inland seat will be eliminated in the projected forthcoming redistribution of State seats. In an earlier distribution when this Government was in office another inland seat went. The Government cannot argue against the fact that inland regional New South Wales is not growing as much as coastal and city regions.

The bill provides for a trust, which I favour because I have chaired the Cowra Community Development Trust for some 12 years. The board of that trust comprises six local businesspeople. It was granted some \$250,000 by a company that vacated Cowra about 13 years ago, and it still has \$240,000. In the meantime it has distributed more than \$750,000 in start-up funding for various small businesses. The Cowra Community Development Trust has become the template for Commonwealth legislation. Various New South Wales State public servants and the Cowra community developmental officer employed by the shire council have reviewed the trust, but it is independent of the shire and is a stand-alone trust that provides start-up assistance to businesses that specifically add to employment within the Cowra district. The trust is point specific: its purpose is job creation, not advertising or anything else.

The shortage of skilled workers and labourers in inland New South Wales is now critical. There is a critical shortage of painters, carpenters, motor mechanics, plumbers and electricians almost everywhere, even in small towns such as Lake Cargelligo. The large Plymouth Brethren community in Lake Cargelligo has brought a plumber and a carpenter to town but the town could do with more. Approximately 100 skilled people relocated to Griffith after the closure of BHP in Newcastle, but Griffith is still crying out for another 50. Cowra, my hometown, needs another 5 to 10 builders, who would each possibly employ another three workers. Forbes is lacking skilled labour, and the major reason for that is the contraction of TAFE facilities. Five young men in Grenfell wanted to do the automotive engineering course this year, but they would have had to travel to Sydney to do it. That was impractical, so they did another course.

Why do we need to employ skilled people? For instance, A. R. Sealey and Company at Condobolin is the largest distributors of IHC Case equipment in Australia, which is the biggest selling brand of farming machinery. In Temora and Young, A. R. Carruthers and Sons, trading as Temora Inter Sales, is the second largest distributor of IHC Case equipment. They are also crying out for skilled tradespeople that TAFE is not producing. I ask the Government to consider the disproportionate distribution of TAFE resources in inland New South Wales.

The Shires Association of New South Wales conference is now being held and a deputation will brief Ministers today. In Lake Cargelligo the release of more land has been needed for the past three or four years, and it is now urgent. Barrick Gold in West Wyalong is about to start the Lake Cowal operation and is desperate for land, and this afternoon someone from the shire will come to the Parliament and seek a meeting about that. We have been writing letters for three years to get more land released in West Wyalong and Wyalong but the Government cannot see the need for that.

I note that the Government says it has invested \$2.9 billion in regional mine development. Together with the Leader of The Nationals I ask the Government to clarify the position. If the Government counted mining in that amount I remind it that it did not put the minerals there, and that every mining project is funded by private enterprise. Barrick Gold is an international company at Lake Cowal. The Cadia mine at Orange and the mineral belt that runs Browns Creek at Blayney to Condobolin are all privately funded. The Government consents to the projects and has carriage of and responsibility for the regulations, but it should be honest and say it did not put in any money into the projects.

The roads budget cut of \$100 million this year is having a dramatic impact on regional development. There is only repair and maintenance of roads in inland New South Wales; there is virtually no construction of roads. There is no repair, no new infrastructure and no replacement of wooden bridges that are incapable of carrying the prescribed loads. This week a number of shires want to talk to Ministers about how they will handle the next wheat harvest with bridges that will not carry designated loads. The Government has to recognise that regional development requires transport, and that transport requires funding for suitable roads. I ask the Government to recognise that, cut the rhetoric and put in the money.

Irrigation was debated last night and once again we need certainty and clarity for investment in irrigation. Twenty-two inland towns in New South Wales lost their air services three years ago. As a result, a bipartisan committee was formed under the previous Minister for Regional Development and approaches were

made to Canberra. But it has died; nothing has happened for 18 months. For 18 months not a thing has happened. More than 20 towns in inland New South Wales are still without an air service. That is impacting on those areas. I believe that the Pace chicken farms and Barrick Gold of Australia Pty Ltd would provide sufficient traffic to operate at least two 28-seater services a week in and out of West Wyalong. I would like to think that if somebody comes along with a proposition to that effect the Government will get fair dinkum and assist the restitution of that air service.

Tourism is a great business. However, I refer to the bloody-mindedness of the Roads and Traffic Authority [RTA] when it comes to tourism and signage in country areas. If there is no signage there is no tourist industry. Only a few weeks ago I visited the Hunter Valley and I thought it was marvellous. There was wonderful signage in the Hunter Valley—it was well done and it was sensibly done. You virtually could not get lost. However, there is a dearth of signage in most other towns throughout the State. I have received copies of letters written to the Minister for Tourism in this regard, and she in turn has been in touch with the RTA. The RTA is in transit in regard to signage.

Finally, I refer to the Bells Line of Road. In the next few weeks an engineering feasibility study into the prospect for a four-lane divided highway approximating the Bells Line of Road will be released. We hope that that project will commence in 2007 and conclude in 2010. I assure the House that investors in private enterprise have expressed interest, as have major developers and major construction companies, in developing that road. Currently there are about 12,700 vehicle movements a day on that road and there are a little over 25,000 vehicle movements a day on the Great Western Highway. If there is to be regional development in inland New South Wales there must be roads. One of the major keys to regional development is the development of the Bells Line of Road, which would allow B-double access to the ports of Sydney. At the moment B-doubles from the west of the State cannot access the airport or the seaport of Sydney. It is essential that that project go ahead. A lot of negotiations and so forth will have to be undertaken.

Every elected member of Parliament from inland New South Wales—be they Independent, Labor, Liberal or The Nationals—is signed up and committed to that project, as are the 15 regional councils in the central west of the State. The report on the feasibility study is due in four to six weeks, and I hope it will be positive. We look forward to working with the Government and seeing that project come to fruition before the end of this decade. The future of New South Wales and Sydney is not in the Sydney Basin but in the regions, because we are the only ones that can accommodate the increased population projection for the future.

Mr BRAD HAZZARD (Wakehurst) [11.02 a.m.]: The Government has taken an awfully long time to introduce the Regional Development Bill. It has taken a long time to consider the serious need for regional development. The Carr Government has been in power for 10 years. However, for the past 10 years the Government has basically looked to Newcastle, Sydney and Wollongong. As I have travelled around the regional areas for the past decade, I have heard the question, "Why does the Carr Government ignore us?" The problem with this bill is that it does not guarantee that there will be any additional regional development whatsoever. It is almost a Clayton's Regional Development Bill: it is the bill the Government has when it has to have a bill but does not really know what sort of bill it should have. Clause 3 outlines the objects of the bill. It states:

The object of this Act is to provide a framework for strategic intervention in the economies of regional New South Wales for the following purposes ...

I will not go into those purposes. However, when I read the bill and try to work out what is a framework for strategic intervention I cannot find anything. Nothing in the bill indicates what sort of strategic intervention there will be. The bill refers to some financial assistance opportunities and the establishment of a Regional Development Trust Fund. When one looks at the financial assistance provisions, one sees that the granting of such assistance is entirely at the discretion of the Minister of the day. Clause 5 states:

(1) The Minister may, on application made to the Minister, grant financial assistance to ...

It refers to persons who establish an industry in various circumstances. However, it does not say anywhere in the bill precisely what criteria the Minister will apply. Clause 7 refers to conditions of grants of financial assistance. Again "may" is the operative word—it is perhaps the word that the House should focus most on today. Subclause (2) of clause 7 states:

Without limiting subsection (1), conditions may relate to the following:

(a) meeting specified performance targets or outcomes,

- (b) obtaining specified investment levels,
- (c) repayment of assistance where specified performance targets or outcomes or investment levels are not met as required under a condition to which the grant is subject ...

The whole bill is a maybe—"We may do this. We may do that. We have some new objectives but we are not specifying what they are. We do not have any idea how we are going to do this." As other honourable members have said today, nothing in the bill requires a focused, co-ordinated, across-the-board, across-portfolio approach to the various departments that need to be working together to encourage and support regional development. I am the shadow Minister for Energy and Utilities, covering specifically the major power utilities and water utilities. From the point of view of Sydney, Newcastle and Wollongong, it is absolutely crucial that there be regional development. We need to get people out into the regions. The regions need more people. When the regions have tried to do something for themselves they have had absolutely no encouragement or support from this Government for a decade.

When I travel to places such as Wilcannia—which has a population of about 850 people, of whom about 90 per cent are Aboriginal—people tell me that they have ideas, that they have local community groups working with the council and that they know what they want to do, but they cannot get State Government support. The people of Wilcannia find it hard to get the Government to focus on their needs. That brings me to two points about this bill: it makes no mention of working with local government—not a word—and it makes no mention of targeting disadvantaged regional communities. As part of the strategic framework, there is no focus, no target, nothing, from the Carr Government for Wilcannia, Brewarrina and many disadvantaged communities. This bill is a do nothing bill; it is all totally in the hands of the Minister.

I would like to say a lot about the utter incompetence of this Government in regard to regional development, but I indicated to members on both sides of the House, to the Leader of the House and to the shadow Leader of the House that I will limit my words today. I look forward to another opportunity to point out that this bill will do nothing and will achieve nothing unless the Minister goes beyond the usual bureaucratic bunkum of the Carr Government and starts working with local communities and local government. The Government should be looking seriously across all portfolios to encourage business into the regions. This bill does not present much, except an opportunity for a wordfest from the Government.

Mr DAVID CAMPBELL (Keira—Minister for Regional Development, Minister for the Illawarra, and Minister for Small Business) [11.07 a.m.], in reply: I acknowledge the contributions made by Opposition members and I will try to work through some of the issues raised by them. In particular, I acknowledge the contribution of the honourable member for Orange. I thought he gave the most appropriate response in regard to what it is like to live and work in a regional community and to try to attract some investment into it. He commented, in particular, about the small towns and villages in country electorates. I draw his attention to the fact that the Towns and Villages Futures Program is an initiative of this Government and is supported under the principles of this bill. Last year 27 communities received support from the Towns and Villages Futures Program to improve their local economies.

The program is aimed at communities with less than 2,500 residents. Indeed, just recently I advised New South Wales that applications are open for funding for this financial year. I again urge local councils, chambers of commerce, community business associations and community groups to apply for funding to help get local economic development projects off the ground in small towns and villages. The honourable member for Orange also acknowledges the importance of attracting new investment and business to country and regional New South Wales and encouraging small businesses to expand. I am not sure whether I was damned with faint praise by the Leader of The Nationals when he expressed confidence in me as the Minister for Regional Development, but I appreciate his comments. I am pleased that the Opposition will support the bill because this is the first time that the principles of regional development have been enshrined in legislation.

We have heard the ongoing myth of Queensland versus New South Wales—not with respect to the State of Origin but to the economy. I shall give the House two case studies to demonstrate that New South Wales is holding its own against Queensland. In March 2002 a company called Blackwatch Boats, which manufactures fibreglass game fishing cruisers and houseboats, closed its Queensland operations on the Gold Coast and relocated its entire operations to Chinderah, south of Tweed Heads. Last year Kellogg's announced a \$13 million expansion of its Charmhaven facility on the Central Coast and closed down its operations in Queensland. This will add a further 121 jobs to an already 69-strong work force on the Central Coast.

The Leader of The Nationals spoke about taxes and the mini-budget, but it did not propose alternative policies for regional development. Nevertheless, I appreciate his support for the direction in which I am heading in the introduction of this bill. A number of speakers referred to taxes. When members opposite consider the

impact of taxes on business, they should remember that for every dollar in tax that the New South Wales Government collects, the Federal Government collects \$5. Payroll tax should also be considered. When the Coalition was in government, payroll tax peaked at 8 per cent; under this Government it is 6 per cent. I should also point out that 94 per cent of all businesses in New South Wales do not pay any payroll tax, so it is not a huge issue because only 6 per cent of businesses in New South Wales have a payroll tax liability. Also, payroll tax is not charged to businesses for the salary and wages of apprentices and trainees, an initiative to encourage skills development and the private sector to employ trainees.

I shall provide some information about requests for clarification of repayment. Any funding agreement made under this legislation may specify the critical benchmarks. Failure to meet those benchmarks will require the repayment of assistance. Funding agreements may also specify benchmarks, which, if met, will lead to additional assistance in the future. Failure to meet these benchmarks will not automatically require their repayment of earlier assistance. I advise the House that the Department of State and Regional Development will make sensible decisions about whether repayment should be demanded. For instance, if a business is attracted to a town and a five-year drought follows that has an adverse impact on that business, that matter will be taken into account. The bill seeks to encourage sustainable investment in regions and businesses to flourish and continue to employ people.

Honourable members opposite seem to be hung up on the Regional Development Trust Fund, although I appreciate the support of the honourable member for Lachlan. His comments demonstrate his understanding of the way in which the fund will work. The Regional Development Trust Fund will provide a transparent mechanism for the handling of voluntary contributions by industry for regional development. Having this clear mechanism will encourage business to be transparent and accountable with respect to those contributions. Assistance granted under the various programs established as a consequence of this legislation will continue to be extended in accordance with the normal protocols of the Department of State and Regional Development.

I am extremely proud to be the Minister who has introduced for the first time a bill that enshrines in legislation the principles of regional development. The New South Wales Government has worked hard to attract investment and jobs to country New South Wales. However, this commitment must be backed up by legislation, hence the introduction of this bill, which provides a modern framework for regional development programs. The bill enshrines in legislation important principles relating to economic development and employment growth in regional New South Wales. It supports the existing policy setting of the Government, and takes that further by way of contemporary legislation.

The bill also links financial assistance for regional assistance to jobs and investment targets, another accountability mechanism. The trust fund will give businesses the opportunity to make a broader contribution and I have no doubt that the trust fund will encourage voluntary private sector contributions to regional development across New South Wales. However, it is not envisaged that those contributions will be compulsory. The bill provides statutory recognition of the important work undertaken by the Regional Development Advisory Council. The council is made up of the chairs of the 13 regional development boards and advises the New South Government on how to promote economic development in regional areas. The bill cements in legislation the Government's commitment to job creation and investment in regional areas of the State. I appreciate the Opposition's support for the bill.

Motion agreed to.

Bill read a second time and passed through remaining stages.

CRIMINAL PROCEDURE AMENDMENT (SEXUAL OFFENCE EVIDENCE) BILL

Second Reading

Debate resumed from 14 May.

Mr ANDREW TINK (Epping) [11.17 a.m.]: I lead for the Opposition on the Criminal Procedure Amendment (Sexual Offence Evidence) Bill and indicate our support for the bill. The object of the bill is to amend the Criminal Procedure Act to make specific provision, similar to that available to children under part 4 of the Evidence (Children) Act 1997, for alternative arrangements for the giving of evidence by closed-circuit television and use of screens and other means to be available to complainants giving evidence in sexual offence proceedings. The bill arises from some recent distressing circumstances affecting a victim of an alleged sexual assault in which a retrial was ordered.

My main concern is not so much what is in the bill but what should be in the bill. The long title of the bill is "an Act to amend the Criminal Procedure Act to further protect complainants in sexual offence proceedings to make consequential amendment to the Evidence (Children) Act and other purposes". It is quite clear that this bill is incomplete. The controversy arose a few weeks ago when the judge directed a retrial of Bilal Skaf with respect to an alleged sexual assault. At that time a number of proposals were put forward by the Leader of the Opposition and me, which should have been included in the bill as they are consistent with the long title of the bill—that is, making further provision to protect complainants.

When the evidence of the victim is found not to be in question by the appeal court the trial evidence should be accepted at a retrial. Legislation should be introduced so that an appeal court cannot order a retrial unless there is clear evidence that a jury was improperly influenced, rather than the current test in which the court is required to weigh the possible prejudicial impact. If an alleged victim is required to give evidence at a retrial the court should be required to direct that only the evidence in question is retested. If an alleged victim is required to give evidence at a retrial the evidence should be heard via remote video link. As a starting point, it is imperative that the evidence of all future sexual assault victims is videotaped for possible future need.

Those were the Opposition's suggestions. I am the first to concede that they would require the closest attention and examination. I hope—and it would be my intention if I were in the Attorney General's position—to put these matters to the Law Reform Commission for detailed analysis. It may turn out that some aspects of the suggestions are too difficult to achieve, but other aspects may well be achievable. The proposal to allow the videotaping of a considerable amount of evidence that might be replayed in that form in future proceedings—proceedings which may require only limited findings of fact by a jury in relation to matters dealt with by the Court of Criminal Appeal—deserves the most careful and close attention.

At one level I have heard it strongly argued—I think it might have been the Director of Public Prosecutions [DPP]—that the Court of Criminal Appeal has a basis for stepping in in such cases without the matter going back for a retrial. There are all sorts of possible combinations that require the closest attention. I am sure all members of Parliament agree on one thing: Keeping the trauma of a victim to the absolute minimum should be the primary concern of all of us while at the same time providing for a fair trial of an accused person. I do not believe that these matters can be dismissed relatively out of hand as they have been.

I refer to an answer given by the Attorney General to a question from the honourable member for Strathfield on 11 May. The Attorney General did not make the second reading speech on this bill; the Minister for Mineral Resources made the speech on his behalf. In effect, the policy basis for this bill was delivered by the Attorney General on 11 May. He made a number of points as well as making a fairly pointed attack on me based particularly on the opinions of the Director of Public Prosecutions. At the moment I am extremely concerned about the criticism the Attorney General has levelled at the Queensland DPP in relation to opinions on sexual assault cases provided by his office. In the *Courier Mail* of 31 May this year Hetty Johnson, who complained about and campaigned so strongly against the former Governor General, Peter Hollingsworth, is bitterly critical of the competence of the New South Wales DPP in relation to his opinions on sexual assault matters. The article stated:

Victims of sexual abuse could have no confidence in the Queensland criminal justice system and would not come forward until the system corrected itself, according to Hetty Johnson ...

Ms Gilbert's statement—

she is the victim in the Queensland case—

to police—

I am sorry to read this onto the record but unfortunately it is fundamentally important in such a debate—

that she had an "orgasm" while being sexually molested at the age of 13 was used by the Office of the DPP in NSW and by Ms Clare—

she is the Queensland DPP—

as a "major" factor undermining Ms Gilbert's credibility.

This factor and others in the legal advice adopted by Ms Clare have been condemned by leading experts in child sexual abuse as "fundamentally wrong" and demonstrably ignorant.

I raise these matters because the Attorney General has relied on the New South Wales DPP to say that my proposals, which I think should be in this bill or seriously considered, are flawed. The New South Wales DPP has been sledged from pillar to post in Queensland this week for opinions provided about an assault victim in Queensland. All members of the New South Wales Parliament should consider this issue in the context of advice proffered to this Parliament by the New South Wales DPP on such matters. On the same day—this shows how bad it is getting—the editorial in the *Courier Mail* stated:

The contents of Mr Cowdery's report, as revealed by one of the complainants, include some controversial statements, including that it was unlikely that a 13-year-old girl would have experienced an orgasm while being indecently assaulted and that it was doubtful that a 12-year-old girl would have had breasts at that age. It did, however, include an assessment, based on a statement by ... stepbrother and others, that ... was a thoroughly disreputable man given to inappropriate touching and comments to young [people] in his charge. Subsequently, Mr Cowdery has denied making this assessment.

Mr Cowdery is now denying that he played any part in the submission made by the Office of the DPP. It was not him; it was someone else. It was not his homework but that of someone in his office. That sounds familiar in terms of blaming other people for failing to lodge the appeal in time. I return to the relevant issue. The editorial further stated:

He said he had not personally written all the advice given to the Queensland DPP. But Mr Cowdery is responsible for his office and for the advice he provided to Ms Clare. There was no point in Ms Clare obtaining advice from a senior prosecutor and fellow DPP if the person responsible for providing the advice was going to dissociate himself from some of its contents.

Basically, this is a disgrace. It calls into question the competence of the New South Wales DPP to give advice to this Attorney General and, through him, this Parliament on sexual assault matters. Finally, I refer to an edited extract of advice from Russell Hanson, QC, a leading Brisbane barrister, who gave advice to the alleged victim in this case. The *Courier Mail* of 29 May stated:

... none of the utterances of the Queensland DPP or the advice from New South Wales persuade me that the matter should be taken out of the hands of a jury and a complainant denied a trial of her accusations.

In forming this view I am comforted by the fact that the [Crime and Misconduct Commission] examined the original decision not to proceed and was critical of it. It was said that too little attention was given to the possibility that a jury may simply believe the complainant. I could not agree more.

I turn now to the other category of reasons given by the author of the NSW advice, ie, arguments based on anatomy, etc. I find the second category of reasons based on non legal considerations irrelevant, unprofessional and just plain silly. I would have no hesitation in so submitting to a judge of the Supreme Court should Mrs Gilbert decide to apply for leave to present a private (prosecution).

The credibility of the New South Wales DPP is in shreds as a result of this unwarranted and pathetic intervention in the affairs of the Queensland DPP and the criminal justice system in Queensland. At present he is hardly competent to do his job in New South Wales in key respects, up to and including basic things such as providing advice on appeal on time and not losing papers. He has no business being involved in Queensland matters. Also, relevant to the matter and the bill before the House, the DPP has no business advising this House through the Attorney General that proposals put up by the Opposition in good faith for decent and detailed consideration should be dismissed out of hand.

The DPP has been severely criticised by a number of people in Queensland—by one of Australia's leading Queen's Counsel in this area, who says the considerations of the DPP were irrelevant, unprofessional and just plain silly, by members of Parliament, by the victim of an alleged sexual assault who is a minor, and by Hetty Johnson, the champion of all sexual assault victims in Australia, who led the campaign against Peter Hollingworth. The DPP should not have the final word, or even a major word, on what should or should not be in this bill. It is a shame that the Attorney General has chosen to accept the advice of the DPP not to pursue proposals that were put forward in good faith and on which some serious work should be done. Those proposals should at least be given mature consideration by the Law Reform Commission.

We ought to be doing a little more to provide for the victims of sexual assault than this bill does. We ought to be doing a great deal more to ensure that when a witness's evidence is non-controversial a tape of the evidence can be admitted in a retrial and the issues in that retrial are limited to matters that were ruled on by the Court of Criminal Appeal. The Attorney General gave no considered reasoning in his second reading speech of what was wrong with the Opposition's proposal. I cannot accept that it should be dismissed out of hand. We have to do better than that. At the very least the Law Reform Commission must consider it in detail.

Mr BARRY COLLIER (Miranda) [11.32 a.m.]: At a time of changing and emerging technology one of the challenges of modern criminal law is how best to preserve the rights of an accused to a fair trial while

taking appropriate steps to protect vulnerable witnesses, particularly those who are alleged victims of sexual assault. I take the view that modern technology should, where appropriate, be used to preserve the balance between the rights of an accused to a fair trial and protection of vulnerable witnesses. Recently the Attorney General asked the Law Reform Commission to consider the question of protecting complainants and other vulnerable witnesses while being questioned by unrepresented accused in sexual assault trials. The use of closed-circuit television [CCTV], screens and other means of shielding vulnerable witnesses, such as seating arrangements, are possible measures that may be used.

In respect of child witnesses, the Evidence (Children) Act of 1997 already provides that children are entitled to give evidence via CCTV. That is always subject to individual assessment by the judge to ensure that the interests of justice will be served. Sometimes a judge will not use that means of giving evidence, particularly where the competence of the victim to give evidence is in question. As far as adult witnesses are concerned, the common law presumption is that witnesses should be physically present and give evidence in the presence of the accused. In other words, they should face the alleged accused when giving evidence against him. However, the court has always had discretion to act in the interests of justice and to make particular arrangements. In the trial of Phuong Ngo the Supreme Court made special provision for two witnesses who were said to be in fear of their lives to testify via CCTV. There is also some limited provision under the Evidence (Audio and Audio Visual Links) Act for the use of CCTV. That provision was originally aimed at enabling courts to take evidence from interstate witnesses and to reduce inmate transport costs by enabling inmates to give evidence via CCTV from within prison walls.

For a variety of reasons, both the defence and prosecution may be reluctant to employ CCTV, screens or other such mechanisms. The Law Reform Commission was careful to consider whether a strengthened presumption in favour of the use of CCTV for vulnerable witnesses in sexual assault matters would be likely to impinge on the rights of the accused to a fair trial. The Law Reform Commission noted concerns that a witness giving evidence from a remote location via CCTV may inhibit a proper assessment of the demeanour of a witness. How the victim gives his or her evidence, particularly where there are conflicting versions of events, is often just as important as what he or she says. The Law Reform Commission also noted that the prosecutor may be reluctant to employ CCTV on the basis that the jury may feel more distant from and less emotionally engaged with a witness who is giving evidence via a television screen.

Having cross-examined witnesses via CCTV, my experience is that juries can and do assess the demeanour of witnesses. They can and do assess the veracity of the witness's evidence when that evidence is given by CCTV. They can and do engage emotionally with the victim of an alleged sexual assault when evidence is given via CCTV. When victims give that evidence certain precautions are taken. There are always the directions of the court to comply with in a particular case. There may be objections from the defence or prosecution counsel, and evidence given via CCTV may also be the subject of an appeal in an appropriate case. It is also worth noting that when accused persons give videotaped records of interview at police stations, they are played to juries, and juries can appropriately assess the demeanour of those accused and the veracity of their evidence given in that way. Indeed, they have done so for some time.

The Law Reform Commission felt that the difficulties were not insuperable and that the court could make an assessment in any given case whether the interests of justice would be served by a witness giving evidence via CCTV. Accordingly, it recommended the extension of legislative provisions similar to those in place for child witnesses to adult witnesses in sexual assault cases. That is the purpose of this bill. The bill creates a presumption that a complainant who gives evidence in proceedings for sexual assault is entitled to, but may choose not to, give evidence via CCTV. If that technology is not available, resort may be had to other methods of protecting the complainant, including the use of screens and planned seating arrangements for persons who have an interest in the proceedings. That may involve the level at which they are seated and the people in the complainant's line of vision.

Nothing is more dramatic than a court trial involving murder or sexual assault. Often the accused's family is present. In sexual assault cases, the alleged victim's family is almost always present to support him or her. Together, these can bring great pressure to bear on the alleged victim of a sexual assault. It is important that victims of alleged sexual assault have access to CCTV and, where appropriate and when they feel the need to do so, they can have a person present to support them and provide emotional support as they give evidence. The bill acknowledges that giving evidence in sexual offence proceedings is a distressing ordeal. Confronting the accused at close quarters while answering the intimate and intrusive questions asked by both prosecution and defence can be and often is extremely distressing for victims of alleged sexual assault. Despite this legislation, it is likely that many witnesses will continue to give evidence in person. However, in other cases giving evidence

in person may represent an intolerable ordeal and the witness may decline to give evidence at all if he or she were required to appear in person. The opportunity to give evidence via CCTV rather than confront the accused face to face in a courtroom may encourage more victims of sexual assault to come forward and give evidence.

Giving evidence by CCTV will, of course, be only one part of the court proceedings, and there will be safeguards to protect the interests of the accused by ensuring the right to a fair trial and preserving the balance that I spoke of earlier. Safeguards are provided by proposed section 294B (3) of the Act in that the judge must inform the jury that it is standard procedure for a complainant's evidence in such cases to be given by those means or by the use of other arrangements. The judge must also warn the jury not to draw any inference adverse to the accused or to give evidence any greater weight because it is given by those means or by the use of those other arrangements. The Legislation Review Committee considered the bill closely and took the view, as I do, that the fact that the complainant can still be cross-examined and that the obligatory judicial warning is given to the jury are sufficient to ensure the fairness of the trial procedure. The bill does not, therefore, unduly trespass on personal rights of the accused. I welcome the bill. I commend the Attorney General for bringing it forward. I commend the bill to the House.

Mr STEVE CANSDELL (Clarence) [11.41 a.m.]: I have no objection to the Criminal Procedure Amendment (Sexual Offence Evidence) Bill. As the overview of the bill says, the common law generally requires the witness to be physically present in the courtroom and in the presence of the accused when giving evidence in relation to offences. The object of the bill is to amend the Criminal Procedure Act 1986 to make specific provisions similar to those available to children under part 4 of the Evidence (Children) Act 1997 for alternative arrangements for the giving of evidence by closed-circuit television [CCTV] and for use of screens and other means to be available to complainants giving evidence in sexual offence proceedings. The amendments in this bill are long overdue.

It is frightening to think how many women or young males or females have had to sit through court cases in the presence of someone that has traumatised them and invaded their privacy. Someone who has been raped or sexually abused has been traumatised: their dignity has been torn away, their self-esteem has been crushed and their sense of security has been lost. I believe that their belief in a society of good has been shattered as well. While facing the accused all of the horror, the pain, the anguish, the fear—or should I say just sheer terror—of their ordeal is relived. One can only imagine the intimidation these poor souls have had to accept in the past as a means of bringing these animals to justice.

We have concerns that there should be more protection for sexual assault victims in any retrial, especially if it is a retrial for technical reasons. I hope that these amendments will encourage a turnaround in unreported sexual assaults and that victims who in the past have not reported these cases, because of the fear of intimidation and having to relive their ordeal, will now come forward. I have three daughters and the thought of anything happening to them is horrific. The violence that they would go through initially in an assault is one thing, but then to have to relive it in the trial by facing the accused would be very hard for them or any other young lady to face. Although the amendments have gone a long way towards protecting victims, they could have done further. The prime purpose of the bill is to minimise the trauma of sexual assault victims, to understand the horrific and violent experience they have already endured, and to give them protection and safety rather than leave them with the fear of going to court. I hope that with this protection justice will prevail. I commend the bill to the House.

Ms LINDA BURNEY (Canterbury) [11.44 a.m.]: I strongly support the Criminal Procedure Amendment (Sexual Offence Evidence) Bill. I believe it is an incredibly sensitive bill that takes on board the feelings and the experiences of victims of sexual assault. It is also important because people who are victims of sexual assault must feel extremely traumatised, fearful and distressed. One can only imagine that. In addition to the ordeal they have been through they are then put into the surroundings of a courtroom, which are unfamiliar to people who are not barristers or solicitors. They are also unfamiliar with the processes and procedures within the court setting. We should do all we can to ease the distress and feelings of unfamiliarity experienced by victims of sexual assault. That is the purpose of the bill. The honourable member for Clarence made important points about getting more victims of sexual assault to come forward and by putting in place procedures so that they do not have to be in the same room as their alleged assailants or be close to them. Such changes will go some way to encourage more victims to come forward.

The bill contains important new protections for vulnerable adult witnesses in sexual assault prosecutions. It builds upon protections already available to child witnesses in sexual assault prosecutions. Everyone would be familiar with the story: the Government has extensively trialled the use of closed-circuit

television [CCTV] at the pilot specialist child sexual assault jurisdiction which commenced in Parramatta at the end of March 2003 and which was subsequently rolled out to a number of other jurisdictions including Penrith, Campbelltown and Dubbo. That pilot project, which is being monitored and evaluated on an ongoing basis by the Bureau of Crime Statistics and Research, is designed to reduce the trauma caused to child victims of sexual assault by court processes, as I alluded to in my opening statements. This bill extends that important and successful trial into the adult arena.

It is notorious that sexual assaults of all kinds are grossly underreported. I have already referred to that and, as I said, it is hoped that the amendments will encourage more people to come forward. The pilot project is one strategy to improve the performance of the criminal justice system in that respect. The pilot project for young people makes use of state-of-the-art technology, including a child-friendly remote witness suite wired for CCTV. Particular attention has been paid to training of court staff in the use of the new technology, specialist training resources for judicial officers and prosecutors, and the early identification and case management of child sexual assault matters. Obviously, the extension of those procedures into the adult arena comes from the lessons learned from the pilot project.

The remote facility for the pilot can accommodate two witness rooms at any given time. There is a child-friendly waiting room and facilities for private interviews with child witnesses as necessary. The pilot favours the use of CCTV and other alternative arrangements such as screens and planned seating arrangements, which is what the bill is also driving at. The pilot also favours the presence of a supportive person while a child is giving evidence, and protection from cross-examination by an unrepresented accused. The honourable member for Epping alluded to that. As honourable members would be aware, this latter protection has recently been extended, following a recommendation from the Law Reform Commission, to alleged victims when testifying in adult sexual assault cases.

I am sure other speakers will refer to the point in the consultative framework at which this recommendation has come forward and to the support of the Law Reform Commission. It is, of course, important that legislative and administrative reforms of the criminal law are undertaken on a careful and considered basis. It is too easy to put forward a proposal that may seem attractive but which has unintended consequences for the victims of crime or for the justice system in general.

The child sexual assault jurisdiction has already benefited in that a number of valuable reforms have flowed from the careful ongoing evaluation of the pilot. Amendments have been made to the Criminal Procedure Act to exempt child complainants in sexual assault cases from being required to attend committal proceedings and to exempt complainants in sexual assault proceedings from being subjected to cross-examination by unrepresented accused persons in any circumstances. Amendments have also been made to the Evidence (Children) Act to make it clear that when a recorded police interview is being played to the court as evidence in chief the child is not required to be present unless he or she wishes to be.

Another essential feature of the improved management of child sexual assault prosecutions is the provision of additional witness support. Since the commencement of the pilot, the Witness Assistance Service [WAS] within the Office of the Director of Public Prosecutions has received increased funding and, as a result, 16 additional officers have been employed across the State. Representatives from WAS are closely involved in the management of the pilot project. The final evaluation of the pilot will be produced early next year. It will consider factors such as the degree to which expeditious handling of child sexual assault matters has been improved, the use of technology, the quality of information and support given to witnesses, and the impact, if any, on rates of successful prosecution. Of course, that is paramount.

The pilot is already producing useful and practical information on the advantages and limitations of the use of CCTV in prosecutions. That is why the Government is now in a confident position to extend the use of CCTV to adult complainants of sexual assault through this legislation. The community has welcomed this legislation. My constituents understand the trauma involved in sexual assault cases and the importance of victims being in an appropriate, calm and safe environment in which they can give the best possible evidence. That is at the heart of the legislation. I commend the bill to the House.

Mrs KARYN PALUZZANO (Penrith) [11.52 a.m.]: I support the Criminal Procedure Amendment (Sexual Offence Evidence) Bill, which is designed to enhance and facilitate the use of closed circuit television [CCTV] in sexual assault prosecutions where appropriate. There has been increasing recognition of the benefits of allowing vulnerable witnesses to give evidence using alternative arrangements, particularly CCTV and video conferencing facilities. To date such facilities have been made available in more than 65 courthouse locations

serving more than 100 different courtrooms throughout the State. Those facilities enable a witness to give evidence from a remote location, such as a secure room within the court precinct that is equipped with appropriate technology. The evidence is transmitted to the courtroom from the remote site. Obviously, although the court can see and hear the witness, he or she is shielded from direct contact with the accused, thus reducing the potential for intimidation.

That is particularly important in sexual assault cases in which the complainant or witness may be asked intimate or disturbing questions, and in which there is potential for the alleged offender to seek to intimidate the witness in a variety of ways. In considering this question, the Law Reform Commission was told of instances in which alleged offenders wore the same clothing that they wore during the assault or acted in other non-verbal ways which would be recognisable only to the parties involved and which conveyed a sense of threat and menace to the witness. The Government's child sexual assault initiative is being piloted in courts in Western Sydney, including at Penrith Court in my electorate, and in Dubbo. The positive experiences that have flowed from the pilot have created renewed impetus to provide enhanced remote witness facilities across the State. The remote witness facilities associated with the child sexual assault jurisdiction include state-of-the-art technical suites and child-friendly and family-friendly waiting areas to accommodate children and their carers during lengthy trials.

Regrettably, there are hundreds of adult sexual assault proceedings every year. Not every alleged victim of sexual assault will wish to exercise the option to give evidence via CCTV. Many victims of sexual assault have found that it is a positive step finally to confront their alleged assailants in court. Many prosecutors will say that in some cases it is important from the jury's point of view that the complainant is physically present in the court, if possible. However, this new legislation provides that victims of sexual assault who feel that they are unable to contemplate the ordeal of testifying in court can exercise that option and gain the additional security and privacy offered by CCTV. I commend the bill to the House.

Ms VIRGINIA JUDGE (Strathfield) [11.56 a.m.]: I support the Criminal Procedure Amendment (Sexual Offence Evidence) Bill, which fulfils one of the Government's election commitments and is the result of recommendations of the New South Wales Law Reform Commission. Its introduction is the result of a long process. That process is indicative of a Labor Government that is on the front foot and does not introduce reactive legislation. This measure accords with the Government's definition of a civilised society. It is the latest in a long series of initiatives designed to improve the protection available to victims of crime within the criminal justice system. When the Labor Party came to office in 1995 it implemented an election commitment and enshrined a charter of victims rights in legislation. That charter has been vital in alleviating the sense of helplessness experienced by many victims of crime when trying to work their way through the criminal justice system in incredibly stressful circumstances.

The charter gave victims of serious crime various statutory rights to be informed and consulted, including the right to be notified by the Parole Board when it intends to make a parole order in respect of a serious offender. Overall, the charter enshrined in law the principles governing the treatment of victims of crime and demanded that compassion and respect be afforded to them by government agencies. The Government has gradually implemented a number of other statutory protections for victims of crime, such as the right to read out victim impact statements in the Supreme Court and the District Court. Last year I had the privilege of contributing to the debate on the relevant legislation. I also had the honour of meeting Martha Jabour of the Homicide Victims Support Group Inc. and attending one of her gatherings. I noted the impact of the legislation on families whose children were the victims of homicide. For the first time they had the chance to express their feelings about the harm that they, their relatives and the broader community had suffered. The legislation also provides the public with the opportunity to show respect for their feelings.

The right to make a victim impact statement has been gradually extended to the Local Court. I attended the Ebony and Ivory Ball, which is held each year by the Homicide Victims Support Group to raise funds, at which the Premier announced the Government's intentions in this area. The Government has progressively sought to make practical improvements to the counselling and support services available to victims of crime. For example, the Victim Support Unit funds counselling assistance for victims of sexual assault or parents and guardians if the victim was less than 18 years of age at the time of the offence. That is another great step in the right direction.

More than 100 of the approved counsellors are specialists in providing counselling to children who are victims of sexual assault, and to adult survivors of child sexual assault. One cannot begin to imagine what it must be like as an adult to have suffered sexual assault in one's youth. I do not think you would ever get over it;

I suppose you would simply learn to live with it. As a society and as a government we should do everything possible to ensure that these people are treated compassionately and that they have the resources they need to regain their self-confidence and self-esteem.

The first point of contact for many victims of sexual assault is the New South Wales Health Sexual Assault Service. Sexual assault services are well placed to inform victims of their rights and advise them of the support services and options available to them. The Victims Services Unit works closely with NSW Health. Statutory compensation is available for victims of sexual assault. The award ranges from \$7,500 for a category one sexual assault to a maximum of \$50,000 for a category three sexual assault. The maximum award of compensation in relation to any act of violence is \$50,000. Compensation can still be paid to a victim where there is no conviction, if it is proved on the balance of probabilities that the offence occurred. More than 40 per cent of victims compensation awards are made to victims of sexual assault and domestic violence. That is a regrettable statistic.

The Victims Services Unit aims to ensure that victims of crime are supported throughout the court process, and it liaises with the Witness Assistance Service, which is run by the Office of the Director of Public Prosecutions and other court support services. The Witness Assistance Service and Mission Australia's Victim Support Service are represented on the Victims of Crime Interagency Forum, and both provide assistance to victims attending court.

The Victims of Crime Bureau has published and distributed an information package entitled "Standards for Providing Court Support Services for Victims of Crime". That is yet another good initiative. The bureau also produced *Your Day in Court*, an award-winning video that assists victims of crime who are required as witnesses in the Local Court or the District Court. These are practical forms of support available for victims of sexual assault in the criminal justice system. But, of course, we can always do better. A complainant may say, "I want to face the perpetrator of this crime. I want to look them in the eye, and I want to speak in front of them." Others may say, "I want to have that closed circuit TV and that screen, because that will ease my pain and make it less stressful for me to give evidence." Victims of sexual assault now have that choice, because the Government has been strong enough to put this sort of legislation in place.

There is an ongoing need for judicial and legal education so that victims of sexual assault are not needlessly traumatised yet again by insensitive cross-examination. One cannot begin to understand how extraordinarily painful it must be for anyone who has been a victim of a sexual assault. There is an ongoing need to review the legislation so that complainants in sexual assault trials are given every possible protection, without compromising the principles of a fair trial. The bill demonstrates that we are becoming a more civilised and compassionate society, and I commend the Attorney General for introducing it. As a new member of this place I feel extraordinarily privileged to have made a brief and humble contribution to what has obviously been a long process of looking at proactive measures to support the victims of crime, their families and the broader community, from which every one of us stands to benefit. I commend the bill to the House.

Mr PAUL LYNCH (Liverpool) [12.04 p.m.]: I wish to allay the concerns of the Attorney General by indicating at the outset that I support the Criminal Procedure Amendment (Sexual Offence Evidence) Bill. I want to respond to some of the extraordinary comments of the honourable member for Epping, who is failing appallingly in his duty as shadow Attorney General. He spoke about a bizarre potpourri of half-baked, inadequate, stupid and downright dangerous proposals he has been floating. In a quite mealy-mouthed and, I believe, dishonest, but certainly apologetic way, he said he put forward the proposals in good faith for them to be seriously considered by the Law Reform Commission. That is a lie. The truth is that he put them forward as a political stunt to try to grab some media headlines on this issue. For the honourable member for Epping to pretend that the proposals were put forward in good faith is absolutely dishonest; indeed, frankly, it belittles the integrity of this House.

But it gets a whole lot worse. The honourable member for Epping said that these matters have to be considered by the Law Reform Commission. The problem with that argument is that there is no point in calling for Law Reform Commission reports unless one has read the reports the commission has already prepared. First, one reads the Law Reform Commission report that is relevant to this debate, which is report No. 101 of 2003, entitled *Questioning of Complainants by Unrepresented Accused in Sexual Offence Trials*. One finds that the principles set out in that report fly in the face of the proposals put forward by the honourable member for Epping. In other words, the body that the honourable member wants these matters referred to has already, in effect, ruled them out. Before the honourable member for Epping makes further comments about this area of the law, I suggest he read the relevant Law Reform Commission report. Then he might begin to understand the absurdity of the proposals he has put forward.

In my view the most likely result of the proposals put forward by the honourable member for Epping, if they were to be implemented, would be a significant increase in the number of acquittals of people facing trial. It is a bizarre proposition! The honourable member's proposals would lead to an increase in unfair acquittals in these sorts of matters. The honourable member for Epping said the Attorney General was quite wrong. One could not have dismissed out of hand the argument that the honourable member for Epping put forward, because the basis of the Attorney's position relied upon advice from the Director of Public Prosecutions. This gets to the core of what the honourable member for Epping was about. He spent about 30 seconds talking about the bill and the balance of his time taking the opportunity to simply ventilate his extraordinarily pathological obsession about the Director of Public Prosecutions. I do not know what has motivated the honourable member's pathological obsession about Mr Cowdery, but we would all be better off if he did not ventilate it in this Chamber and left his personal obsessions out of the political process.

It gets even worse. The basis for the honourable member for Epping's attack upon Mr Cowdery was the *Courier Mail*. If one wants to have an argument destroyed, one quotes the *Courier Mail* in support. It is an absolutely bizarre proposition! The real argument against the nonsense the honourable member for Epping put forward is a report that has already been prepared by the Law Reform Commission. The principles set out in that report fly in the face of most of the nonsense that the honourable member put. As I said, he would make a much more positive contribution to the public debate on these matters if he actually read Law Reform Commission reports before he ranted about them. He really should engage his brain before he opens his mouth.

With regard to the substance of the bill, the principle is that an accused person should be able to confront his or her accuser. I believe it is a fundamental principle that is essential not only to our system but to any system that has an element of fairness. However, fairness must not relate only to the interests of the various parties but to the trial process as a whole. It seems to me that fairness is maintained provided the accused can confront the accuser. But that confrontation does not have to be personal. In other words, the confrontation can occur over closed-circuit television. In my view, that is a satisfactory solution to maintaining the principle.

Theoretically, or perhaps anecdotally, some problems may arise from that. For example, will the jury assume that the accused is guilty because the complainant gives evidence via closed-circuit television? On the other hand, will less rapport develop between the jury and the complainant, and therefore will the accused be more likely to be acquitted? Those matters obviously need to be considered; they have certainly been raised in the Law Reform Commission report. The Law Reform Commission solution for dealing with those matters is the one that has been enshrined in the bill: to allow for appropriate warnings by the trial judge. In practical terms I believe that is the answer to the problem. In principle the bill is unobjectionable. The practical problems that may arise from it could be dealt with by directions from the trial judge. It is good and sensible legislation. I believe that the performance by the shadow Attorney General in this debate was an absolute disgrace.

Mr BOB DEBUS (Blue Mountains—Attorney General, and Minister for the Environment) [12.09 p.m.], in reply: I thank honourable members for their contributions to the debate. I cannot say that I disagree with the honourable member for Liverpool's assessment of the contribution of the honourable member for Epping. The Criminal Procedure Amendment (Sexual Offence Evidence) Bill amends the Criminal Procedure Act 1986 to make sure that victims of sexual assault are automatically allowed to use closed-circuit television and other alternative arrangements when they are giving evidence in court. I think it is self-evident, and it is a proposition obviously strongly supported by those who have contributed to this debate, that practical measures to alleviate the distress of sexual assault complainants giving evidence in court proceedings will greatly assist in ensuring that those complainants are able to give their evidence with more confidence and, therefore, more effectively. That, in turn, will allow courts to hear the best possible evidence available.

I will respond, at least briefly, to a number of the matters raised by the honourable member for Epping. First, in his attack on the Director of Public Prosecutions [DPP] the honourable member cobbled together what seemed to me to be a complete jumble of unrelated quotations from a mismatched variety of sources, including, for heaven's sake, the *Courier Mail*, to continue his increasingly worrying, obsessive, misguided campaign against the Director of Public Prosecutions. The Director of Public Prosecutions has only to pass an opinion and we can be sure that the honourable member for Epping will criticise it and, in 9 cases out of 10, propose a wildly misinformed and misconceived alternative. That is indeed the case with this bill.

I wish to explain in a little more detail why it is that in the context in which this bill has arisen the Government is not implementing any of the proposals put forward by the Opposition when it recently made its suggestions regarding laws that will affect the giving of evidence in sexual assault cases. The proposals by the honourable member for Epping are impractical and, as the honourable member for Liverpool pointed out, would

not in reality assist in prosecuting sexual assault cases or in lessening the trauma of sexual assault complainants. Far from assisting, many of the proposals the Opposition has made would likely make it even more difficult to convict offenders. By contrast, the amendments proposed in this bill will not only deliver election commitments made by the Government to improve support for victims of sexual assault in court and prevent victimisation of sexual assault complainants by the justice system itself; they are also consistent with recommendations made by the New South Wales Law Reform Commission and other inquiries conducted in other States and Territories.

Unlike the proposals the Opposition has put forward, the reforms in this bill will work. They will provide real relief of the sort that we all seek and, as I say, they are consistent with recommendations already made by the New South Wales Law Reform Commission. Implicitly, and sometimes explicitly, the proposals mooted by the Opposition have already been considered by the New South Wales Law Reform Commission and rejected. I will explain why. The Opposition proposed that evidence not found to be in question by an appeal court should be accepted at retrial. That is a proposition that shows a complete misunderstanding of the role of an appellate court. Except in a very limited situation, the purpose of an appellate court is not to determine whether a victim's evidence is in question. In general, the Court of Criminal Appeal looks at the evidence of the complainant on the basis that it has been accepted by a jury at the trial; and the very limited circumstance in which the court does question the victim's evidence is where the appellant has argued that the verdict is unreasonable, and where the result of a successful appeal will be not a retrial but an acquittal.

Appeals to appellate courts are overwhelmingly based on questions of law, not on questions of the victim's evidence; it is for the jury to decide questions about the victim's evidence. Juries, not the appellate court, determine which part of the evidence they accept and which they reject. The appellate court does not see the victim, or any other witness, give evidence; the jury does. So the proposition that the Opposition has made in this particular respect is plain silly, and of course opportunist, as it was put out quickly to make some trouble and gain some headlines in the context of the very distressing circumstances that had arisen in the context of the retrial of the Skaf matter several weeks ago.

The honourable member for Epping and the Opposition sought to change the test for determining whether to grant a retrial. That would reverse, by legislation, a test laid down by the High Court. That is to say, he suggested that an appeal court should not be allowed to order a retrial unless there is clear evidence that the jury was improperly influenced, instead of using the present test, under which a court is required simply to weigh the possible prejudicial impact. That proposal would have the extraordinary result of upholding convictions, notwithstanding that they were the result of a miscarriage of justice. The proposal of the honourable member for Epping is an attack on one of the foundations of our justice system: that jury deliberations remain secret.

The only way to do as the honourable member for Epping suggests and obtain "clear evidence that the jury was improperly influenced" is by questioning individual jurors about their verdict. It is important, of course, that jury deliberations should remain secret, for without jury deliberations being kept secret there is no protection for jurors; they would be open to outside pressure and influence, and they would face harassment, censure and reprisals. The fact is that juries would not be able to have full and frank discussions in the jury room, and the delivery of verdicts without fear or favour would become a thing of the past. As I say, the second of the honourable member for Epping's quite extraordinarily stupid proposals would remove a cornerstone of the justice system, secret jury deliberations, and neither I, nor the Government, nor any other sane person would support that.

The Opposition and the honourable member for Epping have proposed that the evidence of complainants in sexual assault trials should be recorded on video so the footage can be reused in the event of a retrial. Informal discussions with people who are most concerned with the conduct of trials indicate that the use of videotape evidence is likely to lead to more acquittals than convictions on retrial. A video recording of a complainant's evidence at trial is unlikely to reveal important contextual factors that would have been evident to the trial jury, such as an aggressive stance taken by a defence counsel.

I invite the House to reflect upon the practical impact of filming a witness in court. Will complainants be restricted in how they sit, how they hold their head or where they look? Will the camera be close enough to capture all facial expressions, or will it have to zoom in and out? Will the lighting have to be brighter than in a normal courtroom to ensure that good footage can be obtained? Will the additional heat generate by the lighting and the presence of cameras make the complainant sweat? Will there have to be breaks in the complainant's evidence if they happen to move out of camera range? What will happen if exhibits need to be shown to the complainant? Will the complainant be forced to hold the exhibit up for the camera, or will the court have to wait while new camera angles are established to zoom in on the exhibit?

In reality, as these merely practical questions quickly elucidate, recording trial evidence will not remove the need for sexual assault complainants to give evidence on retrial in some cases. The right to cross-examine a complainant in relation to fresh evidence, to cross-examine where trial counsel has been found to be incompetent, and the right to cross-examine a witness wherever that is required in the interest of justice must always be retained if we are to continue to have a fair justice system. The residual potential for a complainant to be required for cross-examination at retrial means that no assurance can be made regarding the use of pre-recorded video evidence, leaving the victim in a state of limbo as to whether they will be called at a retrial.

Aside from everything else, even if everything were videotaped, no reasonable, predictable guarantee could be given that the victim would not be recalled anyway. However, in the meantime the Attorney General's Department would have spent an extraordinary amount of money on potentially useless recordings. In contrast to this legal and ethical rubbish spouted by the Opposition, the reforms proposed in the bill will ensure that complainants are able to have access to alternative arrangements both at trial and in any subsequent appearance on retrial, allowing them to prepare for trial with a degree of confidence that they will not have to face their alleged attacker in open court. These proposals represent a significant step forward in empowering complainants who, unfortunately, have to participate in sexual assault proceedings. The choice to give evidence by alternative means will ensure that they are given every opportunity to present their evidence to the court without fear of being intimidated by the immediate presence of the accused. However, they will not be forced to give their evidence that way.

Before concluding, I take this opportunity to respond in more detail to accusations made by the honourable member for Epping about the advice provided by the New South Wales Director of Public Prosecutions to the Queensland Director of Public Prosecutions in relation to a number of potential sexual assault prosecutions in Queensland. Even though the bill deals with procedures for trials in New South Wales, the honourable member for Epping's contribution largely comprised an attack on the New South Wales DPP in relation to the advice given to his counterpart in Queensland. The New South Wales DPP was asked by the Queensland DPP to provide advice on three potential sexual assault prosecutions. An extremely experienced senior female prosecutor, Ms Margaret Cunneen, was asked to assess the briefs and she gave a detailed report as to why, in her opinion, there were major legal and evidentiary obstacles in the way of the successful prosecution of these controversial, high-profile, potential prosecutions in Queensland.

As the honourable member for Epping pointed out at inordinate length, some elements of the advice she gave have been queried by people with some apparent expertise in the field. They have also been queried by many people with manifestly no expertise in the field. What cannot be doubted is that Ms Cunneen gave her advice in good faith and on the basis of her now extraordinary intense experience in the prosecution of sexual assault matters. The DPP has advised that the elements in Ms Cunneen's advice, which were incorporated into the opinions sent to Queensland by the New South Wales DPP and which have become publicly controversial, were of a minor nature in the context of the ultimate advice that was given, which was that there was no reasonable prospect of a successful prosecution.

To use that matter as some kind of justification for attacking the Director of Public Prosecutions generally, and with respect to his expertise concerning sexual prosecution assaults specifically, is as absurd, misguided, and thoroughly dishonest as most of the other proposals of the honourable member for Epping with respect to reforming the giving of sexual assault evidence in trials. The Government's proposals reflect an ongoing commitment to improving support for victims of sexual assault in court and in doing everything possible to prevent the further victimisation of sexual assault victims by the criminal justice system itself. I take great pleasure in commending the bill to the House.

Motion agreed to.

Bill read a second time and passed through remaining stages.

LEGAL PROFESSION AMENDMENT BILL

Bill introduced and read a first time.

Second Reading

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

That this bill be now read a second time.

The Legal Profession Amendment Bill makes a number of amendments to the Legal Profession Act 1987 relating to the discipline of the legal profession and is designed to improve the ease with which disciplinary matters may be prosecuted by the regulatory authorities. The amendments are a very small part of a bigger picture. In the spring session of Parliament I will introduce a new Legal Profession Bill. To this end, Parliamentary Counsel and officers of my department are presently working on a complete revision of the Legal Profession Act 1987. This rewrite will incorporate the national legal profession model laws that were recently released by the Standing Committee of Attorneys-General. It will also amend the complaints and discipline provisions to reflect the recommendations of the New South Wales Law Reform Commission's Report No. 99, "Complaints Against Lawyers: An Interim Report", and the recommendations in my department's report entitled "Further Review of Complaints Against Lawyers".

In the meantime, the regulatory authorities have alerted me to a number of minor amendments that will provide immediate benefits by improving the ease with which disciplinary matters against misbehaving lawyers may be prosecuted. These should not be delayed just because more time is needed for the larger project that I have just described. I draw attention in particular to the provisions of this bill that will reduce the ability of practitioners to delay or thwart disciplinary proceedings against them. Unfortunately, some practitioners will resort to every trick in the book when a complaint is made against them. Amendments to section 152 of the Act will provide that a notice requiring a practitioner to co-operate with an investigation is served on a practitioner if it is posted to the address of the legal practitioner last notified to the council. These amendments substantially implement recommendation 13 of the Law Reform Commission Report No. 99, which considered that the service requirements should be relaxed.

Recommendation 17 of the Law Reform Commission's report No. 99 is addressed by amendments to sections 155 and 160 of the Act. These remove the requirement that a council or the commissioner can reprimand a legal practitioner only with the practitioner's consent. A new section 171N is inserted to provide for appeals from the decision to reprimand, but if the reprimand is upheld by the tribunal it becomes a public reprimand. Amendments to section 171C ensure that whenever the tribunal orders a public reprimand of a practitioner both the order and the reasons for the reprimand will need to be published. A recent decision in the Administrative Decisions Tribunal decided that when a disciplinary hearing had been held in private it was not appropriate to publish the tribunal's decision.

My firmly held view is that proceedings are held in private to protect practitioners if the allegations against them are not upheld. Once the tribunal has made a finding against a practitioner there is no further justification for keeping the matter private. A new section 167AA will provide that the commissioner or council may constitute proceedings in the tribunal at any time within six months after a decision to constitute proceedings is made. The Bar Council has been finding that some of its prosecutions are complicated by parallel proceedings in other forums. The more generous time frame, and a power for the tribunal to extend time, will ensure that defaulting practitioners do not get off on a technicality.

Similarly, new section 171, taken from the national model laws, will allow the tribunal to order that a failure to observe a procedural requirement may be disregarded if the parties have not been prejudiced by the failure. Giving the tribunal power to rectify technical errors made by the regulatory authorities is sensible and pragmatic, particularly when the only consequence has been that the practitioner has been able to practise for longer than they would have otherwise. New section 171U ensures that a breach of an undertaking made to the regulatory authorities by a practitioner is capable of being unsatisfactory professional conduct or professional misconduct. This amendment implements recommendation 20 in the Law Reform Commission's report No. 99.

Three other amendments in this package are more in the nature of tidying up. Amendments to sections 3, 30 and 37 permit a council, when issuing or renewing a practising certificate, to take into account evidence of an act of bankruptcy or a finding of guilt for an indictable or taxation offence which occurred prior to the practitioner's admission as a legal practitioner. New section 171F completes the implementation of recommendation 36 in the Law Reform Commission's report No. 99 by providing that all appeals from the tribunal at first instance will lie to the Supreme Court only and not to the appeal panel of the tribunal. This saves the parties going through one extra step on their inevitable way to the Supreme Court.

Amendments to definitions in section 198L clarify that practitioners must not file any documents during proceedings relating to a claim for damages unless the practitioner certifies that the claims or defences made have reasonable prospects of success. The new definitions will ensure that all filings, including further and amended pleadings, are caught by this requirement. I trust that these amendments will facilitate successful prosecutions by the regulatory authorities and play their part in maintaining the standard of conduct that the community expects of legal practitioners. I commend the bill to the House.

Debate adjourned on motion by Mr Daryl Maguire.

STATE WATER CORPORATION BILL**Second Reading****Debate resumed from 12 May.**

Mr ANDREW STONER (Oxley—Leader of The Nationals) [12.34 p.m.]: The delivery and management of water in New South Wales is perhaps one of the most important issues to be debated in this House. As I have said previously, where the water flows the investment goes. I acknowledge the presence in the gallery of Mr Doug Mule from the New South Wales Irrigators Council, who has been here during debate on important water legislation in the past couple of days. Very few households or properties are unaffected by the State Water Corporation Bill. I shall briefly outline the role of State Water and how it interacts with rural and regional communities and individuals. State Water customers use water for irrigation, agricultural enterprises, industry, mining, power generation, town water supply, and stock and domestic needs. Some customers, such as private irrigation companies, are retail water businesses. Others, such as town water suppliers, treat water for resale to retail customers. State Water incorporates New South Wales bulk water delivery functions into a single business. It is responsible for the operation and maintenance of 18 major dams and storages and 264 weirs across the State.

About 6,200 licensed bulk water users are supplied from rivers regulated by State Water dams and weirs. State Water has a further 15,000 groundwater and unregulated river customers. On regulated rivers, or those rivers with large dams, State Water operates its dams and weirs to deliver approximately 6 million megalitres a year to its customers. State Water is responsible for monitoring water usage on regulated rivers and groundwater management areas in New South Wales. It bills and collects water charges from all bulk water licensees in New South Wales. The Department of Infrastructure, Planning and Natural Resources [DIPNR] is the natural resource manager responsible for issuing water licences to enable users to access water from rivers and groundwater. State Water maintains, manages and operates \$2.2 billion of assets. The operation of these assets enables water delivery to customers.

The key physical assets under the responsibility of State Water include 18 large dams and water storages, 12 small dams not associated with water delivery, 264 weirs and regulators to manage river flows and 140 associated structures, such as bridges, culverts, levees, et cetera. State Water employs 275 people in 43 locations statewide and its administrative headquarters is at Dubbo. Customer service managers are located in Moree, the north area, Leeton, the south area, Dubbo, the central area, and Muswellbrook, the coastal area. Each valley has a customer service committee [CSC], with customer representation. The CSCs provide the primary vehicle for consultation with customers on State Water service delivery.

The aim of this bill is to establish the State Water Corporation as a State-owned corporation under the State Owned Corporations Act 1989 from the beginning of next month and to provide the corporation with powers, including powers of entry on land and the power to compulsorily acquire land. The bill will also provide the Independent Pricing and Regulatory Tribunal [IPART] with certain functions in relation to the corporation, including regulatory and auditing functions. I indicate that The Nationals and Liberals in New South Wales do not oppose the bulk of this legislation, but I foreshadow that I will be moving an amendment in relation to board composition. I also seek ironclad guarantees from the Minister for Infrastructure and Planning, and Minister for Natural Resources on several matters and raise concerns we have with some elements of the legislation.

I will begin with the positive elements of the bill. The legislation separates conflicting regulatory and policy functions from commercial water delivery roles. The bill allows IPART to regulate State Water's water delivery costs separately from the resource management and regulatory costs incurred by DIPNR, which means that State Water will make submissions to IPART for the recovery of its water delivery costs and DIPNR will make its own submissions for the recovery of its water resource management costs. This will provide more transparency that water users have been seeking for many years, but have not been provided thus far. Water users have been concerned that State Water, the body charged with delivering water to them, was effectively controlled by the old Department of Land and Water Conservation, which also regulated water users. The NSW Irrigators Council submission to IPART in relation to bulk water pricing in May 2001 stated:

There is no evidence that State Water has been able to 'carefully scrutinise the standards which external regulators, including DLWC, seek to impose on the business', as IPART recommended in 1998.

Nor does it appear that there is any evidence that State Water can take any action if they considered the standard as excessive, the service as inadequate or the cost as uncompetitive.

The submission continued:

It is clearly incorrect for the DLWC submission to claim that the establishment of State Water as a separate commercial business unit of DLWC satisfies the CoAG framework of accountability, increased efficiency and minimisation of conflicts of interest.

The Minister stated in his second reading speech that changing State Water to a State-owned corporation will expose it to similar corporate governance structures, disciplines and incentives that apply in the private sector, including a board of directors, a capital structure, agreed performance targets with its shareholders and clear, arm's-length relationships with government regulators. The result water users require is an efficient, cost-effective and accountable business. This bill should also provide improved transparency, particularly in relation to cost recovery. The bill allows IPART to continue to regulate bulk water prices, guaranteeing that suitable discipline is applied to the setting of all charges to be worn by State Water's customers. I note that the New South Wales Irrigators' Council supports the establishment of corporate governance and management functions that will ensure State Water's activities are subject to a transparent and accountable governance regime.

The bill also satisfies national competition policy requirements. I am advised by the National Competition Council that the relevant national competition policy [NCP] components are the competition policy agreement and the agreement to implement the national competition policy and related reforms, which obliges governments to put in place the COAG 1994 strategic water reform framework. Clause 6.c of the 1994 COAG water reform agreement requires, in relation to institutional reform, that governments introduce arrangements that, as far as possible, ensure the roles of water resource management, standard setting and regulatory enforcement, and service provision are separated institutionally.

Clause 6.f requires that the arrangements in respect of service delivery organisations in metropolitan areas in particular—although this does not preclude service delivery organisations in rural areas—should have a commercial focus. Whether achieved by contracting out, corporatised entities or privatised bodies, it is a matter for each jurisdiction to determine in the light of its own circumstances. I am advised that the corporatisation proposal does not include any redundancies or staff relocations. The State Water Corporation will become the employer of relevant staff employed by DIPNR and the Department of Energy, Utilities and Sustainability. All staff will retain their accrued entitlements and continue to be employed on the same terms and conditions. That is of some comfort to staff and those agencies, and also to the rural and regional towns and cities in which those staff are based.

I refer to the concerns The Nationals and Liberals have with this bill. The board of directors will be appointed by voting shareholders in consultation with the portfolio Minister and consist of a minimum of three but no more than eight directors, including the chief executive officer and a nominee from the New South Wales Labor Council. It is difficult to see what expertise a Labor Council nominee will add to the delivery of bulk water.

Mr Brad Hazzard: No, it is not; he is a Labor mate.

Mr ANDREW STONER: As the honourable member says, it is a Labor mate from the Labor Council. This is a disgraceful waste of money that will be borne by water users across this State.

Mr Frank Sartor: They are all like that.

Mr ANDREW STONER: If it applies to other State-owned corporations, the issue is multiplied. Breathtakingly, through this bill Labor is asking us to prop up its corrupt system of cronyism. The Premier and his Labor members have a shameful record of using taxpayers' money to favour their Labor mates. I have checked the Labor Council's web site. There is not a lot of mention of water or water users in country New South Wales, but there is plenty of information about the World Refugee Day rally and the Education and Social Action conference. Under this bill Labor guarantees a union hack a place on the board, yet organisations with a major stake in this bill—such as the New South Wales Irrigators' Council and the Local Government and Shires Associations—have no such guarantee. I ask the Minister: How he can honestly justify having what will undoubtedly be a Sydney-based Labor Council member on this board? It is clear that there is no guarantee that the board will comprise the necessary expertise. There is a high probability that this issue will be challenged by water users in the IPART. As foreshadowed earlier, I will move an amendment in relation to this aspect of the bill.

The Nationals and Liberals are strongly opposed to Labor transferring new debt to the newly formed corporation. As the Irrigators' Council has pointed out, this would be a new tax on industry, at a time when New

South Wales water users are still struggling with drought and historically low allocation levels. Labor has been notorious in loading State-owned corporations with debt. Like other State-owned corporations, surely the Treasurer and the Assistant Treasurer will be the sole shareholders. Given Labor's record, I seek a guarantee from the portfolio Minister and Treasurer that they will not load the new corporation with debt. I note that a statement of corporate intent will set out any dividend that Labor requires the new corporation to pay to Treasury. Again, Labor has been notorious in demanding big dividends from State-owned corporations.

Last year New South Wales Labor ripped \$115 million in dividends from Sydney Water and it intends to grab \$115 million more this year. In 2002-03 EnergyAustralia failed to meet its capital expenditure target of \$310 million, but at the same time it increased its annual dividend to the Government by a massive \$60 million. EnergyAustralia's forecasts show that \$485 million more will be paid in dividends to the Carr Government over the next three years. I believe that all water users should be concerned given Labor's track record in this area. The last thing we want is State Water to become a cash cow to help this Government pay for its waste and mismanagement of the past nine years. I note Treasurer Egan's comment that, "State Water will pay a dividend only if there is cash left over after allowing for operating and capital expenditure and financial flexibility." The question is: How will "financial flexibility" be defined?

I note that a financial study is currently being undertaken by State Water and relevant departments and that it is due to be completed in July. Many questions need an answer, such as: Will the Government preserve IPART determinations on sunk costs and how will assets be valued? I understand the Government has given irrigator representatives an undertaking that they will be consulted on the outcomes of the financial study. I ask that the Minister confirm this in his reply to the second reading debate. The Minister said in his second reading speech that the business is responsible for delivering environmental flows and making a key contribution towards water reforms, including the new water-sharing plans that will shortly take effect. The key question is: Who will pay for the delivery of environmental water flows?

My reading of the bill says it will be left to the newly formed corporation's customers to subsidise this activity. Why should water users subsidise an activity that this Government is imposing on them for the public good? I believe the wider community, through the New South Wales Government, must be prepared to assist in meeting the costs involved in providing environmental flows. I note that the New South Wales Irrigators' Council does not support the use of State Water's operations or bulk water charges to deliver any New South Wales Government environmental obligations or policy objectives.

On another matter, IPART has ruled that the cost of dam safety upgrades in New South Wales should be borne by the Government. However, this is now being reviewed and it is possible that State Water customers will pay for at least some of these works. Dam safety upgrades are clearly a benefit to the general community, so I seek an assurance from the Minister that these works will continue to be paid for by Treasury. The New South Wales Irrigators' Council has expressed concern that State Water as it now stands does not have sufficient expertise to fully discharge its responsibilities in relation to dam safety upgrades. The council states that if State Water is to fully assume these functions, additional resources—both financial and human—may be required. The council has also identified some vagueness in responsibility for flood management and mitigation.

I seek an assurance from the Minister that no attempt is made to pass these risks, or the cost of these functions, on to water users. The council contends that there must be full State underwriting of liability exposure, especially for management and mitigation of flood effects. I ask the Minister to confirm that the Government does not intend to include the operations of council owned water utilities in a corporatised State Water. I am concerned that there has been no public consultation on the new corporation's operating licence, which is currently being developed. I asked the Minister to outline the consultation process. It is absolutely critical that industry and communities are consulted. I understand that community service obligations will be part of the operating licence. This is where the Government should deal with the costs of moving environmental water and of dam safety upgrades.

I note that the Minister talked about sustainable water use, which I am sure every member in this House fully supports. However, he failed to mention the need for more debate about the storage and management of water in New South Wales. We should be doing more to catch, store and use water more effectively. We should seriously investigate major public infrastructure projects and incentives for private investors to store water from those times when it is plentiful for use when it is scarce. It should no longer be taboo to talk of building new dams. During the past nine years of Labor any talk of the need for more storages has been howled down.

Drought will always be a feature of our country but all we hear from this Government is that this drought is a sign of global warming. There is nothing about how we might store more water for our growing

population and our improving farming opportunities. Labor needs to put serious money into world-leading research to assist water users in the design of better on-farm schemes. The New South Wales Government should provide meaningful grants that encourage water storage. Most importantly, it should change the culture of the bureaucracy towards encouraging and providing sound advice on water storage and irrigation. It may be found after careful study that large on-river storages have a place but individual farms need to be encouraged with suitable incentives and less red tape to build and use storages now. Dams and efficient water usage are positive for job creation, for farm productivity and for the environment. In coming to a conclusion I say that it is time to look seriously at better using our precious water to manage the cycle of flood and drought that is characteristic of our country.

Mr STEVE WHAN (Monaro) [12.52 p.m.]: The State Water Corporation Bill is an important part of the Government's broader water reform agenda, which is designed to improve the sustainable and integrated management of water in New South Wales. State Water owns many items of important infrastructure around New South Wales. In the Monaro electorate, which I represent, there are a large number of dams and some pretty impressive water structures. None of them is owned by State Water, most of them are owned by Snowy Hydro, but they link into the chain. Many of State Water's facilities depend on the water from, or have water that is released from, the Snowy. Two of the dams it goes into are Blowering and Burrinjuck. They have an integral relationship with the water that comes from the Snowy Mountains that is collected in the area that I represent.

Another dam in a neighbouring electorate to Monaro that State Water operates is Brogo. It is important for the irrigation of dairy farms in the Bega Valley and for the water supply of the town of Bega. As a State-owned corporation, State Water has a role that will not be limited to simply delivering water to extractive users; its functions under the bill include the release of environmental water to meet the requirements of the environmental manager. State Water will be required to adopt the principles of environmental sustainability in managing its assets, in conducting its water release operations and in monitoring water usage. The bill also confers a specific objective on State Water to conduct its operations in compliance with the principles of ecologically sustainable development as defined in the Protection of the Environment Administration Act 1991.

As the Leader of The Nationals said, State Water has historically been part of the same department that regulated the use of the State's natural resources. The process of separating State Water from its regulators has included defining a better regulatory framework. State Water's environmental functions will be clearly codified in various instruments including the operating licence, which will be administered by the Minister for Energy and Utilities, the water management works approval, which will be administered by the Minister for Natural Resources, and memoranda of understanding [MOU] with other agencies including NSW Fisheries. The legislation and the operating instruments clarify State Water's accountability for bulk water delivery operations, including audits that cover environmental performance. The MOU approach is already working very well in removing redundant weirs and building additional fish ways. The co-operative approach to meeting common objectives will allow for environmental improvements to occur in a more timely manner.

The operating licence will require State Water to develop and report against a set of clear environmental performance indicators. The water management works approval will ensure State Water provides environmental water of sufficient quantity, quality and timing, including the requirements of the new water sharing plans. The MOU with NSW Fisheries will ensure that State Water's storage dams and weirs do not unduly restrict fish passage and breeding patterns. The new, transparent relationship between State Water and its regulators will include clear performance requirements for managing the corporation's environmental functions. State Water will be accountable for delivering water for the environment and extractive users in accordance with the rules for operating its dams, regulators and weirs. As a commercial bulk delivery operation State Water will also ensure that water extraction is accurately monitored and accounted for. In times of drought and water shortage this will benefit not only the users but also the environment in ensuring that low flow environmental targets are met.

Obviously, the environmental objectives have underpinned a lot of the State Government's work in relation to water over the last few years. That is very important. The Monaro electorate does not have many irrigators: there are only a few pumping water for dairy farms in the very small area of the Bega Valley that I represent. However, what happens on the other side of the mountains is very important to the area I represent in that we are relying on savings from irrigation and other operations on the western side of the Divide to provide additional water to run down the Snowy River. Again, that will be released from Snowy Hydro dams, but they are all part of the same catchment and those waters flowing west from the Snowy go into State Water's infrastructure and are being provided to water users in the west.

The Leader of The Nationals seemed to be having a bob each way on these issues. He talked about being able to build new dams and having major new works undertaken. He seemed half-hearted in his commitment to environmental flows and ensuring the health of the rivers, which we have been doing a lot of work to improve. It is a shame that we do not have a completely united position on something that is so important. The health of all New South Wales rivers, whether they flow to the coast or to the land and out down the Murray, will be vitally important over decades to come for our children. It is also a shame that there was the typical partisan attack on the union representation on the board of State Water.

The Leader of The Nationals talked for a little while—not very long—about the rights of the workers of State Water. He said that he was concerned to ensure that the workers' entitlements were preserved. Once again we heard from the Opposition, and from The Nationals particularly, talking about how they think that workers are important but heaven forbid that there might be a representative of the workers on the board that actually manages the corporation. A fundamental problem for the credibility of The Nationals when it comes to standing up for rural workers is that they simply do not recognise that workers have a right to have their representation and their points of view heard on the management of State-owned corporations. Country Labor is very committed to this, as we continue always to be committed to jobs in regional New South Wales.

Mr Brad Hazzard: You have run out of things to say.

Mr STEVE WHAN: No, I was just making sure that I covered some of the interesting things that the Leader of The Nationals said. I will not go into them all. As I mentioned, he seemed to have a very half-hearted commitment to environmental flows and the health of our river systems. As someone whose electorate includes an important river, the Snowy River, I think that is a real shame. There should be a bipartisan approach. All sides of politics should work for the benefit of coming generations. The Government is committed to listening to the community's concerns. The periodic reviews of State Water's operating licence by the Independent Pricing and Regulatory Tribunal will give the community a chance to have a direct input into State Water's regulatory obligations, and the improved transparency and accountability framework will allow the community to have more confidence that its water resources are being managed in an environmentally responsible manner.

I will be interested to hear in the next contributions from Opposition members whether they are interested in talking about the importance of guaranteeing water supply to country towns in regional New South Wales or whether they jump back onto their favourite topics, such as Sydney Water, which have nothing to do with this legislation. This bill is important for rural New South Wales. All sensible rural residents recognise that we must get water management right over the next few years to guarantee the economic use of the resource for agriculture and, just as importantly—I have highlighted this issue today—protect the environment, river flows and the health of our rivers for the long-term future of New South Wales and Australia. I commend the bill to the House.

Debate adjourned on motion by Mr Brad Hazzard.

[Mr Deputy-Speaker left the chair at 1.01 p.m. The House resumed at 2.15 p.m.]

MINISTRY

Mr BOB CARR: In the absence of the Minister for Gaming and Racing, who is attending a funeral, the Minister for Roads, and Minister for Housing will answer questions on his behalf.

PETITIONS

Villawood Immigration Detention Centre

Petition opposing asylum seeker detention at the Villawood Immigration Detention Centre, received from **Ms Clover Moore**.

Milton-Ulladulla Public School Infrastructure

Petition requesting community consultation for suitable public school infrastructure in the Milton-Ulladulla districts, received from **Mrs Shelley Hancock**.

Mature Workers Program

Petition requesting that the Mature Workers Program be restored, received from **Ms Clover Moore**.

Gaming Machine Tax

Petitions opposing the decision to increase poker machine tax, received from **Mr Steve Cansdell, Mr Andrew Fraser, Mrs Shelley Hancock, Mrs Judy Hopwood, Mr Malcolm Kerr, Mr Steven Pringle, Mr Andrew Tink** and **Mr John Turner**.

Urban Planning

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

Lake Woollumboola Recreational Use

Petition opposing any restriction of the recreational use of Lake Woollumboola, received from **Mrs Shelley Hancock**.

Marriage

Petition opposing any legislative changes that would violate the basic principles of marriage, received from **Mr Andrew Tink**.

Fame Cove National Park Reserve

Petition requesting that Fame Cove National Park Reserve be extended to include the catchment of Fame Cove and Piggies Beach, received from **Mr John Turner**.

Pacific Highway Speed Limit

Petitions requesting reduction of the Pacific Highway speed limit at Wardell to 70 kilometres per hour, received from **Mr Steve Cansdell** and **Mr Donald Page**.

Topdale Road Upgrade

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

Coffs Harbour Pacific Highway Bypass

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

Windsor Road Traffic Arrangements

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

Windsor Traffic Conditions

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

Coffs Harbour Aeromedical Rescue Helicopter Service

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

Mental Health Services

Petition requesting urgent maintenance and increased funding for mental health services, received from **Ms Clover Moore**.

Mental Health Services

Petition requesting improvements to the mental health system, received from **Mr Adrian Piccoli**.

CountryLink Rail Services

Petitions opposing the abolition of CountryLink rail services and their replacement with buses in rural and regional New South Wales, received from **Mr Steve Cansdell, Mr Andrew Fraser, Ms Katrina Hodgkinson, Mrs Judy Hopwood, Mr Donald Page, Mr George Souris and Mr John Turner**.

Armidale and Moree Rail Services

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

South Coast Rail Services

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

State Forests

Petition opposing any proposal to sell State Forests, received from **Ms Katrina Hodgkinson**.

Bus Service 311

Petition praying that the Government urgently improve bus service 311 to make it more frequent and more reliable, 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**.

Homeless Services Funding

Petition requesting increased funding for homeless services, received from **Ms Clover Moore**.

Isolated Patients Travel and Accommodation Assistance Scheme

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

Horticultural Industry Water Restrictions Assistance

Petition requesting assistance for the horticultural industry to cope with water restrictions, received from **Mr Steven Pringle**.

Water Tank Subsidy

Petition requesting that the water tank subsidy be extended to rural residents of Baulkham Hills, Hawkesbury and Hornsby local government areas, received from **Mr Steven Pringle**.

Water Carting Restrictions

Petition opposing the decision by Sydney Water Corporation to restrict the operating times for water carters and not allow Sunday cartage, received from **Mr Steven Pringle**.

Glenorie and Galston Sewerage

Petition requesting the delivery of sewerage services to the Glenorie and Galston districts, received from **Mr Steven Pringle**.

Sow Stall Ban

Petition requesting the total ban of sow stalls, received from **Ms Clover Moore**.

Cat and Dog Meat

Petition requesting legislation banning the sale of cat and dog meat for human or animal consumption, received from **Ms Clover Moore**.

Pet Sales

Petition requesting a ban on the sale of pets from pet retail outlets, and that such sales be restricted to qualified registered breeders and pounds, received from **Ms Clover Moore**.

Alcohol Wet Centres

Petition requesting the establishment of wet centres in the inner city to provide a safe place for chronic drinkers, received from **Ms Clover Moore**.

BUSINESS OF THE HOUSE**Re-ordering of General Business**

Ms PETA SEATON (Southern Highlands) [2.29 p.m.]: I move:

That General Business Order of the Day (for Bills) No. 7 [Community Protection (Closure of Illegal Brothels) Bill] have precedence on Thursday 3 June 2004.

As I speak there are illegal brothels operating in thousands of locations across New South Wales— many next door to homes, schools, churches and children's play areas, many staffed by exploited women. Labor has known about this problem since 2001 when the honourable member for Pittwater introduced legislation to stop the problem. Labor voted the bill down. Labor has known about it since last year, when I brought to the Parliament photographs of women forced to live in inhuman conditions in tents, while being exploited in illegal brothel activity in Port Kembla. I tried to table those photographs but Labor shut me down to keep the photographs under wraps.

The honourable member for Kiama tried to silence me. The Minister for the Illawarra said the photographs were only copied to him so he should not have to do anything about them. He is a disgrace. The Minister for Women and every other Labor woman in this place fell into line behind the Premier and kept silent about this problem. The Assistant Minister for Planning cannot pretend she does not know about this because she replied to the private member's statement made by the honourable member for Epping only days ago when he raised the issue of an illegal brothel in his electorate. The honourable member for Coogee deserves special mention in this debate today. He expects his constituents who come to meet him in his office to scroll down the tenant board in the front of his office on which are names such as Michelle's Relaxation Centre, Misty's and Sarah's. One then reads "Level 1—Paul Pearce, MP, member for Coogee". He has known for years that there are dozens of alleged illegal brothels in his area in buildings like his.

The time has come to restore neighbourhoods to families. Labor has been soft on illegal brothels. The Government must now declare its position on this bill and give all Labor members an opportunity to stand up for their beleaguered neighbourhoods. We need to act now and we need to act urgently. Only two weeks ago, with the honourable member for Epping and the Mayor of Hornsby, I met with local council officers who are desperate for tougher powers to close down illegal brothels. They need those powers today. I commend the motion.

Mr CARL SCULLY (Smithfield—Minister for Roads, and Minister for Housing) [2.32 p.m.]: We are a reasonable Government. We will agree to the motion.

Motion agreed to.

QUESTIONS WITHOUT NOTICE

AMBULANCE SERVICES

Mr JOHN BROGDEN: My question without notice is directed to the Minister for Health. How does the Minister defend placing lives at risk when a leaked ambulance report confirms that 2,146 hours were lost by ambulance crews waiting outside hospital emergency departments in April 2004, with the Ambulance Service stating that delays at emergency departments impact significantly on the ability to provide ambulance services?

Mr MORRIS IEMMA: The Leader of the Opposition conveniently ignores that demands on ambulances fluctuate, sometimes significantly, throughout the course of the year.

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

Mr MORRIS IEMMA: An Auditor-General's report which is the latest comprehensive report on the full-year performance of the Ambulance Service showed a gradual improvement in response times across the State from 47 per cent to 53 per cent. The figure in 2001 was 47 per cent and last year's Auditor-General's report showed a gradual improvement to 53 per cent.

Mr John Brogden: Point of order: The point of order is relevance. The Minister may not have seen the report I referred to. I am happy to give it to him because it shows a deterioration.

Mr SPEAKER: Order! There is no point of order. The Leader of the Opposition will resume his seat. The Minister for Health has barely started to answer the question.

Mr MORRIS IEMMA: The point is that the figures will fluctuate from month to month, from week to week. We are able to assess Ambulance Service performance over the course of the year. The last report is the Auditor-General's report, which showed the Sydney response times at 54.5 per cent, a gradual improvement. Notwithstanding that the figures fluctuate month to month, some months will show that when there is increased pressure and demands on emergency departments the figures will fluctuate.

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

Mr MORRIS IEMMA: Last year the Ambulance Service responded to some 890,000 calls. One of the trends that is impacting on the demand pressures on the Ambulance Service is the call-outs that do not involve transport to an emergency department or a hospital.

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

Mr MORRIS IEMMA: Increasingly, the Ambulance Service is attending to calls that do not involve transport to a hospital. Why? Because of the decline in access to primary health care and the crisis in Medicare and bulk-billing, which is also affecting the Ambulance Service. Second, an increasing number of aged people are being transported to hospital with complex conditions and, after being treated for their medical conditions, they are locked in public hospital beds because of the lack of nursing home and residential care places funded by the Commonwealth.

Mr SPEAKER: Order! There is too much interjection by the Leader of the Opposition.

Mr MORRIS IEMMA: The Leader of the Opposition has had three chances in eight months to show some real concern about our emergency departments. He simply had to pick up the phone to John Howard and say, "Give the money back." He has had three chances to tell John Howard to give the money back.

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

Mr MORRIS IEMMA: "Give back the \$300 million to fund our hospitals, including the emergency departments". He had a second chance in February to ask for the \$105 million and, since Friday, he has had the chance to say, "Give back the \$13.5 million for public health funding outcomes." If the Leader of the Opposition was really concerned about ambulance response times and our emergency departments he would have been saying, "Give the \$300 million back for our hospitals" not getting up and saying, "It is a great deal. You should take it."

CAMDEN AND CAMPBELLTOWN HOSPITALS SPECIAL COMMISSION OF INQUIRY SECOND INTERIM REPORT

Miss CHERIE BURTON: My question without notice is directed to the Minister for Health. What is the Government's response to the second interim report of the special commission of inquiry into Campbelltown and Camden hospitals?

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

Mr MORRIS IEMMA: Earlier today Mr Walker presented the second interim report of his special commission into Campbelltown and Camden hospitals to Her Excellency the Governor and the Government released the report earlier today. The report marks another important step on the path to achieving accountability and a clear picture of the events that took place at those two hospitals, Campbelltown and Camden. I would like again to place on record my appreciation for Mr Walker's diligent work in the conduct of this important inquiry. I note that in his second interim report Mr Walker has provided an update on his referrals to the Health Care Complaints Commission [HCCC] and the Medical Board. As a result of his work there are, in total, 15 doctors and 11 nurses whose actions have been referred to the Health Care Complaints Commission for further investigation.

A total of seven doctors have been referred to the Medical Board for performance assessment. Further, Mr Walker has also concluded his inquiries into 56 additional complaints raised by the nurse complainants. He has recommended that practitioners involved in the treatment of 10 patients be referred to the Health Care Complaints Commission. It is important to remember that the decision to refer additional doctors and nurses to the Health Care Complaints Commission does not represent any finding of fact against them. To those who have called for the public naming of the doctors and the nurses who have been referred to the commission or professional boards, I note Mr Walker's reasons for insisting that the list of names of doctors and nurses referred to in the HCCC remain confidential.

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

Mr MORRIS IEMMA: In the report Mr Walker stated:

The statutory system for the consideration of complaints and the possible investigation or performance assessment of health practitioners as a result of complaints does not permit the HCCC to publish any such information without the consent of everybody concerned ... In practice, by reason of this law, practitioners are not identified in public unless and until a prosecution is being heard and, in some cases, not until an adverse outcome against a practitioner has been determined by a practitioners' tribunal ... There is no good reason why the practitioners whose cases I have considered should be treated differently in this regard from their colleagues at other times and places.

I accept Mr Walker's recommendations in this regard. The report highlights the need for procedural fairness. Annexure B to the report highlights that when it comes to this issue, the old HCCC observed "a serious failure to observe procedural fairness". This report is part of the process of correcting those mistakes and ensuring that procedural fairness is strictly adhered to. The Walker inquiry is due to be completed by 31 July. I look forward to receiving its final report, as I do its recommendations, which will ensure that our health system has the most rigorous quality and safety systems for patients. I would also like to welcome the commissioner's announcement of a round table to be held next week. This meeting will bring together senior clinicians, academics and health consumer groups. The round table will consider how we can further improve patient safety and address the complex issues of system and individual accountability outlined.

The South Western Sydney Area Health Service, in partnership with senior clinicians in that area, is nearing finalisation of a blueprint, a health plan for south-western Sydney, to take the area health service forward, which includes Macarthur. I hope to be in a position some time in the next fortnight to stand with the clinicians of the south-west and report on further improvements to the health care system in south-western Sydney and to release the blueprint, the south-western Sydney health plan.

WAGGA WAGGA BASE HOSPITAL WAITING LIST

Mr ANDREW STONER: My question is directed to the Minister for Health. Why has a Griffith upholsterer suffering a crippling hand condition, which renders her pain stricken and unable to work or undertake basic tasks, had her surgery at Wagga Wagga Base Hospital rescheduled seven times since December last year? Is this just another example of the Government's failure on waiting lists?

Mr MORRIS IEMMA: The details of the individual patient raised by the Leader of The Nationals I will take on notice and report back to the House.

Mr SPEAKER: Order! The Leader of The Nationals will cease interjecting. The Minister has the call.

Mr MORRIS IEMMA: In undertaking to get information for the Leader of The Nationals on details of this patient, he would want to have his facts right.

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

Mr MORRIS IEMMA: I say that because every time the Leader of The Nationals has raised issues in this House about individual patient care or issues to do with a health service or hospital facility, he has always got it wrong. The last instalment involved two issues to do with Lithgow Base Hospital—the roof and the rain. He got that wrong. Before that it was about allied health professionals in the Mid Western Area Health Service. Before that it was about his own hospital at Kempsey and children's health services across the State.

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

Mr MORRIS IEMMA: There is a long list of issues raised by the Leader of The Nationals where he has simply got it wrong. In undertaking to get the individual facts in this case, it is important to place on the record that the Leader of The Nationals has always got it wrong. In relation to the elective surgery waiting list, the area health service that that constituent resides in, Greater Murray, was the beneficiary in February this year of part of the \$20 million package over the next 15 months to bring down and target the long waiting list. That is part of the package. On top of that funding, the mini-budget specifically set aside additional moneys for elective surgery and for the capacity to undertake that. They are the efforts we are making to target those who have been waiting the longest on the long-wait list. But as with everything else to do with health, there is one very important thing that the Leader of The Nationals has never undertaken in this place over the last 12 months.

Time and time again when he has had an opportunity to tell us where he stands on New South Wales getting its fair share of Commonwealth health funding he has always squibbed. Not once has he been able to tell us that Commonwealth cuts to our hospital funding affect elective surgery waiting lists. Not once has he told us that Commonwealth inaction on aged care prevents more patients from being treated in hospital and getting access to hospital beds. Each time he has had an opportunity he has squibbed. Again, I will undertake to obtain information on that particular patient. The Leader of The Nationals might take up the invitation to phone John Anderson and say, "How about giving us back the \$300 million?"

LOCAL COUNCILS PLANNING AND DEVELOPMENT PROCESSES

Ms ANGELA D'AMORE: My question without notice is directed to the Minister for Infrastructure and Planning, and Minister for National Resources. What is the latest information on assistance to local councils under the metropolitan strategy to improve their planning and development processes?

Mr CRAIG KNOWLES: Someone just mentioned a leadership challenge.

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

Mr CRAIG KNOWLES: The Leader of The Nationals wants to be careful about the looming challenge by the honourable member for Ku-ring-gai on the Leader of the Opposition, because history shows that when one goes they both go. Remember Collins and Armstrong!

Mr SPEAKER: Order! Question time started in the right spirit, but is quickly degenerating into the same sort of interjection and loud calling out that we have heard in recent times. Yesterday I warned members that I would not tolerate that sort of behaviour during question time. I warn both Government and Opposition members that they should comply with the standing orders. Both questions and answers will be heard in silence.

Mr CRAIG KNOWLES: I was simply being a helpful observer of the dynamics of Opposition politics: When one goes, both go. Remember Collins and Armstrong—the knife in the back, two knives. Then there were Chikarovski and Souris. Here is a tip—Brodden and Stoner.

Mr Andrew Tink: Point of order: My point of order relates to Standing Order 138 and relevance. You cannot expect the House to be in a decent humour when the Minister, in answering a question from his side of the House, carries on with nonsense relating to speculation about a leadership challenger on this side of the House and the real speculation is between the Leader of the House, the Minister for Infrastructure and Planning and the Minister for Health. That is where the speculation is. The Minister should return to answering the question.

Mr SPEAKER: Order! I am sure the Minister will weigh the matters raised by the honourable member for Epping.

Mr CRAIG KNOWLES: As we all get older over the next 50 years or so, we know that the New South Wales population will continue to increase. Some of those people who might have got older will be found dead in an alley with a knife in their back, but I will not go into that.

Mr SPEAKER: Order! I ask the Minister to respond to the question.

Mr CRAIG KNOWLES: No-one goes through the pain of losing 16 kilograms for nothing. As we all know, over the next foreseeable future Sydney will grow at a rate of about 1,000 people each week.

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

Mr CRAIG KNOWLES: Forty per cent of that growth relates to migration to Sydney; and the existing population will produce 60 per cent. How we plan for these changes will determine our levels of competitiveness as a city, our quality of life and how we impact on the resources needed to sustain us. The metropolitan plan for Sydney is part of the Government's response to these demands. The metropolitan plan will be formulated over coming months, and will involve discussions with local communities as well as the experts from both Australia and overseas.

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

Mr CRAIG KNOWLES: The Sydney futures forum process, which we started two weeks ago, saw 350 people come together to think through the choices in managing growth, the options for urban renewal and regeneration, our role as Australia's only global city, our transport needs both now and in the future, and the funding and financing options needed to pay for our infrastructure needs. Over the two days of the forum there were some broad themes of consensus: growth is inevitable; development must be economically, socially and environmentally sustainable; and Sydney, and indeed Australia, must be well placed to be one of the world leaders when it comes to clever environmental solutions to address growth pressures.

Mr SPEAKER: Order! There is too much audible conversation in the Chamber. I call the honourable member for Baulkham Hills to order. I call the honourable member for Lane Cove to order. I call the honourable member for Wakehurst to order.

Mr CRAIG KNOWLES: The young people in the gallery will be interested in this because it is their futures we are talking about as we grow older and there are fewer people, in a proportionate sense, to take care of an ageing community. I have previously mentioned Parramatta Road in this Chamber. I can report that work on the upgrade of Parramatta Road is under way. In fact, I was out there two evenings ago with the mayor and the general manager of Ashfield council talking through the options. The future work on the centres of Penrith, Blacktown, Fairfield, Parramatta, Liverpool, Campbelltown and Bankstown, as well as Wollongong, Newcastle, Wyong and Gosford, hold real promise. The honourable member for Parramatta will support me when I say that Parramatta is going gangbusters; it is experiencing an enormously positive growth curve, backed by good local leadership and planning.

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

Mr CRAIG KNOWLES: It is not restricted to the Sydney metropolitan area. For example, Newcastle is going through massive revitalisation. Less than a decade ago the city of Newcastle was on its knees. Newcastle steel mill closed and people were worried about future jobs. However, through the efforts of organisations such as Honeysuckle, more than \$750 million has been reinvested in Newcastle in a few short years. Some 3,800 good quality new jobs have been created for young people, keeping them in the community and allowing them to have real prospects of a future based on a city that is revitalising itself.

Over the next couple of weeks we will be meeting with all the general managers and mayors of all metropolitan region councils to talk with them about the important role that local government plays in managing the city's growth. It must be a partnership with local government that involves local tailor-made solutions meeting the needs of individual communities. We have already announced funding to the tune of \$4 million for the centres I mentioned and specific funding for the upgrading of Parramatta Road. Earlier today, at the Local

Government and Shires Association conference, I announced further funding for local government in rural and regional parts of the State.

In total, an additional \$5 million has been allocated to councils—a real boost to the work of local government. In the metropolitan region, as part of our planning work for Sydney and the metropolitan plan—I know the Lord Mayor of Sydney will be interested in this—the City of Sydney Council will receive an additional \$310,000 for a single plan for the expanded city of Sydney and a land use and transport development control plan. Lane Cove, North Sydney and Willoughby councils will receive \$200,000 for the St Leonards planning and development strategy. Burwood Council will receive \$250,000 for an areawide local environmental plan. Hurstville, Kogarah and Rockdale councils will receive \$70,000 for the St George region employment and economic study. Randwick council will receive \$90,000 to integrate its strategic plan. Penrith council will receive \$145,000 to assist in its local planning.

Wollongong will get \$153,000 to assist in the comprehensive local environment plan. Wollongong has recently appointed a new planner, David Broyd, from the Tweed. He is a good planner and now he has additional resources to do some good work. On the Central Coast, Gosford will get \$170,000 and Wyong will get \$130,000 to assist in their strategic planning. These are important amounts of money targeted at the important underpinning work to promote the thinking through of future plans for Sydney's growth. As we grow older and larger, these plans, tailor-made to suit the needs of local communities, will provide the solution for that work.

HOSPITAL EMERGENCY DEPARTMENTS NURSES SHORTAGE

Mr BARRY O'FARRELL: My question is directed to the Minister for Health. How can the people of New South Wales have any confidence in his Government's antiterrorism capacity, when a man was injured at the Holsworthy terrorism exercises and then forced to wait more than four hours in the emergency department of Sydney Hospital because he was told there were no nurses available to cope with the backlog?

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

Mr MORRIS IEMMA: Members of the Opposition jump with glee when they see a clinician under pressure, a clinician doing his or her best. They take glee in attacking clinicians. Since 2002 we have recruited an additional 3,000 nurses, and the nursing reconnect program has brought an additional net 750 nurses back to our hospital system, due in no small part to the fact that the Government supported wage increases and paid those wage increases, putting New South Wales nurses at the top for nurses pay in Australia. What has the Commonwealth been doing about the nurse shortage? There is no shortage of young people who want to become nurses but will the Commonwealth fund places through the universities? No.

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

Mr MORRIS IEMMA: When one university gets 2,500 applications for 250 places—

Mr Barry O'Farrell: Point of order: My point of order relates to Standing Order 138. The question related to the State's terrorism capacity and the failure of the health system to cope with an injured soldier.

Mr SPEAKER: Order! The Minister is responding to the question.

Mr MORRIS IEMMA: No wonder that work force is the key challenge for our health system right across the country. That is why we have paid our nurses well-deserved wage increases to retain them and to attract them back. That is behind the nursing recruitment campaign, nursing reconnect, which I relaunched on Sunday. That is why the access and capacity plans that I will release next week involve the recruitment of additional nurses and other measures to help our emergency departments cope with the pressures and demands placed on them.

We have plans to add capacity and increased access to assist our frontline health-care professionals cope with the ever-increasing demands and pressures placed on them. The demands and pressures increase all the time because three times the Commonwealth has revisited the agreement we have with them and pulled the money out. If we could just once get recognition from the Commonwealth that it needs to fund our public hospitals properly, not take money out, and it needs to take the lead that we showed in April with the

\$1.6 billion increase in health funding in the mini-budget. Perhaps just once John Howard and Peter Costello could come up with an arrangement that sees them give us an increase in funding, not revisit agreements that we have signed with them to take the money back.

PET FOOD INDUSTRY

Ms MARIE ANDREWS: My question without notice is directed to the Minister for Regional Development. What is the latest information on the New South Wales pet food industry and its impact on regional areas and related matters?

Mr DAVID CAMPBELL: Obviously the honourable member for Peats has an interest in regional jobs growth. New South Wales dominates the Australian pet food industry. Producers in this State are responsible for 40 per cent of national production, which was worth \$2.3 billion last financial year. The industry includes canned animal food and stockfeed. Our State's pet food industry continues to grow steadily, averaging 6 per cent in the past financial year. The New South Wales Government strongly supports this regional growth industry. As well as domestic sales, our pet food industry is a significant exporter. About 30 per cent of production—worth \$735 million—was exported last financial year. Pet owners in Japan, Korea, Taiwan, Singapore, Thailand and South Africa are using our quality products. Most of this was made available by workers living in regional areas around the State.

Four major producers in New South Wales—Uncle Ben's, Friskies, Nestle and George Weston—manufacture one-third of our total production. The Government is keen to support all businesses in this industry, whether they are small, medium or large. The New South Wales Government actively encourages and supports this important industry. We are keen to encourage businesses planning to expand and create new jobs in country centres. The New South Wales Government has financially supported the Hunter-based company SPF Diana Australia to establish a pet food ingredient manufacturing plant. Two years ago we supported Vet's Best Products to relocate its operations from Sydney to Somersby on the Central Coast. The New South Wales Government support means that Dubbo has 45 more jobs, thanks to the pet and snack food company Best Care Ltd. In Forbes we have supported the former company Petchef, now incorporated into Bush's Dry Pet Foods. This has helped to protect the jobs of 49 workers.

The New South Wales Government is also helping families in the Inverell area. Supercoat Petcare has been based in that town since 1994. The honourable member for Northern Tablelands will be particularly interested in this part of the answer. Supercoat Petcare markets nationally and also exports its products to New Zealand, Taiwan, Korea, Japan, Indonesia and Turkey. That is not a bad effort for a New England company that seven years ago had a workforce of just 13. With growing demand, the company has undertaken a \$2.2 million expansion. This is a terrific vote of confidence in the New England region. It is tremendous news for the company's 90 workers and their families. As a result of its expansion, the company will increase its workforce by 25 over the next three years. The New South Wales Government has financially supported Supercoat Petcare's efforts to grow and expand. Funding for this project has been provided by the New South Wales Government's regional business development scheme. It is yet another example of a company being supported by the State Government to grow its business in regional New South Wales.

On a separate matter but still relating to pets, on 18 May, two weeks ago, the Prime Minister wrote to the New South Wales Government advising us of plans to ban the import and export of cat and dog fur products. The New South Wales Government supports the Commonwealth's move. We will work with the Federal Government to ban the sale and production of cat and dog fur within New South Wales. It appears there is no known existing New South Wales trade in cat and dog fur, but from time to time there are reports of people trading in these products. Animal rights organisations estimate at least two million dogs and cats are killed annually worldwide for the fur trade. Fur is used in hats, gloves, toys, blankets, shoes and car upholstery. It can be falsely labelled as other animals such as sobaki, goupee, mountain cat and rabbit. Animals raised overseas for this purpose often live in horrendous conditions, dying painful deaths. The New South Wales Government will support the Commonwealth's attempts to ban the trading of these products.

PACIFIC HIGHWAY UPGRADE

Mr DONALD PAGE: My question without notice is addressed to the Minister for Roads. Given his comments in this House yesterday about the need to upgrade the Pacific Highway to stem the rising road toll and that he will "work with any Federal Minister who will give us money", why has he spent only \$34 million of the \$60 million allocated by the Federal Coalition Government this year towards improving the Pacific Highway?

Mr CARL SCULLY: I find it absolutely astonishing that the honourable member has absolutely no idea about how infrastructure is developed, funded, operated, and maintained.

Mr SPEAKER: Order! The Chair is trying to hear the Minister's answer.

Mr CARL SCULLY: Sometimes I wonder whether Blackie is right and Nationals actually do have six fingers. I am happy to enlighten the honourable member for Ballina. The budget is a snapshot on a particular day of how we believe the finances and costings and findings of projects will unfold. Some projects are completed faster and some take longer. Some have problems that have to be overcome.

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

Mr CARL SCULLY: The honourable member does not want to hear the answer. She does not like it. Get back to the equestrian centre. We often discuss these things between the Roads and Traffic Authority and the Department of Transport and Regional Services as agencies in government. Things might take a little longer. There may be problems. There may be consultation on a range of issues. Shock, horror! It actually happens within our agencies. When that happens I go to Treasury, as I have often done, to see Treasurer Egan. I ask, "There has been range of issues on this particular project so do you mind if we roll the funding over to the following year?" Almost always—as we know, Treasurer Egan is a very reasonable man—he says yes. If the honourable member for Ballina has discovered this great revelation that we have underspent on the Pacific Highway in respect of some particular Federal allocation, I dare say it is to do with something that needs to be rolled over into the following year. But he has not asked me the real question, which is: What is the Federal Government doing about the Pacific Highway? They will not join with me—

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

Mr CARL SCULLY: I am embarrassed about how much we have done for National Party seats on the Pacific Highway. John Turner, Andrew Fraser and Don Page have been awash with Labor Government money. We have been paying their electorates. John Turner used to boast—

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

Mr CARL SCULLY: Sit down, Don. Shut up, Don. National Party members are embarrassed that it has taken a Labor Government to fix their highway. What did they do when they were in government? They left us a complete goat track and we have been in there doing the right thing. Never forget, they try to pretend that the Pacific Highway agreement is a Federal Government initiative. Michael Knight and Laurie Brereton signed it in January 1996 in Grafton. And guess what? It is going to take Martin Ferguson and Carl Scully to extend it.

CAMPFIRES ALIVE PROGRAM

Mr PETER BLACK: My question is directed to the Minister for Tourism and Sport and Recreation, and Minister for Women. How is the Government encouraging families to camp and holiday in remote areas of New South Wales?

Ms SANDRA NORI: Before referring to the new program that is being rolled I will explain to the House the rationale behind the new program. We all know that the primary responsibility for the socialisation of children is held by parents and the family. And we know that of all the factors that influence socialisation, family and parents far outweigh—at least in the early years—other influences such as media and the education system. That is not to say that public policy and programs as expressed through the education department—and things such as Families First through the sport and recreation department, scouting, guides, and police citizens youth clubs—do not have a role in helping parents to mould kids and young people into self-confident, happy, active, self-motivated, responsible young adults. Of course, all of these organisations and programs do have a role in helping to break intergenerational family dysfunction. We pay a heavy price for dysfunctional adults and all their ugly and tragic manifestations.

There is also a problem with childhood obesity. I understand that obesity issues are quite complex but we do have to make sure that our kids learn that there are things other than watching television, playing electronic games, or surfing on the net. There are ways to have fun and be active. We also have to teach our kids the great lessons of responsibility, self-reliance, being part of a team, and making a contribution. I suspect that the best lessons for these objects is the lesson you have when you do not realise you are having a lesson—in other words, when you are having fun.

The Department of Tourism, Sport and Recreation has 11 sport and recreation centres around regional New South Wales, all in great locations with great staff. But in the past, distance, the time required for travel, and the cost—even though the cost of the camps is very affordable—have made school camp too hard for too many primary school kids in New South Wales. So we have devised a program to take the camp to the kids. Our Campfires Alive program is one of several new outdoor education products that will be rolled out over the next couple of years for the personal development of young people. It is an outreach program. It is like a mobile, tailor-made, outdoor classroom. It will allow many schoolchildren from rural and remote communities to attend a camp. The initiative helps to significantly reduce travel cost and travelling time for students and teachers. Campfires Alive will also encourage children to live and learn together and develop responsibility and self-reliance.

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

Ms SANDRA NORI: The program will be open to all Government and independent country primary schools with fewer than 150 students. The program started last year as a pilot in the New England-northwest region of New South Wales. Three pilot programs embraced 160 students from kindergarten to year 6 from six small schools across the northwest, including Mallowa, Gravesend, Ashford, Blackville, Werris Creek and Wallabadah. The scheme involves going to a local country town, identifying a site, and assessing it for risk and the provision of suitable facilities.

Mr Ian Armstrong: Point of order: Does this mean that the kids will be able to ride ponies in the Kosciuszko National Park in the future as part of the teaching exercise?

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

Ms SANDRA NORI: In 2003 the sites used were the Ashford showground, the Gravesend pony club grounds, and the Quirindi racecourse.

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

Ms SANDRA NORI: In the second pilot, being held this year, the program is being conducted in Narrabri with more than 120 students from six small schools. There will also be a two-week period in Broken Hill. We also expect a program to have a presence in Broken Hill and Far West New South Wales, with consideration being given to extending the outdoor education opportunities to other local schools in this region and also within Broken Hill. The program has had to be innovative and flexible. For example, canoeing was available at the camps last year. One was held in an earth dam, one in a tree-lined river, and one even in a local town swimming pool. One of the most gratifying things about this pilot was the genuine appreciation expressed by the children. They really enjoyed experiencing the range of activities offered and meeting kids from other schools. That was a very big deal for them. Of course, the department will continue to supply opportunities through its 11 sport and recreation centres for the more than 50,000 kids and their families who enjoy those facilities each year.

DUBBO DRUG RAID

Mr TONY McGRANE: I direct my question to the Minister for Police. Will the Minister inform the House of the details of police investigations into drug-related operations in the Dubbo region in May this year?

Mr JOHN WATKINS: I thank the honourable member for his question and his ongoing support for police in that area. Last week Dubbo was the centre of a massive statewide strike against illegal drugs.

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

Mr JOHN WATKINS: The raid was the result of an 18-month investigation into organised crime and the illegal amphetamines trade. More than 350 police officers from New South Wales, South Australia and Queensland arrested 23 people in a joint operation called Strike Force Winstead. It is believed that the operation has disabled a \$22-million amphetamine and \$1-million cannabis racket associated with outlaw motorcycle gangs. The New South Wales Gang Squad and officers from western region commands raided 15 properties simultaneously at dawn on 26 May. They targeted 11 homes in Dubbo and surrounding areas, one in Port Stephens and three in the Sydney suburbs of Casula, Erskine Park and St Clair. Firearms, ammunition, amphetamines, prohibited weapons, chemical precursors, and evidence of clandestine drug laboratories were discovered. Superintendent Ken McKay, the Gang Squad Commander and Strike Force Winstead leader, said:

This extremely successful operation, which showed the capacity of three state police forces working together, has stopped an organised crime drug racket.

As Orana Detective Inspector Michael Willing told the *Dubbo Daily Liberal* on 27 May:

Eighteen months ago, Dubbo police came across evidence of this syndicate, which was responsible for transporting amphetamines and cannabis throughout NSW and into other States. ... You don't have to be Einstein to realise that the volume of other crimes...such as break and enter, stolen cars ... are linked to the supply and use of drugs. Our investigations will be ongoing. We're not going to stop.

The Dubbo raids are the latest achievement in what has already been a remarkable year for NSW Police anti-drug operations, which have targeted narcotics, amphetamines and cannabis. Officers from local area commands in the Central West should be congratulated on the part they played in raids at Dubbo on 29 January, which resulted in the seizure of cannabis plants worth \$60 million; at Tullamore, near Parkes, on 27 February, which resulted in the seizure of 8,000 cannabis plants and the arrest of four men from Cabramatta, Bankstown and Kemps Creek; and at Balladooran, near Dubbo, on 27 February, when seven people were arrested in relation to a \$7 million cannabis crop. The outstanding commitment of NSW Police is helping to protect the community from the scourge of illegal drugs. The total value of drugs seized by NSW Police doubled between 2002 and 2003 and five times more heroin was taken off the streets last year than in the previous 12 months. Once again I congratulate NSW Police, and particularly the hardworking policemen and policewomen of the Dubbo area, on their recent victories against the scourge of illegal drugs.

ILLEGAL RUBBISH DUMPING

Mr JOSEPH TRIPODI: I direct my question to the Minister for the Environment. What is the latest information on illegal dumping in New South Wales?

Mr BOB DEBUS: I thank the honourable member for his question and acknowledge his interest in this very serious problem across the State, and particularly in Western Sydney. Unfortunately, the cleanup of illegal dumping costs the State Government and councils tens of millions of dollars each year. Illegal dumping obviously creates a health risk and spoils the landscape. It damages the environment by impacting on native plants and animals and it affects the health of regional parks and forests, not to mention the water supply in local catchments and waterways. The Government has a strong record with regard to action on illegal dumping. Since mid-2002, penalties have increased dramatically. Offenders found guilty in court can face a fine of up to \$1 million and substantial gaol sentences.

Last year the Department of Environment and Conservation launched a \$2.5 million program that targeted trucks to ensure that carriers cover their loads, provided education and cleaner industry programs, and undertook enforcement action, including the use of regional illegal dumping squads. Last week a man was fined \$10,000 in the Land and Environment Court for running an illegal tip at Marsden Park, in Western Sydney. In what has become a rather disturbing trend, the man's business was illegally accepting up to 20 truckloads of waste a day, including asbestos waste. Waste in New South Wales, and particularly in Sydney, is big business, and responsible operators must be assured that operators who flout the rules will not gain an unfair advantage.

Two significant initiatives have been implemented. Operation White Ibis is an imaginative program that represents part of the Government's crackdown on shonky waste operators. The sacred white ibis is an Australian native bird usually found near wetlands. However, it has now adapted itself to urban areas, where it feeds on food scraps. Departmental officers know that if they see a white ibis near a landfill facility, food waste has probably been dumped there. Many of the sites are not licensed to dispose of food waste, so the bird operates as a red flag indicating that food waste is being dumped where it should not be. Illegal dumping can lead to serious groundwater contamination. The operation has involved more than 60 inspections and has resulted in a large number of on-the-spot fines for breaches such as illegal dumping and illegally transporting waste.

A Regional Illegal Dumping [RID] squad will be established in the Southern Highlands, Shoalhaven, Eurobodalla, and Wingecarribee shire areas. The Western Sydney RID squad, which was established in 1999, covers the Fairfield, Blacktown, Liverpool, Penrith and Bankstown council areas. It has been very successful and officers have issued hundreds of infringement notices. From 2000 to 2002, Shoalhaven shire officers located or investigated 331 dumping incidents on Crown land, 250 in national parks, 204 in State forests, and 342 on council land. That demonstrates the scale of the problem, and that activity will be the focus of the new RID squad. I am sure that the residents of Shoalhaven, Eurobodalla and Wingecarribee will benefit from the work of the squad in combating the menace of illegal dumping.

PACIFIC HIGHWAY UPGRADING

Mr CARL SCULLY: I wish to provide a supplementary answer to a question asked of me by the shadow Minister for Roads and Housing. The honourable member asked whether the Roads and Traffic Authority [RTA] had underspent \$34 million of a Federal Government funding allocation of \$60 million for the Pacific Highway. I have received advice that that is correct. The other good news is that I was also correct. The primary reason for that underspending is the delay in awarding the Brunswick Heads to Yelgun contract. The RTA has not spent as much on the project as was planned due to delays in undertaking the required environmental process, in response to significant community concerns. The community rightfully expected the State Government to respond to its concerns and resolve as many of them as possible. We did the right thing by the community, which delayed the process, and that is why we have underspent the allocated funding. The RTA has kept the Federal Government informed of funding progress on the Pacific Highway.

Questions without notice concluded.

CONSIDERATION OF URGENT MOTIONS

Water-saving Measures

Ms VIRGINIA JUDGE (Strathfield) [3.30 p.m.]: My motion is urgent because Sydney householders consume enough water every day to fill 450 Olympic-size swimming pools. If we continue our energy and water usage at this rate, within 50 years we stand to lose between 15 and 37 per cent of the world's species. These devastating consequences can be avoided, and it is urgent that today the House discuss how we as a State can taper our water usage and salvage the future of the environment.

Ambulance Services

Mr BARRY O'FARRELL (Ku-ring-gai—Deputy Leader of the Opposition) [3.31 p.m.]: My motion is urgent because I would hate any member of this House to have to call an ambulance and experience the sorts of delays being experienced across the Sydney hospital system as we speak. My motion is urgent because today the Opposition released figures—the most recent annual figures available, because the Government goes to enormous lengths to hide these types of figures—that show the deterioration in turnaround times by ambulance services across metropolitan Sydney. My motion is urgent because these figures show that, despite a reduction in the number of people being transported by ambulance from accident scenes to hospitals, the average turnaround time for hospitals in metropolitan Sydney has increased by 19 per cent, to 37 minutes. In other words, ambulance officers are delayed for 37 minutes as they try to get patients into emergency departments, hand them over to hospital personnel, and get back on the road so they are available for emergency calls.

My motion is urgent because that sort of delay puts people's lives at risk. It is urgent because every delay involving a serious accident can mean the difference between life and death. My motion is urgent because there can be no more fundamental or basic service provided by a State government than an ambulance service, a service designed to get people to urgent medical treatment. My motion is urgent because the response rate within the parameter of 10 minutes, which is the benchmark set by the Government, for the month of April was 54.3 per cent. In other words, just over one in two ambulances got to accident scenes within 10 minutes, even though that is the Government's benchmark. However, in south-western and western Sydney the response rate within 10 minutes was down to 44 and 45 per cent.

My motion is urgent because, as the Minister for Health admitted today, this State's ambulance service transports a large number of people to hospitals. We have 46 ambulance stations within what is described as the metropolitan region. Last year ambulance officers attended 361,000 callouts and delivered 180,000 patients to hospitals across the metropolitan area. My motion is urgent because under this Government, successively over nine years, but, more importantly, under the current Minister for Health over the past 12 months, the blow-out in ambulance response times has increased considerably. This has nothing to do with the performance of ambulance officers; indeed, it is quite the reverse. The Government's insistence on its flawed closure of public hospital beds is putting enormous pressure on front-line medical personnel in hospital casualty departments and tying up trained ambulance officers and paramedics, who are forced to babysit patients in hospital car parks as they try to get them into hospitals.

My motion is urgent because, instead of treating that fundamental problem, the Government has established ambulance liaison officers. It has taken trained, skilled ambulance officers and paramedics out of

their ambulances and put them into hospital casualty departments, where they spend 90 per cent of their time arguing with hospital administrators to get patients out of ambulances and into hospital beds. My motion is urgent because we are approaching winter, when the load on our hospitals gets worse and, because of the conditions on our roads, accidents increase. A continuation of these sorts of statistics indicates that many people will die over the next few months because of the failure of the Government to accept that its closure of hospital beds is not only putting pressure on hospital emergency departments but tying up critical ambulance transport across this city.

The statistics show that there is the equivalent of seven fewer ambulances on the road every day of every month of the year because of the delays being experienced by ambulance officers in unloading their patients into hospitals. My motion is urgent because the figures show that 2,146 crew hours, or 89 days, were lost in April, which amounts to more than seven crew shifts each day. There can be no more urgent issue, regardless of the state of water in this city. The reality is that without medical treatment people will not survive. Ambulance officers deserve relief through the Government addressing the hospital bed shortage issue. Those who work in casualty departments across Sydney deserve relief because of the hospital bed shortage. The Government must commit itself to reopening transition and general ward beds, giving people access to hospitals, improving turnaround times, and letting ambulance officers, doctors, and nurses get on with their jobs and save lives.

Question—That the motion for urgent consideration of the honourable member for Strathfield be proceeded with—agreed to.

WATER-SAVING MEASURES

Urgent Motion

Ms VIRGINIA JUDGE (Strathfield) [3.36 p.m.]: I move:

That this House supports the use of rainwater tanks and other water-saving measures, including new basic standards from 1 July, in the face of the worst drought in more than 100 years.

Sydney householders consume enough water every day to fill 450 Olympic-size swimming pools. In the Strathfield local government area alone, in 2002-03 the average household used 3,043 litres of water, or approximately 1,000 litres a day. The need for change in our behaviour cannot be underestimated or stressed enough. Climate change is not the smoke and mirrors that many conservative politicians, members opposite, or their mates in Canberra would have us believe. It is a very real and present danger, for this State, this nation, and indeed this planet.

Leslie Hughes from the Department of Biological Sciences at Macquarie University has already noted the effect that climate change has had on the environment. In her article entitled "Climate change and Australia—Trends, projections and impacts" she observes that there is clear evidence that recent climate trends have already had significant impact on species and ecosystems. Australia's continental average temperature has increased by approximately 0.8 per cent since 1910, and even a change that might seem so minuscule almost over a century can have widespread and devastating effects on biodiversity. A group of researchers across the world predicted that, on the basis of mid-range climate-warming scenarios, by 2050 between 15 and 37 per cent of species in the world would be "committed to extinction".

[*Interruption*]

Members opposite may think that is a joke, but we cannot take them seriously. The Federal Government will not even commit to ratifying the Kyoto protocol—and here they are trying to criticise what I am saying. It is a joke. We face the loss of more than one-third of the planet's species within 50 years due to our negligence of the environment our denial of the changes we need to make.

[*Interruption*]

It is obvious that members opposite are denying it. I rest my case. Acknowledgment of the threat we face is becoming more widespread. In the *Sydney Morning Herald* of Wednesday 19 May Anne Davis reported a warning by the scientist Dr Tim Flannery that "the next 50 years could offer Sydney the last chance to avoid catastrophic climate change". Dr Flannery also noted that the city could have 60 per cent less stored water in the future. We have had some limited rainfall in the last week, but storage levels in the dams of the Illawarra and the

Blue Mountains stand at a very worrying level of 49.8 per cent. As a result, the water restrictions that came into force in September last year were yesterday stepped up to level two. Members opposite might wonder whether I have ever been inland. My father has a farm up near Gundaroo and he will support this 100 per cent. They have rainwater tanks and they are in trouble.

In order to fulfil the demands of water restrictions and preserve our most precious natural resource, the Government has introduced the Building Sustainability Index, known as BASIX. BASIX is an online program that allows private householders who are planning to build a new property to assess the water and energy savings that could be made from their proposed development. The honourable member for Menai, who is at the table, just supported what I am saying—and she knows, as she has studied this particular system. From 1 July this year building applicants will be required to complete an online basic assessment as part of their development application. This is necessary because from 1 July it will be compulsory for new housing to be designed and built with a capacity to use 40 per cent less water than comparable houses with standard fittings. We are not just sitting on our hands; we are putting policies in place to help people to conserve water.

From 1 October 2005 it will become necessary for applicants for building extensions or alterations to complete a basic assessment and to fulfil the 40 per cent water reduction requirements. One of the easiest ways to illustrate a 40 per cent reduction in household water usage is the installation of a rainwater tank. Rainwater collected in a tank can be used effectively for toilet flushing, for clothes washing and, of course, for outdoor watering. The water saved by the introduction of a rainwater tank alone can have a significant impact on water usage of a household without even factoring in all the other water-saving devices. Employing a rainwater tank takes pressure off Sydney's water supplies from dams and reduces the impact of stormwater flows, which compromise the state of our wonderful urban rivers and creeks.

In May 2002 the Government slashed the red tape from tanks by making it unnecessary for householders wishing to install a tank to lodge a development application at their local council. In October 2002 the support of tanks went even further through the introduction of a rainwater tank rebate from Sydney Water for customers who install a tank that holds in excess of 7,000 litres—another progressive action by our State Labor Government. The rebate is \$500, but is supplemented by a further \$150 if the tank is connected to a toilet or washing machine. We are going that step further.

During my term as Mayor of Strathfield, Strathfield council made it necessary for all new single houses that were going to be built and all houses requiring a major renovation to have a rainwater tank installed. It is interesting to note that when this idea first came to mind I was laughed at, I was scoffed at and I was ridiculed. One of the Conservative councillors—now the Deputy Mayor—who has never supported the Government said, "Virginia, you can't do that. How can you force people to put in a rainwater tank?" That epitomises the small and regressive thinking of the members of the Opposition. That little idea came from a local resident who told me, "Virginia, with council in the past we could not even put in a tank, we were discouraged from putting in a rainwater tank." Little Strathfield council made that commitment, which then caught on. Obviously, the policy has gone much wider—and so it should.

Strathfield council made this commitment. At the time there were only two rainwater tanks in the area. About 154 development applications have been lodged for new homes. Of course, they will all have those wonderful new rainwater tanks. I think Strathfield council was the first metropolitan council in the inner west to do that, and it has gone more broadly. I want members of the Opposition to listen carefully: I have gone that one step further, I am prepared to put my money where my mouth is. I am probably the first urban member of Parliament—maybe there are others I am not aware of—to install a rainwater tank on my property. It is a 4,500-litre tank, it is absolutely beautiful, it is a lovely Brunswick green and it sits aside my house. I live in a conservation area and I extend an open invitation: drive down Redmyre Road and have a look at my rainwater tank. I can see that everyone in the gallery thinks that is a great idea. It is a great idea and it will conserve a lot of water. I am prepared to put my money where my mouth is—I have got my rainwater tank. I bet honourable members opposite do not have rainwater tanks.

Introducing water efficient devices around the home can have incredible impacts on the amount of water that we can save and can also slash money from our energy bills. A small and simple thing such as a leaking tap uses 24,000 litres of water over a year, which is amazing. Over a year a leaking toilet uses 16,000 litres of water. Water saving devices can have incredible benefits: they save money in many ways and they conserve our most precious resource. One solitary water tap left running uses 17 litres every minute. These behavioural patterns take only moderate alteration on our behalf, but they can certainly make a significant difference to our water consumption. The water usage of a household is a stark illustration of our wastage when

broken up by areas within the house. Bathrooms use around half of all water consumed in the home. Installing water-efficient showerheads or dual flush toilets can rectify the situation. These are the little things we can all do. One eight-minute shower using a regular showerhead—I bet members of the Opposition do not know how many litres that will take—uses 120 litres of water.

Mr Gerard Martin: They are always taking a bath, not a shower.

Ms VIRGINIA JUDGE: They are always out to the shower, and long showers too, I bet. Laundries use a quarter of all household water usage. The kitchen consumes around 7 per cent of household water, which of course can be stemmed by installing efficient dishwashers, et cetera. The garden alone is responsible for 25 per cent of water usage, but that can be minimised—for example, by installing a rainwater tank. In a way, it is like having a mini-dam in one's backyard that one can control. Everyone must do his or her bit for the environment, as we are in Government. [*Time expired.*]

Mr BRAD HAZZARD (Wakehurst) [3.46 p.m.]: That was a very enthusiastic performance by the honourable member for Strathfield. The Opposition just wishes that she had her facts correct.

Mr Andrew Stoner: Enthusiastic, but unconvincing.

Mr BRAD HAZZARD: Yes, she was. The only thing I can say is that we would not have a drought problem if we gathered together all the drips on the Government benches. The Minister for Energy and Utilities appreciates that, but he is not really on the Government benches yet—he has not been accepted. While the Opposition is generally supportive of rainwater tanks, I will be moving an amendment to the motion. I move:

That the motion be amended by leaving out all words after "That" with a view to inserting instead "this House condemns the Government for failing to plan for Sydney's water needs and its failure to ensure Sydney Water stems massive financial losses as well as massive water leakage."

The issue of rainwater tanks is interesting. The Government took a long while to address rainwater tanks. The Opposition called for the Government to become efficient on the issue of water tanks. Honourable members might be interested to know that the Government has failed to release a report that was prepared by the Department of Health. I will read a little bit of the report, because apparently the Minister could not find it to release it to the public. I remind the House that the Opposition called for rain tanks to be supported through the continuation of the rebate system, which the Government did not do until the Opposition called for those rebates to be extended.

Mr Andrew Stoner: And they still have not extended the rebates to rural and regional areas.

Mr BRAD HAZZARD: No, they have not. Right across New South Wales—which is experiencing one of the worst droughts on record—there is no Carr Government support for country people, for people in the regions, to get water tanks.

Mr Andrew Stoner: Even Gundaroo.

Mr BRAD HAZZARD: Even Gundaroo. When councils wanted to access the rainwater tank opportunities some became particularly frustrated. Kiama Council wrote to Sydney Water and requested permission to have water tanks connected to homes within the Kiama area. The honourable member for Kiama should be in the Chamber because this is a matter of importance to his electorate. A ministerial briefing went to the Minister, although he may not have seen it—it is one of many I have in my file. Last year the ministerial briefing note advised the Minister as follows:

The Ministry has received verbal advice from Mr Ashley Bond of Kiama Council that Sydney Water is refusing to connect Council's land development at the Elambra Estate to the reticulated water supply. Council proposes to include rainwater tanks in the development that will be connected to the hot water service in each dwelling.

The Minister is responsible for these matters. Council apparently raised this matter formally with Sydney Water some 12 months ago, but has not yet received a written response. On 13 June 2003, following verbal advice, council emailed Sydney Water's Robyn Allen, requesting that rainwater tanks be connected to hot water services. It stated that the design of council stormwater systems in the development is premised on this use, as well as other uses, such as washing machines, toilet flushing and outdoor use. Advice from the Ministry states:

The Ministry considers that Sydney Water's position on this matter—

The Minister is also responsible for Sydney Water—

is unsustainable because:

- The Corporation's interests in this area should only be to—
 - reduce demand on its water supply by encouraging rainwater tanks; and
 - protect its supply from possible contamination.
- Nothing Kiama Council is proposing would conflict with those objectives.

The briefing note also commented on the fact that Gosford and Wyong councils have had rainwater available as part of their arrangements for quite some time through the use of rainwater tanks. It took the Minister some time after that to finally get around to directing Sydney Water to allow rainwater tanks to be connected. Apparently, the Minister did not even address health issues along the way. He was unaware that NSW Health had put out the report, which stated:

NSW Health recommends that those who use rainwater in urban areas should be aware of potential risks associated with chemical and microbiological contamination. Rainwater collected for human consumption (drinking and cooking) in urban centres and industrial areas affected by heavy pollutants, may be contaminated.

For some months after facilitating the use of rainwater tanks the Minister did not make a peep. He should inform the community of the contents of the NSW Health report. The Opposition remains supportive of the use of rainwater tanks, but suggests that the Government has failed to reuse and recycle water or prevent effluent going into the ocean. It has failed to work with the relevant services in Sydney to ensure that there is maximum reuse of water.

Mr Frank Sartor: Failed, failed.

Mr BRAD HAZZARD: The Minister says he has failed. He knows he has failed and he should resign. Basically, he has failed on a whole range of issues. This has meant that elderly and frail Sydneysiders have to go out into the freezing cold after 5.00 p.m. to water their gardens. Yesterday the sun set just after 4.50 p.m., yet the Minister is sending them out into the dark to water their gardens. Yesterday at Bathurst and Richmond the temperature was minus one degree. People must freeze to death in order to water their gardens. Sydney Water has failed, not only to stop its own water leaks—10.7 per cent of water still escapes from mains across the urban area—but also to stop its financial leaks, and many other leaks. I shall quote an email from one Sydney Water officer to four other officers, dated 12 May, which states:

Gents,

As you would be aware, we are conducting extensive reviews into SWC's Risk and Insurance function and our relationship with brokers and insurers. As a precautionary measure, Bruce Ferguson has gone on leave while investigations continue. While Bruce is away Garry Hooper will be acting as the Manager, Risk and Insurance.

Regards,
Richard

The Minister has not said one word right up until this moment about yet another stuff-up at Sydney Water, which has apparently lost \$7 million. An investigation is currently being undertaken into Sydney Water's missing \$7 million. I understand that Marsh Pty Ltd is the broker for Sydney Water. Apparently that company received a flat fee contract and under the terms of the contract any commissions that Marsh receives from the insurer from placing Sydney Water's business with them has to be declared and paid to the Sydney Water Corporation. These commissions have gone missing. Marsh is still the broker for Sydney Water, so we can only assume that Marsh has not done anything wrong. That company has fulfilled its part of the contract so where has the money gone? A bit more money has disappeared out of the Carr Government coffers—\$7 million from the taxpayers. I note from the email that Mr Bruce Ferguson has gone on leave.

The Minister and the Managing Director of Sydney Water have an obligation to explain why they have lost \$7 million from the insurance premiums, which could have been used to reduce the leaks and eliminate problems currently existing across the infrastructure network at Sydney Water. The Coalition supports rainwater tanks and other measures to maximise the use of water that falls across Sydney. However, we are concerned about health issues and seek answers from the Minister as to whether he has actually seen the NSW Health report, which states that drinking water from those tanks can be dangerous. We also want to know what action the Minister is taking to sort out the problems at Sydney Water.

The board of Sydney Water has actually survived three managing directors—David Hill, Alex Walker and Greg Robinson—yet the board has remained. The board's Madam Borgia, Gabrielle Kibble, is still running the show; she has survived all sorts of crises in Sydney Water, despite Sydney Water losing an absolute fortune over the years. For example, the customer information billing system incurred a loss of \$61 million; the sewage pumping station upgrade exceeded its estimate by \$128 million; and there is the \$6.7 million that has been lost with this insurance problem. Gabrielle Kibble and the Minister should go. [*Time expired.*]

Mr FRANK SARTOR (Rockdale—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) [3.56 p.m.]: This is a sensible motion, which seeks to promote various water-saving measures in households throughout the State. The motion deals with the whole State, whereas the amendment of the honourable member for Wakehurst focuses on Sydney, ignoring the intent of the motion.

Mr ACTING-SPEAKER (Mr John Mills): Order! I call the honourable member for Wakehurst to order.

Mr FRANK SARTOR: The amendment is appalling. The Opposition has tried to score cheap political points with respect to rebates. Rebates are given by the water utility. The people of Sydney, through Sydney Water, give rebates to those who have utilised rainwater tanks and other measures. The people of Sydney cannot be expected, as customers, to give rebates to people who are supplied with water by Griffith City Council, for example. It is up to the local water utility. In line with best practice guidelines, the majority of councils in New South Wales will introduce a number of water conservation measures.

Indeed, the response to those best practice guidelines has been quite good. The issue in relation to Kiama and the NSW Health report is simple. We changed the rules to allow for more flexibility in the design of plumbing for rainwater tanks. They were changed last year to facilitate the installation of rainwater tanks and to cut red tape. Quite rightly, NSW Health has issued alerts to people about whether they should use rainwater from tanks for drinking purposes. I grew up on a property with a rainwater tank and drank the water. Nevertheless, it issues the cautionary, conservative alert that basically people must take into account the possible risks of using a rainwater tank. That is all that has happened here. There is nothing more to it than that.

As for the issues relating to older people and the water restrictions, I simply make the point that we have given two weeks' grace without fining anyone who breaches the new restrictions. At the same time I have said publicly several times that Sydney Water will deal sympathetically with any requirements for exemptions. We have two weeks to address those issues, and they are being addressed. In relation to financial leaks, an issue relating to an insurance broker is being investigated. The issue, which was discovered by the executive team at Sydney Water, relates to a three-year period and whether or not commissions were properly withheld from Sydney Water. That is currently subject to investigation and is being addressed, and it is inappropriate to discuss it further.

The simple fact is that 70 per cent of New South Wales is in drought and another 15.7 per cent of New South Wales has been declared marginal. Demand management is a critical issue. At the moment it would not matter what we did with dams or other things; the simple fact is that we are in the middle of a drought and we must address the situation as it is today. The Minister for Infrastructure and Planning, and Minister for Natural Resources has introduced a new Building Sustainability Index program, known as the BASIX program, which comes in on 1 July. That will do a lot to save water in new dwellings. It will cut water consumption by 40 per cent. On the supply side, we are looking at two major initiatives announced by the Minister for the Environment that will draw water from the system. That will help with the next cycle; it will not help with the current drought cycle.

The current drought cycle has to do with defined, limited quantities of water in our dam system, which we must manage by a whole range of means. That is being addressed, and it will take half of the water that otherwise would have been generated by Welcome Reef dam. Interestingly, the shadow Minister is reported in today's *Daily Telegraph* as saying, for the first time, that Sydney needs another dam. He answered yes to that question. He wrote an article in support of another dam. It is interesting how the Opposition keeps changing its policy, because it was only in 1994 that the then Minister responsible for Sydney Water, Robert Webster, told the Parliament:

On the supply side, of course, it means that I have postponed indefinitely the construction of the proposed Welcome Reef dam on the Shoalhaven River ...

Mr Brad Hazzard: Point of order: If the Minister rereads the article he will see that I did not say that. I actually said that he should be getting on with recycling. He should read the debate more closely.

Mr ACTING-SPEAKER (Mr John Mills): Order! That is not a point of order. The Minister may resume his speech.

Mr FRANK SARTOR: Mr Acting-Speaker— [*Time expired.*]

Mr MICHAEL RICHARDSON (The Hills) [4.01 p.m.]: The debate has been interesting so far. It has ranged far and wide, and way beyond the substance of the original motion, which is about rainwater tanks. The Minister for Energy and Utilities seemed to be more enthusiastic about debating the issues raised by the honourable member for Wakehurst, rather than debating his deficiencies in supplying water to Sydney and, indeed, the rainwater tank program. I note that he has now left the Chamber, because he has no interest in the issue of rainwater tanks. As the honourable member for Wakehurst said, members on this side of the House support the installation of rainwater tanks. Indeed, it was some press work I did back in May last year that prompted the Minister to extend the rainwater tank rebate until 2005.

I believe that the Minister should be increasing the size of the rebate because, as stated in the Farmhand book *Talking Water: An Australian Guidebook for the 21st Century*, water from rainwater tanks is costly. In fact, it can cost up to \$8 per kilolitre. Given that the cost of installing a tank is estimated to be \$2,000 to \$3,000, it could take up to 20 years to begin to make a saving on one's water bill. That may not be a problem for the honourable member for Strathfield, with a dual income and a convertible BMW. However, it is a consideration for ordinary Sydneysiders. It is also a consideration in relation to the Government's Building Sustainability Index program, known as the BASIX program, in that it has significantly increased the cost of building a house, and that will impact on all new homeowners.

Only recently the *Sydney Morning Herald* stated that the cost should not be borne only by homeowners; it should be borne equally by everybody. Opposition members certainly believe that. The honourable member for Wakehurst raised the issue of rainwater tank rebates also applying to people in country areas. We think that New South Wales is one State; we do not view it the way the Labor Party seems to. We do not have the them-and-us mentality. Certainly, it is equitable for people in country towns to get the same benefits as those living in Sydney. Regardless of how many rainwater tanks are installed—and only 3,700 people have taken up the rebate option so far—we need to find other solutions to Sydney's water problems.

Those options could include the recycling of stormwater and sewage, desalination and the reuse of detention basins. For a double property or a duplex, detention basins installed according to council instructions may contain 10,000 litres of rainwater. They simply hold the water back for a couple of hours so that when it flows out it does not overload council drains. That resource could and should be used. There are ways the Government could make it more attractive and cost effective for people to reuse rainwater. However, those options have not been considered. As Mark Day commented in the *Daily Telegraph* only last week, what is the plan if it does not rain? The honourable member for Strathfield's rainwater tank will not solve her problems if we have more months like the one we have just endured. The Government has not done any long-term planning, whether it is in water, public transport, health care or roads.

What is the plan for water? What will the Government do to supply water on a reliable basis to the people of Sydney if it does not rain; if the drought continues; if, as Mark Day suggested, there is a seven-year drought; even if, as the honourable member for Strathfield said, Tim Flannery's predictions prove right and the amount of water that falls in the Sydney Basin drops by 60 per cent? I might add that I think Tim Flannery is a little pessimistic. All of those issues need to be considered, and they go a long way beyond rainwater tanks and the substance of this motion.

Mr NEVILLE NEWELL (Tweed—Parliamentary Secretary) [4.06 p.m.]: New South Wales is in the grip of one of the most serious droughts ever. Our experience in recent years shows that our droughts are getting longer and hotter, with some describing the current drought as probably the worst since reliable records have been kept. Some 70.7 per cent of the State is now drought declared, with a further 15.7 per cent of the State declared marginal. According to the Bureau of Meteorology, the south-eastern part of Australia has received below average rainfall for the best part of eight years. Water restrictions are in force in more than 70 councils throughout the State. Currently, there are eight small towns where water supplies have failed and the towns are on water cartage. The water supplies of more than 50 towns are being closely monitored by the Government.

While the drought persists, we all have a responsibility to do what we can to preserve our precious water supplies. There is a range of things we can do to ensure that our water supplies last longer. The

honourable member for Strathfield, in her introductory remarks, outlined many solutions that are available to the community to ensure that the supply of water is stretched a little further. One of the ways people can take pressure off their local water supplies is by installing rainwater tanks, which have great potential for reducing demand on the mains water supply. Country people have known that for years. People who live in the country have often been puzzled by the city-centric debate about whether it is safe to drink rainwater. For many years, New South Wales plumbing guidelines actively prevented people from plumbing their water tanks into the potable town supply. The Minister for Energy and Utilities set about fixing that when he became Minister.

In September 2003, plumbing regulations were amended to allow residents in urban areas to cross-connect rainwater with their drinking supply if they chose to do so. New South Wales plumbing regulations now reflect the Australian standard and allow the use of rainwater for all purposes within a home, provided there is adequate backflow protection for the mains supply. That means that people in urban areas who wish to drink rainwater within their homes are perfectly able to do so, without Government red tape making it impossible. The decision whether to drink rainwater is entirely a matter of individual choice. Those who live in the country do not have that choice.

The Government has also provided another way of making it easier to install rainwater tanks. In May 2002 the Government freed up the rules for installation of rainwater tanks by ensuring that anyone who wished to install a tank of up to 10,000 litre capacity was no longer required to obtain development consent. Previously, council approval was required. The resident was liable for development application fees, and that created a disincentive to install a rainwater tank. In country areas each water utility has responsibility for rainwater tank rebates. A number of water utilities have done the right thing and introduced the rebate for customers who buy and install rainwater tanks. That makes sense in urban areas, where installing a tank can take pressure off the town water supply, even if the water is only used for such things as garden watering and toilet flushing.

To take the pressure off the town water supply a number of councils have introduced rainwater tank rebates in one form or another. Those councils include Carrathool council, Glen Innes council, Gosford City Council, the former Goulburn City Council, now Greater Argyle Council, Orange City Council, Hay Shire Council, the Greater Queanbeyan City Council, Richmond Valley Council, Wyong Shire Council and Yass Valley Council, as well as Sydney Water and Mid Coast Water. On the North Coast, Kyogle Council, Lismore City Council and Byron Shire Council are offering a discount on the fixed-fee component of all water bills for installing a rainwater tank, reducing that bill from \$95 to \$32, a \$63 saving.

The Tweed is one of the few lucky regions, being right on the east coast, with the local Clarrie Hall dam currently at capacity. In January last year the Tweed, which had not dealt with water restrictions for close on 22 years—since the construction of the Clarrie Hall dam—was on level 2 water restrictions. The Clarrie Hall dam was sitting at 37 per cent capacity, with level 3 restrictions coming into force. That became a reality in early February even though substantial rain fell beforehand. The State Government was also providing water-carting assistance to Tyalgum in the Tweed Valley. With that water shortage a recent memory, I certainly encourage Rous Water, our water supplier on the North Coast, in conjunction with Tweed Shire Council, to do the same. More councils are now seriously considering the introduction of rainwater tanks. These are Goldenfields council, Kempsey Shire Council, Tamworth Regional Council and Walgett Shire Council. The honourable member for Strathfield outlined other measures to reduce the use of water and back up water supply. In the run-up to the last State election, after the trial of rainwater tanks and the rebate to measure its cost effectiveness—*[Time expired.]*

Ms VIRGINIA JUDGE (Strathfield) [4.11 p.m.], in reply: I thank the Minister and all members for their contributions to debate on this important urgent motion. We have heard about many simple things each of us can do to conserve water and thus protect our exquisite, beautiful, natural environment. We cannot thoughtlessly continue to fritter away our water. It has been made perfectly clear in this debate that that is not an option for society at large. Our environment is finite; it is not an infinite resource that we can keep using up. The thoughts espoused today by the honourable member for Wakehurst and the honourable member for The Hills were pessimistic and small-minded. They spoke about money and rebates. We have no choice but to respect the natural world, change our attitude towards consumption and alter our willingness to use the most convenient product rather than the most environmentally sound product. In other words, it is about transforming our behaviour and changing our attitudes. It is sad that members of the Opposition are not prepared to start changing their behaviour and their thinking. Members on the Government side are prepared to do so.

Few individuals in our society today could honestly assert that their behaviour in regard to natural resources, recycling and the environment is flawless. As a society we do not tread lightly on this precious Earth.

I cannot emphasise strongly enough how essential it is that we change our behaviour. We must commit to using water-saving devices, such as water-efficient shower heads, washing machines and toilets. Using those facilities, in combination with sensible and responsible behaviour, can and will make a dramatic difference to the way we view and use water and thus ensure we have enough water to survive into the future. Water saving is not purely a notion of doing the right thing for the environment. The preservation of water is ultimately the responsibility of each and every one of us because it will save each and every one of us. We all need water to survive and we all face the same risks and dangers if we exploit this natural resource that we have been given freely by Mother Nature.

It behoves us to take seriously and personally the responsibility to preserve water. Indeed, nothing can be more personal than survival. We must transform our way of living. We have run down water levels; we are responsible for this water shortage. We have disturbed the chemical cycles; we have compromised the balance of carbon, nitrogen and phosphorus in our environment. Although our behaviour and technologies are wonderful, they must be tempered because of the irreversible environmental effects they have engendered. We generate waste too rapidly and too carelessly.

I do not speak of a radical overhauling of modern life or a complete sacrifice of our way of life. I speak only of small sacrifices, small considerations, that all of us can make. They will have long-lasting benefits. We have the capacity to easily create an alternative future, a nest of security, and assure the world's environment for ourselves, for our families and for this planet's future. Our individual efforts can effect collective benefit. I encourage everyone in this State to analyse their behaviour and attitudes and decide what must be changed for the better, both for the present and for the future. I totally reject the destructive amendment moved by the Opposition. Today, the only effluent that seems out of control is the effluent that is coming from the mouths of those opposite.

Mr ACTING-SPEAKER (Mr John Mills): Order! The Leader of the Opposition will cease interjecting. I counsel him that he may be subject to the same treatment that he received yesterday. He is setting a poor standard for the debate that is to follow.

Amendment negatived.

Motion agreed to.

MINISTER FOR INFRASTRUCTURE AND PLANNING, AND MINISTER FOR NATURAL RESOURCES

Motion of No Confidence

Mr ACTING-SPEAKER (Mr John Mills): Order! Before I call the Leader of the Opposition I counsel both the Opposition and Government benches to treat this debate with the respect it deserves. The Leader of the Opposition is entitled to move his motion and if members start finger-pointing across the chamber and shouting and yelling the House will become disorderly and the debate will degenerate. I counsel members to observe the standing orders and listen to the Leader of the Opposition, the Minister and the other speakers in silence.

Mr JOHN BROGDEN (Pittwater—Leader of the Opposition) [4.20 p.m.]: I move:

That the Minister for Infrastructure and Planning, and Minister for Natural Resources no longer possesses the confidence of the House, due to the continuing maladministration of his current and previous ministerial responsibilities and in particular in relation to:

- (1) the Sydney Harbour Foreshore Authority's bid to buy the SuperDome;
- (2) the secret planning for Sydney's second airport;
- (3) the unnecessary deaths of 23 people at Camden and Campbelltown hospitals; and
- (4) deception relating to the truth surrounding the death of Sarita Yakub.

Today the Opposition brings the Minister for Infrastructure and Planning, and Minister for Natural Resources, Craig Knowles, to account. Today the Opposition makes it clear to the people of New South Wales that we believe that there are levels of integrity and standards expected of Ministers in this Parliament that the Minister

has failed to meet. We want to make it clear that on numerous occasions in addition to the occasions outlined in this motion the Minister has failed to do his duty for the people of New South Wales. But it has gone further in that the Minister, particularly during his four years as Minister for Health between 1999 and 2003, deceived people and misled the public and failed to act about gross maladministration within the Department of Health.

On his watch 23 people died unnecessarily in Camden and Campbelltown hospitals. On his watch nurses were intimidated when they sought to tell the truth. On his watch nurses were sacked for standing up for patients at Camden and Campbelltown hospitals. On his watch the administration of the South Western Sydney Area Health Service, the Chief Executive Officer, the board and a number of well-placed Labor hacks all conspired to keep that issue well and truly under the carpet before the election. And on his watch the truth about the details surrounding the death of Mrs Sarita Yakub were withheld from her husband time and again to avoid a hospital scandal before the 2003 election.

In recent weeks and months on this man's watch we have seen the exposure of secret Labor State Government planning to support Mark Latham's plan for an airport in south-western Sydney. We have seen the most outrageous failure of ministerial responsibility in the Minister's unwillingness to deal with Gerry Gleeson—the cardinal, the Labor control man—when he put forward the ludicrous plan to expend \$23 million of taxpayers' funds to buy another entertainment centre the SuperDome at the Olympic Park site. All of those things and more took place on the watch of Craig Knowles. Yet the Premier will not bring the Minister to account. If he will not, we will—and we bring him to account on behalf of the families of south-western Sydney.

We bring him to account on behalf of those who died unnecessarily in Camden and Campbelltown hospitals under his ministerial authority. We do it on behalf of Mrs Sarita Yakub, who died because she was not provided with treatment. Her family then suffered the indignity of being told by the Department of Health it was their fault because when she was called in she had left the hospital. None of that ever happened and they maintained an evil fabric of lies about it for a nine-month period. As one of the Premier's successors—indeed, as we understand it, the chosen one—Craig Knowles has now slipped so far down the pole that he is barely worthy of defending.

Yesterday in this Chamber we saw the most pathetic and hopeless defence of the Minister by the Premier when we sought to bring the Minister to account and called on the Premier to finally make him responsible. What more is it going to take for the Premier to sack this Minister? Even today, the release of a further report by Bret Walker, SC on the inquiry into Camden and Campbelltown hospitals revealed again the appalling administration of health care complaints under Craig Knowles' ministerial control and that he was asleep at the wheel as health Minister, or worse, that he ensured that the selection of the former health care complaints commissioner put in place a regime under which nothing was investigated properly, no-one was blamed and no-one was held to account. That is exactly the way the Labor Party runs the show. We are aware of the tactic the Labor Party put in place whereby its Ministers are not told certain things because if they are not told them they cannot be held responsible. We know the truth about Craig Knowles.

Let me go through the four items outlined in this motion one by one. The handling of the case of Mrs Sarita Yakub is one of the greatest moral failings this Parliament has ever seen. The Minister knew the truth but failed to communicate it. He could have eased the pain and protected the Yakub family from the lies of the New South Wales health department. Instead, he chose to protect a Premier facing an election. On 3 August 2002 Mrs Sarita Yakub attended Nepean Hospital emergency department. She died from meningococcal disease later that day at Blacktown Hospital. On 5 August 2002 a reportable incident advice on Mrs Yakub's attendance at Nepean hospital was forwarded to NSW Health by the Wentworth Area Health Service. It states that Mrs Sarita Yakub was called to be seen but was not in the waiting room and was recorded as having "not waited". On 7 August 2002, four days after the death of Mrs Yakub, the Minister stated that Mrs Yakub was called in the emergency ward. I quote from the Minister's statement on Channel 10 news on 7 August 2002:

18 minutes later she was called for treatment after being triaged, 18 minutes earlier and in that context was recorded in the registration form as "did not wait".

The Premier's Department Media Monitoring Unit breakfast radio summary of 7 August report stated:

She was seen immediately by a triage nurse and was called 18 minutes later for treatment, however patient records showed she had left the hospital and there was no further contact until she arrived at Mount Druitt Hospital later the same morning for further and immediate action.

On 14 August the Department of Health briefed the Minister on the independent clinical review. On 22 August the Department of Health briefed him again on the independent clinical review. On 26 August the Wentworth Area Health Service provided an update on the matter to the Minister and the director-general advising of new evidence. The briefing stated:

It is now evident that Sarita Yakub was not in fact called at 1 a.m. as reflected in the documentation.

The Minister's office claims it did not receive this briefing. That is outlined in the departmental documentation marked "Background—not for Parliament—Yakub Chronology".

On 3 September 2002 the Minister received further briefings from the Department of Health. On 4 September he was again briefed on the Yakub matter by the department and a further briefing was conducted on 6 November. On 20 November the director-general of health was briefed by the Wentworth Area Health Service about the review process and the action taken to date. During the week commencing 9 December Associate Professor Deb Piccone, that good old Labor girl who we fear is now the Acting Director of the Macarthur Area Health Service and who has now been put in charge to plug any leaks and holes and to keep the situation under control—

Mr Bob Debus: Are you seriously saying that?

Mr JOHN BROGDEN: Absolutely. I am questioning her integrity on this matter.

Mr Bob Debus: As long as we have that clear.

Mr JOHN BROGDEN: Absolutely. If the Attorney General wants to know whether I have any confidence in Deb Piccone's ability to do her job he should be under no illusion: The Opposition has no confidence in her ability. During the week commencing 9 December Deb Piccone spoke to Mr Yakub by telephone. The Minister received further departmental briefings on 6 and 26 February 2003. Honourable members should bear in mind that that was in February before the March election. On 3 March the Department of Health rejected a freedom of information request from the *Daily Telegraph* relating to this matter. We all know that the State election was held on 22 March. Roughly two months later, on 15 May 2003, a telephone conversation between Mr Yakub and Deb Piccone confirmed that he had discussed the clinical review report and had seen its recommendations.

On 16 May 2003 Morris Iemma, the new Minister for Health, received a briefing from the Department of Health on the independent clinical review. On 20 May, Mr Yakub was provided with a copy of the report of the independent clinical review undertaken by Professor Malcolm Fisher and Jane O'Connell, and two days later Mr Iemma tabled that report. A day later, on 23 May, the media reported that Mr Knowles' adviser had tried to persuade *Daily Telegraph* personnel to withdraw their freedom of information request. Again the truth was hidden from Mr Yakub. Mr Knowles was briefed consistently on the report and he hid the information from Mrs Yakub's family. His office lied about Mr Yakub's mental state. Effectively, Mr Knowles became aware of the facts only weeks after Mrs Yakub's death, but his officers lied to the media and Deb Piccone lied to Mr Yakub.

In a recent Legislative Council inquiry into this matter Deb Piccone was brought to account and expressed some level of remorse that she had not spoken earlier. There is only one fact that cannot be denied: The Government knew in 2002 that Mrs Yakub was never called to the emergency department and it lied about that until May 2003, two months after the election. It is appalling that the Government left the public of New South Wales with the impression that it was Mrs Yakub's fault that she left the hospital and died; it was her fault that she had not hung around for the treatment call. That was never true. It is a tragedy when anyone dies, and clearly it is a tragedy for the Yakub family that Mrs Sarita Yakub passed away in these circumstances. However, it is even more appalling that the Government sought to cover up the truth about this matter until after the election because it knew it had lied about it from 2002.

The Minister's defence is that he was aware of the real details, but he assumed that Ms Piccone had given that information to Mr Yakub. Honourable members on this side of the House do not believe that. The Minister knew the truth and instructed his staff and department to hide it from Mr Yakub and the public until after the election. No other conclusion can be drawn. The Minister is well known as one of the great control freaks in the Government. He is in charge of his portfolio, for better or for worse, and he tightly controls information entering and leaving his office and his department. It is not plausible for the Minister to argue that he knew about it and he thought his department had told Mr Yakub. If that were the case, why did his personal staff choose to lie about it time and again to the *Daily Telegraph* and, therefore, to Mr Yakub?

The Minister's staff went to the extent of creating a subterfuge by suggesting that the story should not be written because of Mr Yakub's mental state. In other words, the newspaper should let it go quiet because it may be upsetting to him. Mr Yakub deserves the truth from the Minister and from the department. He was lied to by Deb Piccone, and the people of New South Wales were lied to by the Minister. Mr Yakub had his mental state, correctly or incorrectly, but certainly immorally, used by the Government to try to kill a story in the *Daily Telegraph*. That was the Government's intention and that was the outcome. In defence of the journalist, she did not want to write the story because she sensed that she might exacerbate Mr Yakub's mental distress. However, it is clear after the fact that Mr Yakub is angry about his treatment at the hands of the Government and about the lies he was told. In fact, he is so angry that he is seeking legal redress through the courts. One can understand why he is doing that. One can also understand his anguish and anger about his treatment by the Minister.

The Minister's behaviour with respect to Camden and Campbelltown hospitals of itself is the reason he should no longer be a Minister in the Government. There have been 23 unnecessary deaths in Camden and Campbelltown hospitals on his watch. We know the history of the five whistleblower nurses who were brave enough to break ranks at the hospital level and approach their local member, who was also the Minister for Health. They asked him to do something about unacceptable clinical practices at Camden and Campbelltown hospitals. They are experienced nurses. They made an appointment and delivered their information to the Minister. In his defence the Minister will say that he instantly sent a report of the incident to the director-general of health and asked her to act, and that the matter went to the Health Care Complaints Commission.

However, he will not refer to his behaviour and the intimidation and bullying that occurred. We know from the nurses that such was his anger about their daring to raise the matter with him and, therefore, to make him responsible, that he stood up, pushed back his chair and indicated that they would lose their jobs and homes if they were not right. That is not the behaviour of an open and accountable Minister. He did not express his shock and horror about the allegations or say that he would act immediately and pursue the issue to the end. That occurred a few months before the election and the Minister was more worried about shutting down the whistleblowers than having them tell the truth. His behaviour was appalling. These brave whistleblower nurses then met with bullying, intimidation and isolation in the workplace that led, in some cases, to their suspension for a long period.

If it were not for the sustained bravery of those nurses—and the support of the Opposition in bringing these matters to public attention time and again—there would have been no Walker inquiry and no overhaul of the Health Care Complaints Commission. Why? Because that is the way Craig Knowles wanted it. He wanted this story to disappear. He knew that a reference to the Health Care Complaints Commission was a dead-end investigation into what was happening at Camden and Campbelltown hospitals. If we bring the matter forward to today, together with the release of the second stage of the Walker report, we will see in detail a tale of woe about the pathetic attempts of the Health Care Complaints Commission to investigate complaints made to it in relation to Camden and Campbelltown hospitals.

The Minister knew that the Health Care Complaints Commission was a dead-letter office for complaints and a dead end to investigations. And he knew that there would be no scrutiny, certainly not before the election. The Minister knew that to the extent that immediately prior to the election the Health Care Complaints Commission released a report on these complaints and stated that there was nothing further to investigate at Camden and Campbelltown hospitals. Not until there was significant media and Opposition pressure were these matters again referred to the Health Care Complaints Commission for further investigation—and the rest is history.

The intimidation of the nurses by the former Minister for Health is a matter we have referred to the Independent Commission Against Corruption for extensive investigation, because no public servant in this State should be intimidated by a Minister. No public servant in this State who blows the whistle on bad practice—in this case, those who blew the whistle on life-threatening and life-ending behaviour at a hospital—should feel intimidated when they tell the truth. The behaviour of Craig Knowles has been appalling. As I said earlier, he will seek to tell this House that none of the allegations about bullying are true. As I said, that matter is now being investigated by the Independent Commission Against Corruption. Craig Knowles will hang his defence on the fact that he referred the matter to the Health Care Complaints Commission.

It is now almost 18 months after the election and two years since this matter began to rear its head, and we are still seeing the evidence of Craig Knowles's failure to deal with a crisis at Camden and Campbelltown hospitals. The Premier's failure to dismiss Craig Knowles from the Ministry over his behaviour is just as appalling. Sitting next to Bob Carr in question time every day is a man who failed the people of New South

Wales when he ran the health department. Yet he stays there, secure in the knowledge that Bob Carr cannot afford to sack him because that would be an admission of failure on the part of the Premier, let alone on the part of Craig Knowles.

Let us look at a specific matter relating to Camden and Campbelltown hospitals: the opening of the Camden maternity unit. It was a political stunt by Craig Knowles to open the maternity unit before it was ready, prior to the State election. That political stunt cost the life of a baby. If a hospital is open, it should be equipped and ready for patients. But the Camden maternity unit was not ready; it was opened as a stunt, and a family has lost their baby because of the culpability of Craig Knowles and Bob Carr. When Vera Lalic brought to my attention the heartbreaking allegations about the loss of her daughter, I asked her what she wanted from us. She said she wanted someone to take responsibility and say, "Sorry." Let us look at the history of the Camden maternity unit. On 30 September 2002 Bob Carr officially opened the new \$20 million, 84-bed Camden hospital. The hospital had two operating theatres, two birthing rooms, 12 maternity beds, endoscopy, pathology and medical surgical beds, and other health care beds. When the Premier opened that hospital he said:

I make special reference to the maternity unit. Within six months birthing services will be in place. The people of this region deserve the best and with this facility they are getting it.

What a lie! It never happened! On 17th February 2003 births commenced at the Camden maternity unit. The first baby was born at 6.40 a.m. and the second baby was born at 9.10 a.m. on that date. On 19 February 2003 Craig Knowles said:

... it's always been a case of when birthing would begin at Camden hospital, not if.

Craig Knowles was seeking to reinforce the Government's political decision—not clinical decision—to open the Camden maternity unit in order for Labor to win the seat of Camden at the 2003 election. On Thursday 20 March 2003 Vera Lalic, who was booked into the Camden maternity unit as a local resident, experienced labour pains and made a series of calls to Camden Hospital. On Friday 21 March she called the hospital in the morning seeking assistance. At 12.13 a.m. on 23 March Mrs Lalic called Camden hospital saying she was in pain. An annoyed nurse said to her, "If you really want to come in, come in." At 12.37 a.m. Mrs Lalic called Bankstown hospital and was reassured by a nurse. Two days later, 25 March, at 2.45 a.m. Mrs Lalic experienced significant pain and discharge, and she called Camden hospital. At 3.15 a.m. Mrs Lalic arrived at Camden Hospital. In the emergency room one nurse laughed and said, "Don't go having it here." Mrs Lalic was three centimetres dilated and she was given pethidine. At 4.45 a.m. Mrs Lalic asked a nurse to check the heart monitor as her heart rate was dropping. The nurse could not hear a heartbeat because the machine was too noisy. The nurse changed the machine. A second nurse checked Mrs Lalic's heart rate on a new machine, and called a doctor. Mrs Lalic was taken off gas and given oxygen to assist the baby.

At 5.40 a.m. Mrs Lalic was visited by a doctor, who undertook an internal examination and said that the cord was wrapped three or four times around the baby's neck. The nurse was told to place stirrups for delivery. One nurse said, "You can tell I have not done this in a long time." Mrs Lalic's daughter, Natalia, was delivered but was not breathing. Dr McDonald, the paediatrician, arrived some 20 minutes after the birth of Natalia, and resuscitated the baby and started her breathing. Mrs Lalic got off the table to see her baby, and another doctor abused her, saying, "Haven't you got anything to put on?" Mrs Lalic and her baby were taken to Liverpool hospital, where Natalia was admitted to the newborn care unit. Doctors informed Mr and Mrs Lalic that if Natalia were to survive, she would never recognise her parents, never cry, never talk, and would be unable to do anything for herself. On 30 March 2003 Natalia passed away.

This case clearly demonstrates that the Camden maternity unit was opened before the election when it was not ready to deal with complicated births. In this instance there was a clear protocol for a complicated birth. The paediatrician should have been called and made available to assist, but that did not happen. That is a proven fact based on the medical notes we have seen and have spoken about in public and in the Parliament on other occasions. No paediatrician was available to assist with the birth, the baby was born not breathing, and 20 minutes after the baby was born a doctor turned up to resuscitate the baby.

Ultimately the responsibility for this lies at the feet of Bob Carr and Craig Knowles because they rushed the opening of Camden maternity unit to have it open and ready to go before the election. They may have won the seat of Camden, but they lost the confidence of the people of south-western Sydney with the appalling use of clinical services for political purposes. The Camden maternity unit should probably never have been opened, and it should never have been made available for complicated births. But the Government opened it up and took all comers, for political purposes. The Camden maternity unit now does not take complicated births;

indeed, it is closed to complicated births. But it was opened for the election; it was opened by Bob Carr and Craig Knowles, who proudly told the people of south-western Sydney, "Bring your babies here, where they will be properly looked after." In the case of Mrs Lalic that was simply not true. Yet Craig Knowles chooses to avoid responsibility for that appalling decision by his Government.

The other matters that relate to the behaviour of the Minister and require this House to consider whether he still has our confidence deal particularly with the second Sydney airport planning process and the bizarre and crazy decision by the chairman of the Sydney Harbour Foreshore Authority, Gerry Gleeson, to try to buy the SuperDome at Homebush Bay. I will deal in particular with the matters relating to the airport site. On 3 February 2004 the *Financial Review* reported:

NSW premier, Bob Carr, said yesterday the prospect of Wilton as a site for Sydney's second airport had never been raised with his government. Federal Labor leader, Mark Latham, said at the weekend that the party had worked "hand in glove" with the NSW government during the process in which the southern highlands town emerged as the preferred site.

That report delivers a clear conflict: the State Government saying, "Never heard of the airport. Not our responsibility. Do not look to us.", and the leader of the Federal Labor Party, Mark Latham, saying, "We have worked 'hand in glove' with the Carr Government on this matter." So the people of New South Wales were left with the impression that the Government knew nothing about the plans of the Federal Labor Party to site an airport at Wilton in the Southern Highlands. That has been shown to be an absolute lie because, as the documents released to the media by the Opposition indicate quite clearly, the Government is planning for an airport at Wilton. The Government has done the work; the documents show that.

So, unlike the assertion by Craig Knowles and Bob Carr that they knew nothing about it, the Department of Infrastructure, Planning and Natural Resources bears out the truth that it had been doing the work for Mark Latham and that that work was done at taxpayers' expense. So it is unacceptable for Craig Knowles and Bob Carr to indicate, Sergeant Schultz-like, that they knew nothing about the Southern Highlands airport option, when the "freedom of information" documents we obtained indicate very clearly that this Government was planning for a second Sydney airport in the Southern Highlands. Surely an absolute failure of ministerial responsibility has been displayed by Craig Knowles's inability to rein in Gerry Gleeson.

We all know the important role that Gerry Gleeson plays within the Labor Party. We know him as the former permanent secretary of the Premier's Department under Neville Wran. He was sent into exile by the Greiner and Fahey governments and brought back out of the cupboard and given significant responsibility in main areas by the Carr Government. The first was with respect to senior public servants' remuneration and the second, and ongoing, role that he plays is as chairman of his own little empire, the Sydney Harbour Foreshore Authority. Time after time he has expanded the control of the Sydney Harbour Foreshore Authority to make him a very significant player in the Sydney property market—not just a chairman of a bureaucracy but a man running his own little property empire in Sydney, courtesy of the taxpayer. Last year Craig Knowles gave him more power by making him a consent authority within that area—very powerful.

But Gerry Gleeson went a little haywire when he decided that the people of New South Wales were not satisfied with owning one entertainment centre, and needed to own two. So despite the fact that within his purview in the Sydney Harbour Foreshore Authority the people own the Entertainment Centre, Gerry Gleeson thought it was time we went and bought another entertainment centre at the SuperDome. The SuperDome is worth about \$8 million. That is what PBL is willing to pay for it, but Gerry Gleeson put an offer on the table of \$23 million on behalf of the people of New South Wales. Nice work if you can get it. He tripled the offer to the SuperDome owners to purchase it for \$23 million.

Michael Egan is running for cover, and when Bob Carr uncovered the plan we are told that he allegedly said it would never happen—but it was allowed to run a very long way, almost to conclusion, before Bob Carr stopped it. It involved absolute negligence by the Minister for Planning, Craig Knowles, in not stopping this lunatic, crazy decision, and, indeed, it involved the appalling behaviour of the Treasurer, who actually approved the decision to expend \$23 million to buy the SuperDome. The reason the SuperDome had to be bought is because it is not particularly financially viable as a stand-alone option. There is really only enough room for one significant entertainment centre in metropolitan Sydney: we either have the Entertainment Centre or the SuperDome, it is very hard to have both. But Gerry Gleeson thought that if the taxpayers owned both they could sustain not one but two viable entertainment centres and that we could subsidise their operations. He did this as a former director of Arena, which—surprise, surprise—has the management rights over the Entertainment Centre.

Indeed, when Gerry Gleeson was shown the door by Premier Greiner, the only board on which he asked to stay on behalf of and as the representative of the people of New South Wales was Arena's. So it is a very cute deal. We know, of course, Neville Wran's role as the chairman of the SuperDome, and Neville Wran was Gerry Gleeson's former boss. So the web is very tight, and within the middle of it sits the Minister responsible for the Sydney Harbour Foreshore Authority, who allowed his chairman to get right down to the very conclusion of a deal—that was then pulled back by the Premier—to spend \$23 million buying what? A new hospital? An improved rail service? No, an entertainment centre! Apparently that is what we need! We need more of them in New South Wales!

Craig Knowles must be brought to account for this appalling lack of administration. So, whether it be in his responsibility as the former Minister for Health or his current responsibility as the Minister for Infrastructure, Planning and Natural Resources, Craig Knowles is not fit to be a Minister in New South Wales. He has lost the confidence of this House and we say that the public are sick and tired of Craig Knowles being a Minister in this Government. The public does not want a man sitting around the Cabinet table who so badly failed them as Minister for Health and who is now replicating that pathetic ministerial administration in Infrastructure and Planning, and Natural Resources.

We expect more than this from a Minister. We expect integrity, we expect standards, and we expect that a Minister will not bully nurses who blow the whistle on unacceptable practices in suburban hospitals. When the Government made its decision to stand by Craig Knowles no matter what, when the Premier made the decision that sacking Craig Knowles would be such a political embarrassment, it calculated that this matter would go away. It calculated that the people of New South Wales would forget about it. Over the next three years, in the run-up to the 2007 election, they calculated that this would all become ancient history. It has not, and it will not. It has not because the Opposition has made it clear that it regards Craig Knowles as a man who is no longer fit to be a Minister and that it regards his administration of public health in New South Wales as appalling. It will not happen because the people who were left to die or were badly treated, and their relatives who are left behind and who suffered under Craig Knowles' administration, will not let this issue go away.

There is more to come from a detailed ICAC investigation, from a review by Bret Walker, SC, and by continued pressure on the Government from the Opposition on this issue. We make it clear to the Labor Party that Craig Knowles is a man of no integrity, but we also make it clear that if they seek to continue to protect him in this manner, the Government itself will bear responsibility for his failures, for the 23 unnecessary deaths, for the treatment of Mrs Yakub and the lies told to her husband, and for the failure of Mr Knowles to properly administer his current portfolio.

There is an option available to the Premier. He can cut Craig Knowles loose. As Premier he can say, "I do not find this acceptable. I will not have a man in my Cabinet who does this to the people of New South Wales. I won't allow this to happen. It should never have happened. I will make an example of Craig Knowles to the people of New South Wales." If Bob Carr were a leader with any integrity, that is what he would do, but he has been sadly lacking in this area. This House no longer has confidence in Craig Knowles. It is time he went and it is time the people of New South Wales had their faith restored in the administration of public health in this State. That will only happen the day that Craig Knowles is sacked by Bob Carr.

Mr CRAIG KNOWLES (Macquarie Fields—Minister for Infrastructure and Planning, and Minister for Natural Resources) [5.02 p.m.]: What a pathetic attempt at a motion of no confidence! The honourable member for Mount Druitt just told me outside the Chamber that he has been the subject of two motions of no confidence. I was listening to the television audio towards the end of that wandering, rambling monologue, and he said that the only people who did not get roped into it were Jack Lang and Barrie Unsworth. Everyone who was roped in had some general culpability.

The Leader of the Opposition has just spent the best part of an hour talking about things that are already on the public record, rereading *Hansard*, press clippings and the parliamentary inquiry—nothing new, just revisiting all the old stuff. A performance like that by the Leader of the Opposition highlights that this is not really a motion of no confidence in me but a defence of his leadership. It is an old tactic used when one is under attack. Indeed, nobody loses 16 kilograms and suffers that sort of pain for nothing.

Mr Barry O'Farrell: Point of order: It is that sort of pig ignorance that killed 23 people at Camden and Campbelltown hospitals. It is the Minister's inability and lack of sensitivity that destroyed those lives and destroyed the lives of their families and he does not even apologise.

Madam ACTING-SPEAKER (Ms Marie Andrews): Order! There is no point of order. The Deputy Leader of the Opposition will resume his seat.

Mr Bob Debus: Point of order: That kind of deliberate, disruptive intervention was precisely avoided when the Leader of the Opposition was speaking. He was heard in silence.

Madam ACTING-SPEAKER (Ms Marie Andrews): Order! I uphold the point of order. The Minister has the call.

Mr CRAIG KNOWLES: He said, "When I lose weight and the beard you will know I am after the Liberal leadership." Let us make no mistake: it is a tactic from the Leader of the Opposition and his staff that when he is under threat from the big bloke losing the pounds, when the knives are coming out, he puts on a stunt to muscle up.

Madam ACTING-SPEAKER (Ms Marie Andrews): Order! The Leader of the Opposition was heard in silence. I ask Opposition members to extend the same courtesy to the Minister and allow him to respond to the motion in silence.

Mr Brad Hazzard: Get on with the issues.

Mr CRAIG KNOWLES: I intend to get on with the issues. I understand that I have unlimited time. The Leader of the Opposition was able to make his contribution in relative silence. I am very happy to stay here all night; I really do not mind. In the end, this is about the pressure point of the Leader of the Opposition; nothing else. Indeed, we heard the same old information. There was not one new piece of information. It is really about the Leader of the Opposition feeling that he has to muscle up to show the Deputy Leader of the Opposition he has what it takes, because the grumblings from the Opposition are growing louder every day. After that childish performance yesterday in the House that resulted in the Leader of the Opposition being removed from the Chamber, he has had to drop his voice an octave lower and have a more serious demeanour to show publicly that he is truly the Leader of the Liberal Party.

Opposition members clearly do not take this issue seriously. I say to the Deputy Leader of the Opposition that nobody loses 16 kilograms and goes through the pain of shaving every morning if they are not up to something. The facts are that I started the inquiry process and, as the record demonstrates—everything on the public record, not just the little selected meanderings of the Leader of the Opposition—I acted immediately and I acted appropriately. That has been demonstrated throughout the inquiry process.

Mr John Brogden: Point of order: Did you bully the nurses?

Madam ACTING-SPEAKER (Ms Marie Andrews): Order! There is no point of order. The Leader of the Opposition will resume his seat.

Mr CRAIG KNOWLES: The journey from boy to man is still a little way ahead; he still has a little way to go. The Leader of the Opposition should drop his voice an octave, because when he gets excited his pitch goes up. He should return to voice training. I acted appropriately and immediately, and that is a matter of record. In the case of Mr Yakub, when I discovered that I had not understood properly what he had—

Madam ACTING-SPEAKER (Ms Marie Andrews): Order! The Leader of the Opposition will cease interjecting.

Mr CRAIG KNOWLES: As is already in *Hansard*, I picked up the phone and I apologised to him. That is a matter of record. The Sydney Harbour Foreshore Authority matter is pretty clear. It has been in all the newspapers. I, of course, agreed to the proposition to put a business case for assessment by Treasury, which was done.

Mr John Brogden: A \$23 million bid?

Mr CRAIG KNOWLES: Well, where else would you send a \$23 million bid other than to the Treasury—unless one is the honourable member for Upper Hunter, who writes blank cheques for \$50 million for Luna Park? Of course you would agree to send a business case to Treasury; not to PricewaterhouseCoopers Legal, but to Treasury for assessment—and the Treasurer approved it. As a matter of historical record, the Premier disagreed with the view and he vetoed it. I must tell the Leader of the Opposition that that is what Premiers do from time to time.

In relation to the airport, I figure I could have been the subject of a no confidence motion or a censure motion if I had not made an assessment and checked out the potential impact of yet another potential airport site inside or outside the Sydney Basin when people were talking about it almost on a daily basis at that time. Of course I would do that. That is my job, and I make no apologies for that.

I am amazed that the Leader of the Opposition chooses to bat on with this—and I am happy to keep responding—but the only person who gets rankled about discussions about airports, given what we have been able to drop into the public domain over the past few days, is Jackie Kelly. We have discovered, and it is well known in this Chamber, that I have a pretty good relationship with John Anderson. I do not seek to embarrass the man but, faced with some of the caterwauling from the Opposition last week, I had no alternative but to publish the letter from John Anderson reminding me that Badgerys Creek airport was still on the agenda.

Not only did John Anderson write to me a short time ago reminding me that the A, B and C options would still need to be continued as part of the considerations, but as recently as the end of last week Mr Dave Southgate, the director of aviation and airports policy from John Andersen's department, phoned me requesting meetings with my officials—yes, you guessed it—to conduct further investigations into and discussions about Badgerys Creek airport. Airport discussions are likely to cause ructions for a lot of people. However, I bet Jackie Kelly would not like to hear that Badgerys Creek is back on the agenda in the context of airport conversations.

This is quite properly a motion of no confidence in my administration or alleged maladministration of the portfolios of Health, Infrastructure and Planning, and Natural Resources. I have a right to place on the record what independent people have to say about my administration, either good or bad. We have heard all the partisan, political and subjective views of the Leader of the Opposition. But let us have some independent views of what people think. I must say as a preface to reading these excerpts from people that I do not choose to do so. I have had some of these testimonials in my folder for more than a year, when these issues first came to public attention. In advance of reading the excerpts—

Mr John Brogden: They are embarrassing.

Mr CRAIG KNOWLES: If the Leader of the Opposition wants to talk about embarrassment he should reread his speech and watch himself on television.

Madam ACTING-SPEAKER (Ms Marie Andrews): Order! There is too much noise in the House. If honourable members want to talk among themselves they should leave the Chamber.

Mr CRAIG KNOWLES: I preface my remarks by saying that some of these comments may be regarded as personally embarrassing to me. However, I choose to read them onto the record because it is only fair that debate on a no confidence motion in a Minister should be fair and just. With regard to the Health portfolio, I start with a letter that appeared in the *Sydney Morning Herald* on 22 December 2003. As honourable members can see, the 40 signatories to the letter are the chairs of all the medical staff councils of all major hospitals not only in Sydney but throughout the State. I will not read the entire letter, which is very solid in its commentary.

[*Interruption*]

Members opposite do not like to hear this. The letter stated in part:

Ironically, given the current criticisms of the former Health Minister, Craig Knowles, it was reforms that he facilitated that have given hospital-based clinicians their best chance of improving the quality on offer in the State's hospitals ... Many clinicians feel that Craig Knowles was the best health minister of the last 30 years.

Mr John Brogden: Do you swap birthday cards?

Mr CRAIG KNOWLES: No. Members opposite know that the people who signed this letter are not members of the Labor Party.

[*Debate interrupted.*]

BUSINESS OF THE HOUSE**Private Members' Statements: Suspension of Standing and Sessional Orders**

Mr CARL SCULLY (Smithfield—Minister for Roads, and Minister for Housing) [5.15 p.m.]: I move:

That standing and sessional orders be suspended to preclude private members' statements proceeding at this sitting.

The reason for the motion is that I have been advised by the Clerks that the standing orders provide that the no confidence motion does not have precedence over private members' statements. It is important that we hear this terrific stuff from the Minister for Infrastructure and Planning.

Motion agreed to.

MINISTER FOR INFRASTRUCTURE AND PLANNING, AND MINISTER FOR NATURAL RESOURCES**Motion of No Confidence**

[*Debate resumed.*]

Mr CRAIG KNOWLES: It is extraordinary. The Opposition moves a no confidence motion and wants me to respond, and when I respond in terms that members opposite do not like they do not want to hear it.

Mr Barry O'Farrell: Point of order: To assist you in controlling the House, the Minister should stop engaging in self-praise and address the points in the motion.

Mr ACTING-SPEAKER (Mr Paul Lynch): Order! That is not a point of order. The Deputy Leader of the Opposition will resume his seat. I call him to order.

Mr CRAIG KNOWLES: The motion, which I have in front of me, refers to the alleged maladministration of my current and previous ministerial responsibilities. I tell the honourable member for Tamworth, who will vote on this motion, that one signatory to this letter is the chair of the Medical Staff Council of Tamworth hospital, Dr James Kroker, whom I have never met.

Mr ACTING-SPEAKER (Mr Paul Lynch): Order! Members on the Opposition benches will come to order.

Mr CRAIG KNOWLES: The kiddies club opposite know that it was a Labor Government that built the most state-of-the-art emergency department of any rural base hospital anywhere in the State at Tamworth base.

[*Interruption*]

It is great to see the honourable member for North Shore back in the Chamber. Professor Malcolm Fisher, who runs the intensive care unit at Royal North Shore Hospital, said:

The Knowles tenure was characterised by clinicians being taken back into the decision-making process. It became worth trying again.

Professor Chris O'Brien is in charge of head and neck surgery at Royal Prince Alfred Hospital. In a letter to the *Sydney Morning Herald* he said:

... I have to concur with Professor Fisher ... that Craig Knowles' efforts in engaging health professionals (doctors and nurses) and attempting to reform a complex health system were significant and—

get this—

certainly unprecedented in my 27 years of medical life.

Graeme Stewart, among other laudatory things, said:

He's certainly in my experience the first minister who listened to clinicians ...

And he had no hesitation in saying:

Craig Knowles was the best Health Minister for thirty years.

Michael Freeland said:

... [I've] worked in the system for over 25 years and I think that Craig Knowles is probably the best health Minister we've ever had.

Dr Bruce Harris is no liberal-minded fellow. He is as conservative as they come. He is the chair of the Dubbo Clinical School. In a letter dated 16 January this year he said:

I write to express on behalf of the General Clinical Training Committee the gratitude of the junior doctors and the teaching staff at Dubbo Base ... As Minister for Health, the support given by you—both formal and informal—to our efforts in medical rural training is much appreciated.

The comments continue. Members who are pious might pause to give this man some respect, although he is not a doctor: Monsignor Brian Rayner is the Vicar General, who looks after pastoral services for the Catholic Archdiocese of Sydney. I do not recall meeting Monsignor Rayner, but in a letter dated 9 March this year he wrote to me in these terms:

At a time when brickbats are perceived to outnumber bouquets, regarding health issues, and with the public not always seeing the good being done in a very difficult health portfolio, I wish to thank you for your vision ... Your holistic approach to the care of patients is noted and appreciated by many.

I appreciate those comments. Dr Michael Pollock and Dr Chris Levi from the Rehabilitation Medicine Unit at Hunter Health tell me about the extraordinary improvements in health care, particularly the care of stroke victims as a direct result of the work we did in clinical reform of health. It is a long quote, basically saying:

... we would be pleased to show you the physical and clinical improvements that have resulted from your foresight and interest.

Members opposite cannot have it both ways. They like to dish it out but they cannot cop it.

Mr ACTING-SPEAKER (Mr Paul Lynch): Order! Both sides of the House will come to order. That warning includes the honourable member for Wakehurst.

Mr CRAIG KNOWLES: Dr Stephen Leeder was Dean of Medicine at Sydney University before he went to Columbia University in America for further study. In a personal note to me he said:

I want to thank you for what you did for Health in NSW ... You gave back to health service professionals a sense of efficacy—an awareness that they could do something more than complain ... Your ministry will long be remembered as a strongly positive period for health in NSW.

Everyone understands that Professor Robert Graham is the executive director of the Victor Chang Cardiac Research Institute. He is no patsy. He is never going to give a testimonial unless he believes it. Robert Graham wrote to me unsolicited and said:

Just a brief note to indicate on a personal level how much I appreciate your efforts as a Health Minister ... it seems that it is only infrequently that our elected officials make a major difference—in your case I believe, this was certainly true.

Dr Sue Page from the Rural Doctors Association talked about our efforts in rural health. Dr Lou McGuigan has described himself on television as a John Howard supporter, a man who describes himself as a conservative voter. He is a rheumatologist at St George Hospital. He happened to oversee the performance of our political reforms in stroke management. He was an independent umpire and he has done excellent work. Again, I did not solicit this letter but he wrote to let me know how he felt about my administration of the Health portfolio. In a letter dated December 2003 he said:

... you may not realise that the accusations made against you have no credence in the medical community ... We all think you were the best health minister in this state ever.

He continued:

I thought I should tell you ... there was at least one dyed in the wool conservative who thinks you have done a great job ...

Kerry Goulston talked about the extraordinary reforms. Kerry has been a good supporter of the process of reform. John Dwyer, is the professor and Chairman of the Division of Medicine at Prince of Wales Hospital.

Mr ACTING-SPEAKER (Mr Paul Lynch): Order! I call the honourable member for Wakehurst to order.

Mr CRAIG KNOWLES: They can dish it out but they cannot cop it. They are happy to throw all the mud, but when we put positive things on the record they do not want to hear about it. Professor John Dwyer, who tells me in his correspondence that he has known every health Minister since Adam was a boy, and on very direct terms, said:

Never have I known a Minister so willing to get involved in so much detail and therefore be in a position to ask really important ... questions... You have done so much to extract additional dollars from Treasury [for] our public health hospital system ... The truth is that thanks to your efforts there is more optimism in the air than has been present among health professionals for many a year.

They are just some of the testimonials that relate to my alleged maladministration of the Health portfolio.

Mr ACTING-SPEAKER (Mr Paul Lynch): Order! I call the honourable member for Wakehurst to order for the second time.

Mr CRAIG KNOWLES: The Leader of the Opposition did nothing to add to his arguments today. He just read out the entire old log of press releases, clippings, and *Hansard*, which are his selected view. He did not read them all. As he said, there are ongoing inquiries. This also relates to the present portfolio. I can deal with that in a pretty easy concept. If you are not doing well in your present portfolio you are usually being whacked around the head by the Opposition.

Mr Brad Hazzard: You did. You got moved on.

Mr CRAIG KNOWLES: Read your motion—it refers to current and previous Ministerial responsibilities. "Current" means now, the real time, at this point in time.

Mr ACTING-SPEAKER (Mr Paul Lynch): Order! I call the honourable member for Gosford to order.

Mr CRAIG KNOWLES: If I were underperforming in my present portfolio, why did The Nationals vote for our legislation on water just last night? That is one of many examples. The Nationals praised the efforts. They made no amendments. They did that with the native vegetation legislation and every other piece of legislation I have introduced. If I am being indicted for maladministration in my present portfolio, what does that say about them? The guardians of democracy, Her Majesty's Opposition in any Westminster system, should always be there to make sure that the administration is proceeding properly. They voted in favour of every bit of legislation I introduced. The Leader of the Opposition went through the motions this afternoon. He just reread the old scripts, the old press releases, and the old songs and did not add anything to them. The responses to all of that have been on the public record, in most cases for more than a year. Where inquiries are being conducted, they will continue.

The objective views of my administration of the Health portfolio, as tough as that portfolio is—based on the evidence of professionals and people who described themselves as conservatives and totally independent of government—are that it was a pretty good time in the development of good health policy, good administration and record budgets. I remember a \$2 billion cash injection, three-year forward rolling budgets, a capital works program that has only been extended by the present health Minister, to his great credit, and a building program for new hospitals both in the bush and in the city that has never been seen in the history of this State. Our efforts in clinical involvement, nurse education and employment, and the development of nurse practitioners are testament to the fact that it was a dynamic and powerful time in the Health portfolio. Many people are willing to testify to that.

Mr ANDREW STONER (Oxley—Leader of The Nationals) [5.30 p.m.]: A motion of no confidence is a serious matter rarely used, and only in extreme cases of maladministration, incompetence or corruption. So it is with a sense of gravity that as Leader of The Nationals I must speak in support of this motion of no confidence in the Minister for Infrastructure and Planning, and Minister for Natural Resources. This Minister, despite his early promise, has badly let down the people of New South Wales. He has failed miserably to meet

the reasonable expectations of the community in terms of competence and integrity. The litany of documented failures trailing this Minister is damning.

As former Minister for Health he must be held accountable for the enduring crisis in our hospitals. Time and again The Nationals have demonstrated that the crisis is not confined to Camden, Campbelltown and Liverpool hospitals; it is all over regional and rural New South Wales as well. We have revealed many cases, including that of the woman whom Goulburn Base Hospital told to take her bandages home to wash because it could not afford new bandages, or the young mother from Warren who was shuffled between four hospitals and five doctors before tragically dying from an infection caused by an epidural injection. There was also the murder of a patient at Kempsey District Hospital by a person who had been admitted for mental health problems. That was due to the absence of security measures at that hospital. There was the man who was operated on under torchlight because there was not enough diesel to run the generator. These are but a minuscule sample of the long list of disasters in country hospitals under the former Minister for Health.

To compound the Minister's inept handling of the crucial health portfolio, he has presided over a systemic culture of cover-up. Staff in the health system have been afraid to speak out about the failings in the system that have indisputably led to the unnecessary deaths of many patients—23 that we know of in Camden and Campbelltown hospitals alone. It is no wonder that those staff have been afraid to speak out. The Minister intimidated the five whistleblower nurses at Camden and Campbelltown, thumping the table and threatening the loss of jobs and houses. This disgraceful behaviour was confirmed by another nurse from Fairfield Hospital, who was also bullied for raising her concerns. Not since Communist Russia have we seen such an overwhelming culture of secrecy and cover-up.

The Minister was also personally involved in the deceit surrounding the tragic death of Sarita Yakub and a deliberate attempt to discredit her grieving husband. The family were casualties of the Minister's determination to cover up the needless death of Mrs Yakub prior to the State election and a determination to suppress the truth thereafter. In this debate the Leader of the Opposition has provided a detailed chronicle of the events surrounding the Yakub and Lalic families by this Minister. The people of New South Wales have every right to be disgusted at the morally corrupt actions of this Minister of the Crown. They deserve the resignation of the Minister and, in the face of his refusal to resign, his sacking.

The Minister has also presided over the failure of the Health Care Complaints Commission [HCCC] to provide a safety net for the millions of people who depend on an efficient and effective public health system. Under this Minister's watch the many thousands of people who have complained to the HCCC have had their faith in the system cruelly destroyed. The inquiry into the HCCC released earlier this year revealed that under Minister Knowles virtually no complaints were properly investigated. This shows a breathtaking betrayal of the people of New South Wales by the Minister. Faced with this growing mountain of wreckage in the Health portfolio Minister Knowles was then moved to the Infrastructure and Planning and Natural Resources portfolios by the Premier. What has happened since is a continuing pattern of incompetence and a failure to accept responsibility, let alone accountability.

What this Minister just does not seem to get is that if you try to suppress the truth, if you try to suppress complaints, if you try to suppress any criticism of your administration or your system, whether it is in health or in another portfolio, the problems will just continue. If the Minister had the moral courage to accept the criticism, to make the necessary apologies and changes and move on, if he had had a half decent health care complaints system which properly investigated, rather than being, as the Leader of the Opposition said, a dead letter office for complaints, I have no doubt that we would not have witnessed the unacceptable number of deaths that have since been revealed at just those two hospitals: Camden and Campbelltown. Those systemic problems would have been dealt with had the Minister had the courage to accept that criticism and to apologise and implement the necessary improvements.

Since the Minister moved to the Infrastructure and Planning and Natural Resources portfolios the pattern of incompetence and the unwillingness to accept criticism and to improve policy and systems have continued. The Minister, in his contribution to the debate, misquoted The Nationals. He talked about our support for the Water Management Amendment Bill passed by this House last night. The Nationals and the Liberals did not oppose the bill. It is but one step towards a national water initiative that has been negotiated by the Federal National-Liberal Government. So of course we are going to support legislation that is keeping faith with an initiative of The Nationals at the Federal level. He said that The Nationals supported the natural resources legislation. That is absolutely untrue: we opposed the legislation. We opposed the Native Vegetation Bill, the Catchment Management Authorities Bill, and the Natural Resources Commission Bill.

Late last year the Minister introduced extremely complex legislation amongst much self praise for the brokering of a deal between farmer and environmental groups in relation to land clearing and catchment management. Yet within a week the Minister introduced more than 50 amendments to his own legislation, which he had barely finished telling us was a masterpiece. Clearly it was comprehensively flawed—one of the worst pieces of legislation ever to hit the table of this Parliament. After that Act was passed by the Government using its numbers, despite the opposition of The Nationals and the Liberals, farmers have felt betrayed that the new Native Vegetation Act is even more draconian than the previous Act. And the previous Act had led to departmental staff being locked out of farming properties right round country New South Wales. So you can imagine the depth of their anger at what this Minister has produced in the Natural Resources portfolio.

In the Planning portfolio the Minister's fingerprints are again all over another scandal, this time the bizarre decision by the Sydney Harbour Foreshore Authority and specifically Labor mate Gerry Gleeson to buy the SuperDome and to sell off the Entertainment Centre, possibly for high-rise development. Then there is the secret planning of a second Sydney airport, as the Leader of the Opposition has so clearly outlined. Who is in charge here? The Minister cannot simply raise his eyebrows Sergeant Schultz like and say, "I know nothing." That is not good enough. The Minister talked about the Westminster system. Under the Westminster system the principle of ministerial accountability demands that Ministers be held accountable for their failures, the problems and disasters that have occurred in their portfolios.

I have just outlined a series of disasters, problems and failures in a number of portfolios that have been held by this Minister. Instead of doing the honourable thing and resigning he has attempted to cover up his failings. When the truth has emerged he has instead sacked departmental staff. He clearly has no appreciation of the Westminster system and the notion of ministerial accountability, and neither has the Premier, who should have intervened and sacked this Minister, as he has done with other Ministers against whom motions of no confidence were moved during the last term of the Government. The people of New South Wales can have no confidence in such a Minister. That is why The Nationals and the Liberal Party support this motion of no confidence in the Minister for Infrastructure and Planning, and Minister for Natural Resources.

Ms PETA SEATON (Southern Highlands) [5.40 p.m.]: I strongly support the motion of no confidence in the Minister for Infrastructure and Planning, and Minister for Natural Resources moved by the Leader of the Opposition. Under this Government, accountability is long dead and buried. This Government does not understand the meaning of the word "accountable". The Minister's pathetic attempt today to defend the indefensible is proof that the Government has no intention of forcing Ministers to be accountable. If Labor members were to vote according to their conscience many would cross the floor and vote with the Opposition. I do not often agree with the honourable member for Fairfield, but he has been madly working the phones to get the numbers to force the Minister to go. Good on you, Joe! Like many honourable members opposite, he knows that the Minister for Infrastructure and Planning is an albatross around the Carr Government's neck and that he is dead in the water.

Sensible members opposite know that he should resign or be sacked. However, none of them has the guts to say so. Apparently, the honourable member for Fairfield recognises the Minister for the failure that he is, but all honourable members opposite should vote with the Opposition if they genuinely want to represent their constituents, who rely on high-quality health services, good planning, and open government. The Minister had the opportunity on Friday to answer questions and to clear up the truth about Labor's preferred airport site at Sutton Forest, but he failed to do so. The Sutton Forest airport scandal gets murkier and murkier for the Labor Party.

If the Minister wants to talk about airports, we should talk about who in the State Labor Party has done a deal with Mark Latham about airport sites at Wilton, Sutton Forest, Wells Creek or Berrima. We all remember that Mark Latham stated at the party's conference earlier this year that a Labor Government would establish a second airport at one of those sites. We do not need a second Sydney airport. The Sydney airport preliminary draft master plan executive summary states:

Airfield modelling and analysis indicates that the existing runway infrastructure is adequate to support the forecast air traffic for the next 20 years. Therefore no extension or duplication of the runway infrastructure is foreshadowed.

The Labor Party has tried to engineer a political solution in search of a problem that does not exist. The real agenda is to resolve destabilising factional issues within the Labor Party. The victims of that campaign are the people of Wollondilly, Wingecarribee and the northern Illawarra, who have been treated like dirt. What is worse, not one Labor Party representative was prepared to show their face at an angry public meeting held at Moss Vale on 8 February to protest about the airport plans.

Mr Barry O'Farrell: Surely the local member went?

Ms PETA SEATON: It would have been close to him.

Mr Barry O'Farrell: Does he know that he will be dissected?

Ms PETA SEATON: I would be interested to know whether he has seen the flight plan above Bowral, and particularly above Merrigan Street. That would be instructive. No doubt people ask him about the plans when he visits Angus and Robertson on Saturday mornings. That is for him to explain.

Mr ACTING-SPEAKER (Mr Paul Lynch): Order! I remind the Deputy Leader of the Opposition that he is on one call to order.

Ms PETA SEATON: The meeting on 8 February was attended by Martin Laverty, the convenor of the Southern Tablelands anti-airport group; Joanna Gash, the Federal member for Gilmore; Alby Schultz, the Federal member for Hume; Col Mitchell, the then Mayor of Wollondilly, and Phil Costa, the Deputy Mayor, who always stand up for Wollondilly; Councillors Peter Reynolds; Nick Campbell-Jones; and many others. Michael Organ came from Wollongong to attend the meeting. However, no-one from the Labor Party was prepared to acknowledge the party's plan to establish the second airport in the Southern Highlands.

The Opposition has been trying to get to the bottom of this issue. Curiously, Mark Latham said he had been working hand in glove with Craig Knowles. It was also reported that the Latham shadow ministry had been in close negotiations with senior Ministers of the Carr Government—not only Craig Knowles but a number of senior Ministers. What is the deal? Why the silence? It is interesting to note what the Premier has said about the airport. He is quoted in the 3 February edition of the *Australian Financial Review* as saying that Sydney's second airport had never been raised with his Government. Of course, Mark Latham said that that was not true, that his colleagues were working hand in glove with the Carr Government, and that there was "heavy consultation with the Carr Government and its Planning Minister, Craig Knowles".

We now know that the Minister admitted that he would be involved in assessment processes for the airport. What could be clearer proof of that than the detailed assessment we now know he was busily producing in his office? It is eight pages of closely typed text. We know exactly what he was up to. That document deserves a wider audience and I will ensure it gets it. Media reports have stated that senior members of the Carr Government have been negotiating with a special committee of the Federal shadow cabinet. I would like to know which senior members of the Carr Government are members of that secret negotiating team. Perhaps we will hear some confessions today.

What is the Premier's position on this issue? Jean Kennedy of the ABC conducted an interview with the Premier in Parliament House and replayed it to me. During that interview the Premier said that the Government had given Federal Labor all the material it had on the region. He also stated that Sydney needs a second airport now and that he certainly was not asked about Wilton. He recognised the need for a second airport in the Sydney basin but he stated that it must be outside the basin and that the Government supported that in principle.

The Premier and the Minister are working closely to identify the Southern Highlands site for Labor's proposed second airport. We now know that Latham's Labor airport plan is also the Carr Government's airport plan. There is no difference between the Federal Opposition and the Carr Government on this secret airport plan. We know the truth about that plan only because the Opposition managed to obtain documents. The Minister is now madly back-peddalling and pretending it was a silly joke in his office. The joke is on him. If he thinks he is going to foist an airport on the Southern Highlands without huge community uproar and an electoral backlash against Labor, he is mistaken.

Mr Barry O'Farrell: What does the honourable member for Camden say?

Ms PETA SEATON: Surely the expectations of the honourable member for Camden about health standards are the same as those of his constituents. Like my constituents, his constituents and the constituents of the honourable member for Campbelltown depend on the Camden and Campbelltown hospitals. However, neither of those members participated in this debate. I would be interested to know whether they will vote with the Opposition to ensure that their constituents' expectations about high health standards in the region are met. The Opposition has no confidence in the Minister. Everyone knows that we do not need a second airport, but he has been drawing up detailed plans about his preferred location at Sutton Forest. When faced with that evidence,

he back-pedalled and he now expects us to believe that he was not serious. What else was he not serious about? Has he not been serious when talking in this place about planning? Has he not been serious about the documents he has produced in his role as Minister for Health? What other claims should we be selective about believing?

If the Minister had wanted to express any reservations about Labor's preference for Sutton Forest as its second airport site, he had ample opportunity to do so in a document that was obtained by the Opposition some time ago under freedom of information legislation. The eight-page, extremely detailed document was sent to the Opposition on 17 March 2004, together with a covering letter signed by Emilio Ferrer, who for some time had been the acting chief of staff in the Minister's office. The document sets out an assessment of many of the factors to be considered in proving the merits of a site for the establishment of an airport.

It begins with a summary of the regional facts, referring to the population of the area and growth rates. Under the heading "Potential Site—Intersection of Hume Highway & Illawarra Highway", the document clearly defines the boundaries of the site the Government has in mind. The document refers, incorrectly, to "Golden Valley Road". I would have thought that the Minister would have corrected that reference, because it is in an area that he is familiar with. The document states:

Initial analysis in this locality indicates that a potentially suitable site is bounded by the Hume Highway, Illawarra Highway and Golden Valley Road.

That tells us clearly what the Government has in mind. The document goes on to refer to access to infrastructure and utilities. Under the heading "Air Quality" it states:

The site and region are not currently affected by major air quality issues.

Under the heading "Water Quality" the document states:

However, the site is less vulnerable to water quality issues than Wilton or Badgerys Creek.

That is the first sign of a preference for the Sutton Forest site over many other sites. Under the heading "Flood" the document states:

The site is not likely to be flood prone ...

That is another feature in favour of the site. Under the heading "Flora" it states:

On-site flora issues are not considered critical.

The document refers in detail to issues such as archaeology. Under that heading it states:

There is low archaeological significance in the region.

The document also states:

On-site fauna issues are not considered critical ...

The site is subject to largely agricultural land use ...

The site does not appear to be affected by mining activities.

The document does not develop reservations about the site. Under the heading "Resident Disruption—Site Acquisition" it states:

There would be comparatively low impacts due to low population base and agricultural land use on the site.

Many residents are probably retired professionals attracted to the semi-rural and village lifestyle.

Perhaps they are expendable. Under the heading "Existing Noise Incompatible Land Use" the document states:

There will be comparatively low impact on current land use—depending on runway configuration ...

The Government has obviously looked at runway configuration as well. Under the heading "Market Potential (General Aviation)" the document states:

A major study of future air services in Sydney will be required.

NSW South Coast does not have major airport or air services ...

Under the heading "Private Vehicle Accessibility" it states:

The site is considered to have excellent road accessibility.

The document notes that there are inadequate public transport services. We know that, because the Government has completely failed to provide public transport, particularly in the Southern Highlands. With regard to air space the document states:

The site is unlikely to affect existing Sydney and Bankstown airspace—as the region is about 60-80 km south of existing airports.

The document refers to wind coverage, other meteorological conditions and site flexibility. Under the heading "Site Acquisition" it states:

The site has fragmented private ownership ...

Acquisition costs are therefore likely to be relatively low—compared with sites closer to Sydney.

Compulsory acquisition is likely ...

The document also refers to the relocation of existing infrastructure. Under the heading "Site Preparation" it states:

The site has a relatively level central section which could act as a platform for runway construction.

It speaks about new infrastructure, including rail, roads and fuel, and economic development. Under the heading "Impact on Sydney Airport Owner" the document states:

The new owner of Sydney Airport has first right of refusal to build and operate any second major airport within 100 km of the Sydney CBD.

The site is located further than 100 km from Sydney CBD and therefore would not require first right of refusal to the Sydney Airport owner.

The document also refers to topography, national parks, bushfire risk, fog, airport marketability, and other issues. Nowhere in the document is there a proviso about any cautions from the Minister. Nowhere does it say, "Having made these assessments, we really don't think this is a good place to build an airport." Nowhere does the document refer to residents' views about the proposed site. There is no commitment to any public consultation, and no recognition of the fact that expert studies show that we do not need a second airport. If the Minister wanted to dampen down any ideas that the Carr Government was preferring, and effectively selecting, Sutton Forest as the preferred airport site, he did not take the opportunity to do so. I can only take the document on face value. It comes from the Minister's office. The Minister told us that he commissioned the preparation of the document. Mark Latham has said that he is working hand in glove with the Minister.

There is now no doubt that Labor's second Sydney airport is the same as, and indivisible from, the Carr Government's preferred airport site. That should be enough reason to vote for a motion of no confidence in the Minister for Infrastructure and Planning. But that is before we deal with his appalling record on health, and the fact that he intimidated brave whistleblower nurses who chose to take the uncertain step of voicing their concerns about the quality of clinical care at two hospitals that people in the Southern Highlands region depend on day after day. The Minister presided over the Camden and Campbelltown hospitals crisis and the unnecessary deaths of at least 23 people—people whose families have come to me, people who want help, people who want the Government to "fess up". They want the Minister to admit what went wrong and to provide some accountability for the system—accountability that we are certainly not seeing from the Government at any level.

We must deal also with the Minister's performance in respect of the Sydney Harbour Foreshore Authority. We want to know what the Minister was doing standing by while Gerry Gleeson, the great Labor mandarin, set up a \$23 million deal to buy the SuperDome and then installed the company of which he was recently a director in an uncontested management role. What does the Minister know about the extraordinary general meeting that Gerry Gleeson called when he called the Minister on his car phone to tell him what his plans were? Did he go through all of that with the Minister? What does the Minister know about Gerry Gleeson's plans? How much of a role did the Minister play in setting up that deal? According to some media reports, the Minister knew nothing. Or did he? What was his role? What did the Minister tell Gerry Gleeson when Gleeson spoke to him in the famous car phone call? The Premier apparently vetoed the deal but, despite

whatever conversations went on between Gerry Gleeson and the Minister—or, indeed, Gerry Gleeson and the Premier—the Minister is still in the job.

Planning in New South Wales is a complete disaster. Today the Minister delivered a pathetic performance in the House when he tried to convince us that, despite the fact that he has been the Minister for Planning in the past, he is now setting up further conferences and discussions about the metropolitan plan for Sydney and a little bit of money is being provided here and there for communities to conduct studies. But why is it that after nine years the Carr Government still has no State plan, no infrastructure plan, and no metropolitan plan? The Minister has no excuse. He has been the Minister for Planning in the past; he should know that portfolio backwards.

When he took on the portfolio this time around, he should have been hungry to do what needed to be done, hungry to fix the mistakes that he created years ago, and he should have had a full agenda ready to be implemented. Instead, for a year the Minister has mucked around with restructures, staff changes, media releases, and other matters, but not a single new infrastructure project has been commissioned. The only major infrastructure project in Sydney at the moment is the West Link M7, which will bring great benefit to western Sydney—thanks to the Federal Government. The State Government has had nothing to do with that project. I commend the motion to the House.

Mr MORRIS IEMMA (Lakemba—Minister for Health) [5.59 p.m.]: In speaking to this motion I want to start by recounting my first visit as Minister for Health to Belmont hospital. My reason for visiting Belmont hospital was to inspect the new emergency department. The former Minister presided over the construction of that department as a capital works project. However, I did not go to the new department straightaway; I went to another entrance. There I was met by a group of staff, mainly young women. They were speech pathologists and physiotherapists; they were young recruits to a new stroke unit that was being opened at the hospital. They were like excited kids on their first day of school. They were excited about the new unit and about being new recruits to the service. I soon found out that it was not the only new stroke unit in our hospital system.

Not long after my visit to Belmont I visited Westmead hospital and was taken through the stroke unit there. I went to the stroke units at St George and Wollongong hospitals. I learned from briefings that the units were part of a reform process to improve the delivery of services in greater metropolitan hospitals. The treatment of strokes had not received the attention it deserved in past decades. Under Minister Knowles the treatment of strokes received significant priority and formed part of a wider plan to examine the role of our greater metropolitan hospitals in the provision of services. A task force was established and the plan that emerged from that task force was for a comprehensive examination by front-line clinicians of the role our metropolitan district hospitals should play within the context of a master plan.

When I became the Minister for Health I was surprised to find that our clinicians were not involved in the planning and the delivery of health services. They were on the front line delivering those health services, but they had little to do with the actual planning of the services they were engaged to deliver. Coming from a procurement background in capital works I found that very odd because in capital works procurement the builders, the architects and the engineers—those who deliver the infrastructure—are engaged in planning infrastructure and projects. I was surprised to find that in the health portfolio it was only a recent initiative that had resulted in clinicians becoming involved in planning the services we have traditionally engaged them to provide in our hospitals.

The impact of that change on clinicians' morale became evident as I moved around our hospitals. Traditionally clinicians have always been in our health system, working hard in a professional manner delivering good-quality care, but they have not been engaged in a meaningful way in the planning of those services and matching that planning to delivery. No matter where I go today, that feeling of empowerment and meaningful involvement remains. Minister Knowles is still given credit for that, because the process started with the establishment in 2001 of the Greater Metropolitan Task Force [GMT²]. The support and the appreciation of clinicians across greater metropolitan Sydney and in regions such as the Hunter and the Illawarra is still evident. The task force is still regarded as one of the most significant initiatives reforms ever in the planning and delivery of health services.

That is why the Minister outlined some of the words of support that have been put in writing by clinicians—and they are all genuine. But whether they have committed their support in writing or not, it does not take long in a visit to a Sydney metropolitan or regional metropolitan district hospital before I encounter a clinician who is either still part of the GMT² process or who had some involvement some time in it the past and

for whom that process lingers in the memory as one of the most worthwhile reforms that has ever been undertaken. The services that the task force process enhanced are in orthopaedics and acute care for aged people. The establishment of trauma centres gave some sense to trauma treatment in the metropolitan area.

Renal treatment has been reformed and chronic illness programs established. The chronic care model was in the process of being developed before the election and the changeover of Ministers, and Professor Ron Penny will now take the model to the next phase, which involves linking acute care and community and primary care. That model was developed in those years of reform, not only in the GMT² process itself. Clinician involvement in the development of those programs and the improvement of services, and their engagement in the development of those models of care, continues and is directly linked to the tenure of Craig Knowles as Minister for Health. He was also responsible for the Government action plan, another blueprint for the delivery and improvement of health services, and the rural health plan.

It is timely that this debate is taking place today because I have come from a meeting in my office with members of the Lismore community and their local member about the establishment of a cardiac catheterisation laboratory in Lismore. At the heart of the rural health plan is a philosophy that asks what services government invest in to provide access to quality services and additional services for people in rural communities. There is a list of those services. There is not only the orthopaedic plan, which sprang from the rural health plan. There is a plan to expand cardiac services in rural New South Wales. One of my more pleasurable trips was to Tamworth a few months ago to open the first of the five cardiac catheterisation laboratories under the rural health plan, which resulted from the reforms instituted by Craig Knowles when he became Minister for Health. The rural health plan was developed by matching the engagement of clinicians with real dollars to make a real difference to the access of rural communities to quality health services.

That is why I met with members of the Lismore community in my office. They wish to share in the benefits of the plan and put forward a sound case for Lismore being site number two for the delivery of the second cardiac catheterisation laboratory. I have received representations from clinicians and local community groups from Wagga Wagga, Orange, and the mid North Coast who also wish to be second on the list for the establishment of those services. These plans, and the services attached to them, are part and parcel of what Minister Knowles started. I cannot say that the process was completed, because after the election Craig Knowles was promoted. However, I have had the pleasure of opening the facility at Tamworth and visiting Belmont to open the stroke unit, which would not exist were it not for the processes that Minister Knowles established during his tenure. He provided the dollars to see the plans come to fruition and urged clinicians to be involved in developing the plans—something that traditionally they had not been involved in—and provided the resources to bring those plans to fruition.

I highlight also the vast program of capital works and massive investment to modernise the health infrastructure so that our clinicians can have the very best physical working conditions for the extremely difficult but nevertheless professional job they do in delivering quality health care. The greater metropolitan transition task force considered an overarching plan and relevant roles for metropolitan hospitals and enhancements for them through a range of service. The Government's overarching action plan reviewed the whole system, while the rural health plan sought to enhance cardiac and renal services. The offshoot of that was the five-year orthopaedic plan to boost orthopaedic services in rural New South Wales—a one-off payment backed by five-year recurrent funding. There was investment in infrastructure, which triggered master plans for future redevelopment. This was a comprehensive examination of the entire health portfolio, considering the needs of metropolitan, regional and rural communities in the delivery of health services.

One of the most impressive plans and outcomes of the reform process—the overview, development of a plan, and support for clinicians—was the statewide plan for intensive care beds. Professionals such as Professor Malcolm Fisher were engaged and for the first time they were involved in considering the number of intensive care beds and they undertook a comprehensive needs analysis of intensive care resources and where those resources should be directed, and of providing the resources to implement the plan.

It is not necessary for me to refer to the various Macarthur issues. The Premier has already put very simply on the table the Minister's response, which I shall repeat. The day the five nurses entered the former Minister's office was the day he dictated the memo that triggered the inquiry. I have said at the many media conferences I have held since I have been health Minister that I would not be here if Minister Knowles had not triggered the investigation. That the Health Care Complaints Commission, the watchdog body, failed in its duty is not the responsibility of the Minister. He did everything possible to ensure that that watchdog body had the resources to carry out its functions. That watchdog body had the power to carry out its statutory obligation, and palpably it failed, but it did not fail because of Minister Knowles.

The memo for the first inquiry was done the same day—not the next day or the following week. The memo was dictated the same day, stating that the matter was as serious as could be and calling on the director-general to refer the matter for investigation. I have no background in health at all, but I take heed of the judgments of health care professionals, and I have yet to come across a single clinician who has not said that the four years that Craig Knowles was Minister for Health were four worthwhile years. Even those who do not agree with him politically were vocal supporters during his tenure as Minister for Health. For the first time they were able to participate in a process in which they were valued, and could plan and have a real say. The evaluations from those official mechanisms speak for themselves. I had meetings with clinicians, 30 or 40 at a time, about those evaluations and the words "meaningful", "relevant", "first ever" and "empowerment" were voiced time and again. That would not be the case if it were not for Minister Knowles.

Mr BARRY O'FARRELL (Ku-ring-gai—Deputy Leader of the Opposition) [6.16 p.m.]: As the Minister for Health approached the podium I interjected that I thought it was courageous for him to participate in the debate—"courageous" being that wonderful euphemism used by Sir Humphrey Appleby in *Yes Minister* and *Yes, Prime Minister* to indicate to Jim Hacker that something was going to be politically costly. However, as usual I underestimated the Minister for Health, who did not provide a response or defence for Craig Knowles in relation to this motion of no confidence. He certainly reflected upon his earlier experiences within the health system and repeated verbatim the words of the Premier in defence of the Minister for Infrastructure and Planning, and Minister for Natural Resources, but he never once sought to extend himself in defence of the Minister. That is not surprising, given the jockeying that is going on within the Labor Party at the present time and given the Minister's own position in relation to that.

The Minister did, however, mention one issue that related to the health watchdog, the Health Care Complaints Commission. The Minister made a mistake that I want to come back to later, that is, that it was not because of Minister Knowles that the Health Care Complaints Commission so fundamentally failed not only those who lodged complaints with it about events at Camden and Campbelltown but also, the Opposition would argue, the many thousands of people who lodged complaints with it during the period that Craig Knowles was Minister.

It ought to be said that for each of the issues the Minister sought to highlight in his earlier experiences in the health portfolio, there is a flip side. As always with Minister Knowles there is a flip side: never believe what you see. I say to the Minister that in the discussions I have had about the greater metropolitan task force—GMT²—it certainly achieved the purpose for which it was established, that is, to bring clinicians to the table to start planning for the future of health services in New South Wales, and to raise their expectations.

But, as the Minister himself knows and is want to complain, he now has to deal with those raised expectations, which was terrific if one knew at the end of the term of office one would be moved into another portfolio. I also know from visiting many hospitals across the system that despite the recommendations of the GMT² and promises of increased funding, most frontline health services have not received that increased funding, despite what were very black and white recommendations. That again demonstrates that like the best of *Yes Minister* and *Yes, Prime Minister*, the task force did its job very well in tying up clinicians and raising expectations but not making a single jot of difference to the delivery of services at the front line. The Minister seeks to use rural health, and the former Minister's involvement with it, as a defence of the former Minister. Frankly, never has there been a more blatant abuse of people, people's needs for health care, and, in particular, people's need for elective surgery.

In the 18 months leading up to the State election campaign last year the then Minister for Health toured the country announcing, re-announcing, and re-announcing again massive injections of funds for elective surgery in country areas, particularly to drive down the long-term waiting lists experienced by people living in rural and regional areas who do not have access to the sorts of hospitals available in Sydney. As I said, there is always a good side and a bad side to the things in which the former Minister gets involved. The good news is that he drove those lists down; the bad news is that the very weekend that Labor won the election, hospital administrators on the North Coast and the South Coast started to wind back that money and told surgeons they could not engage in additional procedures. Over the past 12 months we have again seen a doubling of the number of people waiting more than 12 months for surgery.

That is a textbook example of the Graham Richardson *Whatever It Takes* approach to politics: promise and deliver ahead of an election campaign, knowing that it will come to an end as soon as one achieves one's objective, which is not better health outcomes in rural and regional areas but the re-election of one's Government. Another issue I come back to is the Minister's reference to capital works. I cannot but agree that

the former Minister for Health left in his wake lots of shiny, good looking buildings, particularly in south-western Sydney, which is at the heart of the allegations we are raising this evening.

The difficulty—it is another downside of the former Minister—is that he did not have the wherewithal or, frankly, the decency to ensure that those buildings were adequately staffed by suitable specialists so that people's lives were not put at risk, as demonstrated by the events at Camden and Campbelltown and more recent events. In what I must say was a pretty shameless performance, the Minister provided testimonials to himself, but I notice that he did not table them. As the honourable member for Southern Highlands might say, those testimonials may well have been written by the same authors and the same hands that wrote the Federal Labor Party's airport policy, that is, by the Minister himself, as commissioned by the Minister within his office. The Leader of the Opposition received a letter that states:

I would like to thank you and the courageous nurses that have stood up and fought against a very ignorant and corrupt state government and Hospital system.

My little girl and I were one of the casualties of this Hospital system and very bad staff that should have never been allowed to open or operate as a labour ward. But as you may see with attached copies the Labour party decided to open the Labour Ward at Camden Hospital even after it knew of its failed hospital.

It is very hard for someone where they have suffered from the Hospital system to know who they should go to for help. I have been running around for 9 months now. So I think you have done a great thing for people that now can see and be aware of what is happening. If this was brought to light earlier I would never have gone to Camden Hospital. But unfortunately looks can be deceiving and cost me dearly.

The letter is signed by Vera Lalic, a resident of the Camden district, whose daughter—if she had lived she would now be 15 months—was a victim of the former Minister's experience in health. As the Leader of the Opposition demonstrated earlier, there is no more shameless example of lack of morality than the former Minister for Health brought to his portfolio than the decision to open the Camden maternity unit before it was adequately equipped. As I move to the substance of this debate, I say that it is not about what the former Minister says—those of us who sit in Parliament know that he is a man of many words and on most days he bores us senseless—or even what he did. As I said earlier, there is a flip side to everything the former Minister for Health does. It is about what he did not do.

I want to focus on some of the things that the former Minister did not do which I believe make him unfit to continue as a Minister in this Government. Sarita Yakub was a public school teacher. Today we have had another strike in the New South Wales education system, and today I doubt whether any member of this House would not pay tribute to public school teachers and the role they engage in on behalf of society. Yet this is a morality tale of how they are rewarded by the State. Sarita Yakub attended the Nepean Hospital emergency department on 3 August. She was not seen within two hours, she and her husband left, and she subsequently died. On 7 August, four days later, because of media interest, the Minister—not a spokesman, not bureaucrats and not a press secretary—said that Mrs Yakub was called in the emergency department "18 minutes after she arrived for treatment after being triaged 18 minutes earlier and in that context was recorded in the registration as 'did not wait'".

In other words, as the recent Health Care Complaints Commission report by Judge Robert Taylor indicates, the Minister sought to blame Mr and Mrs Yakub and their decision to leave the emergency department for her subsequent problems and ultimate death. On 26 August, 19 days after the Minister had publicly spoken on the issue, Wentworth Area Health Service provided a briefing to the Minister and the director-general which stated:

It is now evident that Sarita Yakub was not in fact called at 1.00 a.m. as reflected in the documentation.

One might have hoped that a person with a shred of decency, morality, and sympathy for the family of Sarita Yakub might at the very least have picked up the phone to advise the family of that circumstance and to apologise for his public comments. One might have hoped, forlornly as it occurred, that the Minister, given his media appearance 19 days earlier, might have issued a press release or sought to bring that fact to the attention of the wider media, but that did not occur. On 3 and 4 September Department of Health officials briefed the Minister on the Yakub matter. On 23 October and 6 November the Minister was again briefed on the Yakub matter. On 6 and 26 February he was briefed again on the Yakub matter.

It was not until the current Minister for Health finally decided to release the reports into Sarita Yakub's death that the former Minister for Health finally picked up the phone and apologised. The former Minister seems to believe that the phone call in May gets him off the hook when it comes to the death of Sarita Yakub.

Of course, what he conveniently ignores is that for nine months he had refused to do such a thing, despite the fact that for 8½ of those months he knew full well that what he had said publicly was a lie, was inaccurate, was hurtful to the Yakub family, and put pressure on the family because it implied that in some way they were responsible for Sarita Yakub's death. I note that in the report provided to Mohammed Yakub on this issue Judge Robert Taylor said:

The wide publication of this inaccurate information—

that is, the early departure from the emergency department—

at the time had the effect of wrongly focusing responsibility on Mr and Mrs Yakub themselves for the failure to access timely medical services. This must in the circumstance have caused a great deal of grief and confusion to Mr Yakub and his family at a time when they had experienced a catastrophic loss.

The Health Care Complaints Commission decided that the information was available to the Minister and he did nothing about it. It is that clear decision of the former Minister for Health, who knew the true information, to put politics ahead of the Yakub family's grief and ahead of the health of people presenting to Nepean Hospital at a time when meningococcal scares were in the news, that most ensures that this motion should pass. He clearly cannot be trusted. If he cannot be trusted to pick up the phone and privately tell the grieving husband of a woman who has died and whom he has publicly verbalised the truth, why should we believe him possible of telling anyone else—his ministerial colleagues, his parliamentary colleagues, members of the public, or the media—the truth on any issue, whether it relates to Federal Labor's plans for an airport in the Southern Highlands or the other matters of public administration that he is responsible for?

The second issue upon which the Minister did nothing related to hospitals in south-west Sydney. He was terrific at leaving shiny buildings in his wake but he was terrible at making sure those buildings were fully occupied or properly resourced. My source for that is not Barry O'Farrell, member of the State Liberal Party, but the outgoing Australian Medical Association President, Dr Choong-Siew Yong, who said in a press release two months ago:

... it was disappointing that the interim report [of Bret Walker SC] had made no reference to one of the major failings of the health system at Camden and Campbelltown hospitals—chronic under funding

Yet, this bloke is prepared to say in the Chamber, "I was a good health Minister and these letters prove it." Clearly that is not the case. I notice that the Minister did not have any letters from people who worked in Camden or Campbelltown hospitals. I want to acquaint the House with a letter, published in an article in the *Medical Journal of Australia* of 5 April, written by Brad Frankum, who is the Director of Medicine and conjoint associate Professor at the University of New South Wales, Dwayne Attree, who is the Clinical Decision Support Manager, Andrew Gatenby, who is the Chair of the Division of Surgery, Sandy Eagar, who is the Nurse Manager, Professional Development, and Anthony Aouad, who is the Chair of the Clinical Advisory Council and physician at Macarthur Area Health Service

By comparing Macarthur hospitals with Bankstown, St Vincent's, Sutherland and Hornsby hospitals, this article is a telling indictment of the administration of the former Minister. For instance, in 2002-03 the Camden and Campbelltown hospitals had 29,500 admissions and a similar number were admitted to Bankstown and St Vincent's. However, Camden and Campbelltown emergency department presentations for November 2003 were higher—3,700, compared with 2,700 at the other hospitals.

But the critical figure that Brad Frankum, Dwayne Attree, Andrew Gatenby, Sandy Eagar and Anthony Aouad offer is that the number of full-time equivalent salaried medical officers at those hospitals is extraordinarily different. Camden and Campbelltown hospitals had just under 71 full-time equivalent salaried medical officers, compared with St Vincent's 267 and Bankstown's 128. Sutherland hospital, which has 10,000 fewer admissions and fewer emergency department presentations, has 23 more full-time equivalent salaried medical officers than Camden and Campbelltown. This is proof positive that despite his capital works venture, despite his modern-day version of providing beads to the Indians to satisfy them, he demonstrably failed, on the evidence from people who practise in the hospitals, to provide the resources, the skills and the equipment to ensure that these hospitals operated at a proper level of service. In their letter to the *Medical Journal* the doctors say:

... the government and bureaucracy would prefer the general public to believe that MHS is the only "sick hospital(s) in the health care system ...

They go on to dispute that point. In the same edition of that journal the chairman of the Liverpool health service medical staff council, David Rosenfeld, talks about how Liverpool Hospital, which is also within the region, is underfunded. It is a major surgery hospital funded as a district hospital. He says:

... the only real surprise to staff working there is that the recent problems have not happened before, and that they have not happened at more of the hospitals in SWSAHS.

What a telling indictment of the grub who is the former Minister for Health. This bloke comes in here and says nothing is wrong. This guy has a specific inquiry going into the adverse effects on 23 people who died at Camden and Campbelltown hospitals, and today he says, "All is well with the world, these letters say I am a great bloke." Well, here are letters from people who are victims of the system, who operate in the system and know the reality. When it comes to the former health Minister, it is not what he says or what you hear, it is what he does not say and what is missing in the system that led to those deaths that ensures that this bloke has blood on his hands. Today demonstrates a complete lack of acknowledgement of the damage his legacy in health has done, not just to those families immediately affected in Camden and Campbelltown, but to the longer-term future.

Two other people ought to be co-joined in this motion. They are the honourable member for Campbelltown and the honourable member for Camden, who have sat on their Pat Malones and done nothing throughout this crisis to support either the whistleblower nurses or the families who are victims as a result of this. Time and again in this Chamber they sought to limit debate on the very issues that they should be standing up for in their community. The political opening of the Camden maternity unit before it was properly resourced, which led to the death of baby Natalia Lalic, should have been—and would have been with any decent person—a reason for the honourable member for Camden to resign. He was elected on the blood of these victims. He was elected on the disgraceful political manipulation of the system by the former Minister for Health, and he does not say a word on these issues when they come before this place. It is a complete and utter betrayal of his community and of the nurses who are prepared to speak up.

I have not heard the honourable member for Campbelltown or the honourable member for Camden raise any of the concerns of their clinicians about underfunding, about the lack of equipment, or about staffing resources in their districts. They are asleep at the wheel, as the former Minister for Health was asleep at the wheel. He deserves to be condemned. No-one could trust him with anything, let alone to be a Minister of the Crown. He completely lacks morals. He completely lacks decency, and I hope he enjoys the climes of Bowral for the rest of his life because he will have no friends anywhere else.

Mr FRANK SARTOR (Rockdale—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) [6.36 p.m.]: I speak against this motion, which is unquestionably appalling. It is an appalling abuse of this House. In many ways it is outrageous. We saw the performance of the Leader of the Opposition and, a just now, the performance of the putative Leader of the Opposition, who stooped to the lowest of lows in his personal attacks on people. We have here a successful Minister who has contributed an enormous amount to this State. We have an attempt to destroy his reputation by trying to hold him responsible for clinical decisions for which, clearly, he never has been responsible. No Minister for Health is.

This campaign is unabated. It is vicious and has been going for months. Why? Because Minister Knowles has been a very successful Minister in this Government. He has been a terrific Minister. He has achieved an enormous amount. He is a man of enormous integrity and he has earned enormous respect. This mob opposite, because it has tensions in its own ranks, needs a scapegoat, is desperately looking for a cause, and is conjuring up these reasons that are a mirage to try to impugn the Minister. This is just outrageous.

Let us look at what the Minister achieved in health. He increased spending in health by \$2 billion during his tenure of four years. We have a record capital works program. He changed the resource distribution formula to make it fairer. He engaged clinicians like they were never engaged before. Previously clinicians were not involved in this way. Through GMT² and other means he engaged the medical profession and included them as part of the decision-making process in our health system. When one goes around the hospitals of this State and talks to clinicians, as I have done, everywhere one hears positive things said about Minister Knowles. He was extremely well-regarded as Minister for Health and he continues to be well-regarded, notwithstanding this vicious, malicious, and scurrilous campaign.

The fact that people keep saying nice things about the Minister, notwithstanding this campaign, shows that the work he did was of enormous substance. He introduced health councils and he reformed the medical

indemnity system. When I briefly had the role of Acting Minister for Health last year and there was a crisis with the incurred but not reported, or IBNR, issue with the Federal Government New South Wales had done its bit. We had already indemnified our specialists. We had already done everything we could reasonably do to remove risks for practitioners in our hospitals.

And who had done that? It was not the Coalition, it was not the Federal Government, it was Craig Knowles as Minister for Health. He increased rural health funding by 75 per cent. He introduced universal hearing tests for all newborn babies. He increased radiotherapy treatment over four years by 95 per cent. He introduced a three-year \$107 million plan to improve mental health services by providing 700 additional clinical staff and 500 new acute care beds. There was a 43 percent increase in the number of cataract operations since 1995, an extra 4,000 operations. He pursued the issue of childhood obesity.

But I think the vision of Craig Knowles in reforming health in this State is nowhere better exemplified than by the plan that he put forward before he left the job as Minister for Health before the State election to set up the Cancer Institute and expand cancer services. He got the Government to commit, as an election pledge, \$290 million over five years for enhancements in cancer treatment. That included creating the Cancer Institute. That has been established and it has been seen widely as highly successful. The Cancer Institute will spend \$205 million over the next four years and is systematically looking at making sure that best practice is adopted throughout the health system as well as supporting improvements in a whole range of areas including early detection, research and so on. It has been a huge success. It addresses issues in relation to the incidence of cancer, prevention of cancer, early detection of cancer, clinical care of cancer, and the quality of life of patients.

This concept was conceived by Minister Knowles. He consulted and put it forward as a Government pledge. It is a huge breakthrough. It is a first of its kind in the world and in the next two to three years it will yield enormous benefits for people afflicted by cancer: the 30,000 people that are diagnosed with cancer every year. He augmented the radiotherapy program by \$76 million as well. Thirteen new linear accelerators are being installed over the next three years, six of them replacements and seven additional. All this was done under the leadership of Craig Knowles as Minister for Health. Closer to home, I refer quickly to St George Hospital. In 1994-95 it had a budget of \$108 million and was staffed by 1,180 full-time equivalents, admitted 43,000 patients and had 39,000 emergency department attendances. In 2001-02 it had a budget of \$161 million, was staffed by 2,126 full-time equivalents, admitted 45,000 patients and had 46,000 emergency department attendances. There was a \$1.5 million increase in expenditure on capital equipment at the St George radiotherapy unit. St George Hospital stages 4A and 4B were completed in September 1996 at a cost of \$154 million.

The new hydrotherapy pool at St George Hospital was opened in 1996. In June 1997 a new \$1.1 million CT scanner was provided for St George, and \$3.5 million was spent on relocations at the hospital, which were completed in February 1999. And so it goes; the list at St George Hospital is much longer than that again. An aeromedical retrieval unit was constructed at a cost of \$689,000 to provide the State's aeromedical retrieval service with a control and co-ordination centre. In 2001 the hospital's Lorikeet childcare centre, a new nursery costing over \$400,000, was opened. A \$4 million day procedures centre was built. The \$20 million redevelopment of Calvary Hospital was completed in November 2001, with \$5 million provided by the Little Company of Mary. The reforms and improvements to the health system addressing many issues that go back many years, including the seven years when the Coalition was in government, were astronomical. On any standard or test Craig Knowles as Minister for Health would have been found to have been a very successful Minister for Health. He was not responsible for clinical decisions in hospitals, nor should he have been.

Mr John Brogden: He bullied nurses.

Mr FRANK SARTOR: This is a nonsense. Craig Knowles is one of the most inclusive and consultative people that I know. Let us look at the other things he has done. I knew Craig Knowles as Minister for Planning when I was mayor of Sydney. He had to address some of the disasters the Liberal Party introduced—the City of Sydney Act and the Central Sydney Planning Committee, which they stacked with developers. Craig Knowles quietly and systematically negotiated changes to the Act and improved the Act astronomically. He created the Sydney Harbour Foreshore Authority, which has been a great success. The Sydney foreshore areas have been very successful as a result. There was a stunning revival of Walsh Bay while he was Minister for Planning. The approvals were coming through then. The Pyrmont foreshore and King Street wharf precincts have been converted to world-class public areas.

My dealings with Craig Knowles as Minister for Planning showed that he was visionary and farsighted, inclusive and sensible. He has done a brilliant job as Minister for Planning. This man who has served this State

so well for nine years is being subjected to this puerile, scurrilous, malicious, vicious nonsense by this bunch opposite who are desperate for an issue, who never come forward with alternative policies. They never tell us how they would fund all the promises they make. They say they will cut taxes and increase spending. Where is the money going to come from? They never address the issues. They have no policies.

The national water reform negotiations with John Anderson are another example of Craig Knowles being involved and working with people of all political persuasions in a very bipartisan and constructive way. Other examples are the native vegetation reforms and implementation of the recommendations of the Wentworth Group. Things have been achieved in that area that never would have been expected some years earlier. But Craig Knowles has systematically worked constructively with people to do that. Look at the wonderful work with the Federal Government on water-sharing plans, the creation of the Natural Resources Commission and the catchment management authorities, the water trading rights, facilitating water trading, establishing a central register of ownership for water licences, and aligning with the National Water Initiative. There has been massive reform.

Much of this stuff has been largely unnoticed in metropolitan areas but it has huge implications for the benefit of this State. I am sure that the models pursued in New South Wales will be learned from in other States as well. That is why Mal Peters, the President of the New South Wales Farmers Association, could say that the bill that Craig Knowles introduced was a victory for commonsense, the economy, the environment, and the social fabric of New South Wales. So this is another huge area of achievement by Minister Knowles. Yet he is condemned because he happened to get some file note and a bit of research done on these airport options that the Federal Government is foxing with until after the elections because it does not want to tell people the truth. It is a bit like Iraq: it did not want to tell people the whole story. It is blaming its bureaucrats and running around saying, "Oh no, we did not know about prisons in Iraq."

The Federal Government is foxing about the airport options. Yet the Minister is being condemned for calling for some briefing notes. What a lot of nonsense! What do Opposition members really have? Briefing notes, and clinical decisions made in hospitals, which clearly the Minister is not responsible for, and that is about it. Then they are talking about some bid to buy the SuperDome, which is dealt with within government processes. This is nothing. This is a ruse. These people are desperate. They are trying to impugn the reputation of Craig Knowles. It is nothing. The language in the speech of the Deputy Leader of the Opposition was absolutely disgusting.

Mr Peter Debnam: Remember when you used to have some principles before you were forced to come in here and just become a Labor apologist?

Mr FRANK SARTOR: You have got no principles whatsoever.

Mr DEPUTY-SPEAKER: Order! Members on the Opposition benches will contain themselves.

Mr FRANK SARTOR: The honourable member for Vaucluse would know nothing about principles. This waste of the House's time is outrageous. It is all about the Opposition being seen to have a cause, being seen to argue something, trying to create a cause. It is trying to destroy a reputation in the process. It will not succeed. Why? Because the Minister's reputation stands the test of time.

Mr Anthony Roberts: You have already destroyed it, mate.

Mr FRANK SARTOR: As for you, you buffoon, if I were you I would be quiet. You might have a new suit but you have learned nothing. Opposition members are outrageously attacking a Minister who has contributed an enormous amount to this State. If they had contributed a quarter of what he has contributed they would be lucky. There they sit with their stupid smirks pretending they get on like Bobbsey twins. I strongly oppose this motion. I think it is an outrageous use of the time of this House.

Mr JOHN BROGDEN (Pittwater—Leader of the Opposition) [6.50 p.m.], in reply: The Minister is allowed an opportunity under the standing orders to respond, but he has not taken the opportunity to defend himself. That demonstrates his and this Government's arrogance. They do not feel the need to wrap up the debate with an attack on the contributions made by members of the Opposition. The record will show that this Minister was not defended by his successor in the Health portfolio; the Hon. Morris Iemma did not bother. He was defended by the most friendless Minister in the Carr Government, the Hon. Frank Sartor, who delivered a speech without one of his colleagues in the Chamber to lend support.

Craig Knowles' acknowledgement of his support for the Sydney Harbour Foreshore Authority [SHFA] bid for the SuperDome vindicates the aim of this motion. The Minister has told the House that he supported Gerry Gleeson's crazy plan to spend \$23 million of taxpayers' funds to buy an entertainment centre. That price was three times greater than the next highest bid of \$8 million from Publishing and Broadcasting Ltd. Rather than defend that, the Minister acknowledged that that was exactly what he did. Despite the fact that the Premier said from day one that the Government would not buy the SuperDome, Craig Knowles wanted to buy it and facilitated the process whereby Gerry Gleeson and the SHFA could do so.

That is an admission by this Minister about his inability to control Gerry Gleeson and his willingness to allow a government agency to waste \$23 million of taxpayers' funds. Every citizen of this State is asking the Government where the money has gone and why we are paying more tax. Regardless, the Minister for Infrastructure and Planning authorised a bid by Gerry Gleeson and the SHFA to waste \$23 million to buy the SuperDome in a grubby little Labor deal. All the Labor mates were having their backs patted and the deal was very cleverly linked so there would be no losers in the party. They reached back to the Gerry Gleeson and Neville Wran days to ensure that the deal hung together to protect as many backsides as possible.

The Minister's failure to address the truth about Sarita Yakub's death is a testimony to his arrogance, lack of compassion, and absolute failure to accept responsibility for the lies told by his departmental officers and personal staff at his direction. His complete failure to address the charges levelled by the Opposition about the death of Natalia Lalic is heartless, to say the least. He and the Premier opened the Camden Hospital and the renovated maternity unit to provide comprehensive services, including dealing with complicated births, when that level of service could not be provided. That directly led to the death of a child. The Opposition forced the Government to have that matter investigated. As I said, the Labor Party may have won the seat of Camden, but honourable members opposite have blood on their lands.

This Minister argues that he was not responsible for the clinical decisions relating to 23 people who died unnecessarily. The Liberal Party and The Nationals believe in an interesting concept upon which our democracy is based; that is, ministerial responsibility. When a Minister fails to deliver to his community, and the agencies and departments for which he is responsible do not do the right thing, he must go. Craig Knowles must go. He has failed by any standard to be accountable. We know that the vote on this motion will be determined along party lines. We know that, despite the Labor Party's pathetic attempt to defend the Minister, it will support him today. I note the Premier's absence. Surely, given that one of his Ministers is facing a no confidence motion, the Premier could offer his personal endorsement. He has not even appeared, let alone uttered a word. In fact, Craig Knowles has been cut loose by the Premier.

The Labor Party's machinations continue. The real issue is that the Labor Party's succession plans have been badly damaged by this Minister's appalling performance. The Premier cannot sack the Minister because it would be embarrassing for him to have to sack his heir apparent. Behind the scenes, deals are being done between Scully and Watkins to replace the failing Carr-Refsauge team. Craig Knowles' career and his ambition to be Premier are finished forever because of the deaths of Sarita Yakub, Natalia Lalic and 23 people at Camden and Campbelltown hospitals. He has not been able to display the judgment expected of a Minister in regard to issues such as the SHFA bid and planning for Mark Latham's second Sydney airport in the Southern Highlands.

Tonight's performance by the Government has been appalling. The Minister descended to the personal attacks for which the Labor Party is well known. If honourable members opposite cannot win the debate on the merits of their arguments, they make it personal. Mr Knowles may survive because the vote will be decided along party lines tonight, but outside this Chamber, in the court of public opinion, he no longer has the confidence or support of the people of New South Wales. Craig Knowles has failed to fulfil his responsibilities as a Minister. He failed to protect innocent people in the health system because he was more interested in cover-up than in saving lives and ensuring that people are healthy. That is the verdict reached about Craig Knowles and his career in public life. He is more interested in power games than in the honest, accountable, and open delivery of quality health services to the people of New South Wales. He would prefer to sweep a scandal under the carpet rather than come clean and apologise.

There is more to come on this issue; the Opposition will maintain the pressure. The ongoing ICAC investigation will also maintain the pressure on this Minister and this Government. Craig Knowles does not have the confidence of the people of New South Wales and he does not have the compassion required to be a Minister. He also does not have the capacity to provide his party with the necessary pressure valve when the going gets tough. He knows that his is a negative presence in the Labor Party and he understands that his continued presence on the front bench and his failure to take responsibility for the 23 unnecessary deaths at Camden and Campbelltown hospitals and the deaths of Mrs Yakub and Natalia Lalic will haunt him and this Government until 2007.

Little more can be added to this debate. The charge I lay against Craig Knowles is that he is a man who has lost the people's confidence. He no longer has a moral compass, and he no longer understands what the job is all about. If a Minister makes a mistake in government, he or she should be honest about it, confess, apologise, and move on. But that is not the *modus operandi* of the Carr Government; its members prefer to stonewall, lie, deceive, and do anything to maintain the presence and facade of a strong government. What the Government has not realised—this is particularly evident from the rhetoric of the speeches of the Minister and those defending him—is that the ground is shifting beneath it. In fact, the most remarkable outcome of today's debate is that we did not have a team of backbenchers or Ministers reading out tributes to Craig Knowles. He had to read out his own tributes!

It was a bizarre performance from Craig Knowles. He read out letters from the clergy, party supporters and medical professionals. It was absolutely tragic. He could not even have other people defend him; he had to read his own endorsements. It was an embarrassment, to say the least. It was a bizarre performance from the Minister. He was not defended by the Premier; he was defended by the unfriendliest Minister in this Chamber, Frank Sartor. I assure the House that if they said to me, "John, Frank Sartor is on the speakers list," I would ask if they could get him off the list and replace him with somebody decent. The Minister had to put up with Frank Sartor looking after him and defending him. There was no appearance by the Premier. Only a handful of supporters were in the Chamber when the Minister put up his own defence.

The Government will arrogantly tell the people of New South Wales that this debate was irrelevant. It was not irrelevant. I warn the Government that we will maintain the pressure, and I warn Craig Knowles that his days are numbered. He no longer has the confidence of the people of New South Wales, and he no longer has the compassion to do the job. He does not have what it takes, because he has breached the public trust in terms of ensuring that he did his job in an open and accountable fashion. Having made mistakes, he failed to apologise for them and correct them. This Parliament may not catch up with Craig Knowles tonight, but the ICAC is on his tail. The investigation that the ICAC is undertaking into his behaviour in bullying the whistleblower nurses will be a demonstration of the Government's tactics, particularly those of the Minister. The man is a common thug.

The sort of performance he put on when the whistleblower nurses approached him to deliver to him crucial information from inside the health service was a very clever, professional game—yes, I will put that in writing, and I will make sure I am covered. But the verbal abuse they encountered through the Minister, and the absolute isolation they received when they headed back to the hospitals to work, was this man intimidating them and sending the message, "Don't cross the Labor Party, and don't cross Craig Knowles." The great irony about Craig Knowles—a man who thinks so highly of himself that he is happy to read out in Parliament his own endorsements—is that he will one day think, "My entire public career was destroyed by a couple of humble nurses who stood up to me, who weren't going to be bullied by a Minister and who weren't going to stand by when the Government let people die because of its failure to be open and accountable." The end of this man's political career will be written by a couple of nurses who stood up to him and took him down.

Mr Adrian Piccoli: They had integrity.

Mr JOHN BROGDEN: They had integrity, but he did not have integrity. I commend the motion to the House. We know how Labor members will vote, but we note that this has been a demonstration of supreme arrogance by a Government and a Minister whose time has passed.

Question—That the motion be agreed to—put.

The House divided.

Ayes, 29

Mr Aplin
Ms Berejiklian
Mr Brogden
Mr Cansdell
Mr Constance
Mr Debnam
Mr Fraser
Mrs Hancock
Mr Hartcher
Ms Hodgkinson

Mrs Hopwood
Mr Kerr
Mr Merton
Mr O'Farrell
Mr Page
Mr Piccoli
Mr Pringle
Mr Richardson
Mr Roberts
Ms Seaton

Mrs Skinner
Mr Slack-Smith
Mr Souris
Mr Stoner
Mr Tink
Mr J. H. Turner
Mr R. W. Turner
Tellers,
Mr George
Mr Maguire

Noes, 57

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

Pair

Mr Humpherson

Ms Saliba

Question resolved in the negative.**Motion negatived.***[Mr Speaker left the chair at 7.13 p.m. The House resumed at 7.45 p.m.]***BILLS RETURNED**

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

Greyhound and Harness Racing Administration Bill
Health Legislation Amendment Bill

COMPULSORY DRUG TREATMENT CORRECTIONAL CENTRE BILL**Bill received and read a first time.****Second reading ordered to stand as an order of the day.****SPECIAL ADJOURNMENT****Motion by Mr Carl Scully agreed to:**

That the House at its rising this day do adjourn until Thursday 3 June 2004 at 10.00 a.m.

ADMISSION OF THE TREASURER INTO THE LEGISLATIVE ASSEMBLY**Mr CARL SCULLY** (Smithfield—Minister for Roads, and Minister for Housing) [7.50 p.m.]: I move:

(1) That on Tuesday 22 June 2004 standing and sessional orders be suspended to allow for the following routine of business:

- (a) At 11.00 a.m., the introduction of the Appropriation Bill and cognate bills;
- (b) The Premier to adjourn the debate on the bills immediately after moving, "That these bills be now read a second time";

- (c) The Hon. Michael Egan, MLC, Treasurer, Minister for State Development and Vice-President of the Executive Council, being immediately admitted to the House for the purpose of giving a speech of unlimited duration in relation to the New South Wales budget 2004-05, after which the House will rise until 2.15 pm;
 - (d) The Premier to give the second reading speech at a later time upon the order of the day being read for the resumption of the adjourned debate on the Appropriation Bill and cognate bills; and
- (2) That a message be sent to the Legislative Council inviting the Treasurer to attend the Legislative Assembly on Tuesday 22 June 2004.

I do not know what the honourable member for Epping could possibly say in opposition to this quite reasonable motion. It is perplexing to even think what he might suggest: He certainly has not enlightened me. The motion is in keeping with precedent established over many years. I know that all honourable members look forward to the Treasurer entering this Chamber to present the Budget. I commend the motion to the House.

Mr ANDREW TINK (Epping) [7.51 p.m.]: This motion is in keeping with hiding the Treasurer in the upper House to ensure that he does not come into this Chamber for the purpose of answering questions. A series of very aggressive taxes has been imposed by the Treasurer and no doubt there will be more. The Opposition would like to talk to him and have him answer questions in this Chamber in real time on poker machine taxation, vendor stamp duty and various other taxes that were added recently. I have no doubt that he will elaborate on those matters in his Budget Speech. This is all about accountability; about New South Wales Treasurers being accountable to the people of New South Wales in the people's House—the Legislative Assembly.

The Treasurer is hiding not only from people on this side of the House but from a number of lower House members on the Government side who we know are absolutely furious about the poker machine tax. In the electorate of Drummoyne there is enormous concern about vendor stamp duty, but I do not know whether the honourable member for Drummoyne is aware of that concern. Vendor stamp duty hits hard-working migrant parents who work up to four jobs to ensure that their children are provided for and are given a start in life by purchasing a property for them. If the honourable member for Drummoyne does not want to ask difficult questions of the Treasurer about that matter, we certainly will. And that is the purpose of the amendment that I now move. I move:

That the motion be amended by the addition of the following paragraphs:

- (3) That this House notes that the people of Cronulla determined in 1984 that the Hon. M. R. Egan, MLC, was not suitable for membership of the Legislative Assembly and commends the people of Cronulla for their decision; and
- (4) That upon conclusion of question time on the first sitting day after his address, the Hon. M. R. Egan, MLC, be again admitted to the House for two hours to answer questions on the Appropriation Bill and cognate bills put to him by members in accordance with the standing orders.

In moving that amendment, I understand that the Treasurer might have some urgent business on behalf of the Premier to go to Lebanon to round up the Hon. Eddie Obeid. But before the Treasurer does that, there is a higher priority. He should come to this Chamber and answer fair dinkum questions from the 90-odd members of the lower House about the impact of his regressive taxes on their electorates. If the honourable member for Drummoyne and the other 65 members who occupy the Treasury benches do not want to ask such questions, we on this side of the House will. That is what this is all about.

Mr CARL SCULLY (Smithfield—Minister for Roads, and Minister for Housing) [7.54 p.m.], in reply: I am not sure the Treasurer would appreciate my agreeing to the amendment, tempted as I am to do so. My democratic spirit reaches out and is tempted to support the amendment, but duty compels me to oppose it.

Question—That the amendment be agreed to—put.

The House divided.

Ayes, 28

Mr Aplin
Ms Berejiklian
Mr Cansdell
Mr Constance
Mr Debnam
Mr Fraser
Mrs Hancock
Mr Hartcher
Ms Hodgkinson
Mrs Hopwood

Mr Kerr
Mr Merton
Mr O'Farrell
Mr Page
Mr Piccoli
Mr Pringle
Mr Richardson
Mr Roberts
Ms Seaton
Mrs Skinner

Mr Slack-Smith
Mr Souris
Mr Stoner
Mr Tink
Mr J. H. Turner
Mr R. W. Turner

Tellers,
Mr George
Mr Maguire

Noes, 57

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	Mr Sartor
Mr Black	Ms Keneally	Mr Scully
Mr Brown	Mr Knowles	Mr Shearan
Ms Burney	Mr Lynch	Mr Stewart
Miss Burton	Mr McGrane	Mr Torbay
Mr Campbell	Mr McLeay	Mr Tripodi
Mr Collier	Ms Meagher	Mr Watkins
Mr Corrigan	Ms Megarrity	Mr West
Mr Crittenden	Mr Mills	Mr Whan
Ms D'Amore	Ms Moore	Mr Yeadon
Mr Debus	Mr Morris	
Mr Draper	Mr Newell	<i>Tellers,</i>
Ms Gadiel	Ms Nori	Mr Ashton
Mr Gaudry	Mr Oakeshott	Mr Martin
Mr Gibson	Mr Orkopoulos	

Pair

Mr Humpherson

Ms Saliba

Question resolved in the negative.**Amendment negatived.****Motion agreed to.****BUSINESS OF THE HOUSE****Routine of Business: Suspension of Standing and Sessional Orders****Mr CARL SCULLY** (Smithfield—Minister for Roads, and Minister for Housing) [8.06 p.m.]: I move:

That standing and sessional orders be suspended to provide for the following routine of business for the remainder of today's sitting and on Thursday 3 June 2004:

- (1) For the remainder of today, Government business to include:
 - (a) the introduction and progress through all remaining stages of the following bills:
 - Road Transport (General) Amendment (Licence Suspension) Bill
 - Statute Law (Miscellaneous Provisions) Bill
 - Fines Amendment Bill
 - Local Government Amendment (Mayoral Elections) Bill
 - Workers Compensation Legislation Amendment Bill
 - (b) the progress through all remaining stages of the Legal Profession Amendment Bill.
- (2) On Thursday 3 June 2004 Government Business, including all remaining stages of the aforementioned bills, to have precedence of General Business.

It is with a heavy heart that I moved this motion because I believe in private members' day. I believe that the Government should be held to account. We must do everything we can to respect private members' day; it is a convention and a tradition. So why is it that the beneficiaries of private members' day supported a motion in the upper House that makes 22 June the cut-off date? That meant I had to move the motion I just moved. That is what happens every parliamentary session. Opposition members run around with a dagger that they want to use on the Government but they end up stabbing themselves. Don Harwin, Michael Gallacher and all those overfed

and underworked politicians in the upper House—in my opinion they are not worth feeding—have said they want to ensure that all this legislation is dealt with by that cut-off date.

Mr SPEAKER: Order! The House will come to order.

Mr CARL SCULLY: The honourable member for Epping, and not the honourable member for Gosford, is in charge of this matter. I will deal only with the honourable member for Epping. The honourable member for Gosford should shut up. I am sure that the honourable member for Epping will engage in a vaudeville performance confirming the fact that he attended the National Institute of Dramatic Art [NIDA]. I never attended NIDA as I could not get through acting school. I am sure that the honourable member will put on a great performance as he has his friends and supporters in the Chamber. He will express outrage about the fact that I have moved this motion.

Paul Whelan used to enjoy moving these motions but I do not. It goes against my nature to do so. I say to honourable members who want to know who has forced my undemocratic hand that it is all those members opposite. I want them to realise that it is their fault that this motion had to be moved. When they go home tonight I want them to look in the mirror to see the person who caused this motion to be moved. Let the performance begin.

Mr ANDREW TINK (Epping) [8.10 p.m.]: This motion is about one person, and his name is Eddie Obeid. There is a rumour circulating that Eddie might be coming back to the jurisdiction for a few days. The Government has decided that, with Eddie here, it will have the opportunity to pass some legislation through the upper House. The Government has to cut corners and pass these bills before Eddie gets on the next plane back to Lebanon. It is all about a window of opportunity and rushing bills through the upper House. When the Gulf Air plane hits the tarmac at Kingsford Smith airport, Eddie will clear the chairman's lounge, get to Parliament in a limousine, put in a 10-minute guest appearance in the other place—as though he is on "Who Wants to be a Billionaire"—and then disappear to the airport again in time to catch the next Gulf Air flight back to Lebanon. That is what this motion is about. Why wouldn't it be?

Looking at the bills, I can see why Eddie would want to be involved in the debate. For heaven's sake, one of them is the Local Government Amendment (Mayoral Elections) Bill. Where has Uncle Eddie been for the past few weeks? I will tell the House. The people of Metrit are upset about the arrival of Uncle Eddie and 22 of his friends and relatives to lend a hand in the inaugural council elections tomorrow. Eddie is desperate, during his short time in this place, to participate in debate on the Local Government Amendment (Mayoral Elections) Bill. And guess what? The Leader of the House is keen to accommodate him because he knows that Uncle Eddie and his 22 mates will be guaranteed in any caucus ballot, whether or not they are formally enrolled as caucus members. Eddie got Salame Salame up in Metrit—mate, he knows how to cut and dice the candidates! Here is the funny thing: not only the Leader of the House but the Premier are in thrall of Eddie Obeid. On 29 May the Premier said:

I wouldn't join the anti-Eddie bandwagon. He's a hardworking MP.

Eddie has been missing from the upper House for 14 of the past 56 sitting days. But according to the Premier he is a hardworking member of Parliament. How many other Labor members have been missing for 14 days? No wonder they want to corral Eddie and bring him back to this place for the next few days to consider these matters. Once Eddie is out of here, he is gone for a long, long time. To understand the Government's desperation one has only to look to the poor upper House colleague of the Leader of the House, the Hon. Tony Kelly, who when pressed on Eddie's whereabouts had to concede:

I asked him is there a chance you can make it back ... and he's assured me that he will be back on the first available plane.

Is he back yet? Has Eddie arrived? Does anybody know? When is the last flight due from Lebanon tonight? Will the Leader of the House move another motion tomorrow to reinstate private members' business because Eddie did not make the flight? Unfortunately, there is a serious side to this matter. Eddie Obeid, for all his faults and his carry-on in Lebanon—where he ran a campaign for Salame Salame on the grounds that he opposes a chicken farm or something—commands the votes even when he does not turn up to the dinners.

Twenty-four out of 55 lower House members of Parliament turned up at the Al Ponte restaurant at Darling Harbour—the Troggs and the Terrigals, including the Minister for Gaming and Racing, the Minister for Fair Trading, the Minister for Roads, the Minister for Health, the honourable members representing the electorates of Peats, Penrith, Drummoyne and Wentworthville, and Mr Speaker. That is the power Eddie has.

When we hear that Eddie Obeid might be on a plane somewhere between here and Lebanon the whole Parliament stops to accommodate him because everyone opposite knows he has the numbers. [*Time expired.*]

Mr Carl Scully: Point of order: I still do not know the views of the honourable member for Epping on the motion.

Question—That the motion be agreed to—put.

The House divided.

Ayes, 51

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

Noes, 34

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

Pair

Ms Saliba

Mr Humpherson

Question resolved in the affirmative.

Motion agreed to.

STATE WATER CORPORATION BILL

Second Reading

Debate resumed from an earlier hour.

Mr WAYNE MERTON (Baulkham Hills) [8.24 p.m.]: In some respects the State Water Corporation Bill regularises, or certainly establishes, the legal status for State Water because, as correctly stated by the Minister, State Water is not a legal entity in its own right. Amongst other things the bill establishes that State

Water is a State-owned corporation under the State-Owned Corporations Act. It provides the corporation with certain powers, including the powers of entry on land and the power to compulsorily acquire land. It provides the Independent Pricing and Regulatory Tribunal with certain functions in relation to the corporation, including regulatory and auditing functions.

Most honourable members know that State Water incorporates the State's bulk water delivery functions into a single business. It is responsible for the operation and maintenance of 18 major dams and storages and 264 weirs across New South Wales. About 6,200 licensed bulk water users are supplied from rivers regulated by State Water dams and weirs, and there are 15,000 groundwater and unregulated river customers. In April 2003 State Water was transferred from the former Department of Land and Water Conservation to the Department of Energy, Utilities and Sustainability. This was the first step in removing the inherent conflict of interest in having a water delivery business located within the same department as that which regulates natural resource management. Corporatisation completes the separation of the Government's water delivery functions from its policy and regulatory functions.

The Opposition certainly does not oppose this bill, although it has reservations about a part of it. Arguments in support of the legislation include the following: it separates conflicting regulatory and policy functions from commercial water delivery roles; it improves transparency, particularly in relation to cost recovery; it reduces potential conflicts of interest and budget impacts; it satisfies the national competition policy requirements; the corporatisation proposal does not include any redundancies or staff relocations; and I understand it is supported by the peak irrigation group in New South Wales.

The board of directors will be appointed by voting shareholders in consultation with the Minister for Energy and Utilities and consists of a minimum of three, but no more than eight, directors, including the chief executive officer [CEO] and a nominee from the New South Wales Labor Council. The Opposition has difficulty in understanding what expertise a Labor Council nominee will add to the delivery of bulk water. The fact that a person is a member of the New South Wales Labor Council does not, of itself, give any guarantee or any assurance that that person will be able to give any additional expertise relating to the delivery of bulk water. It is a fact of life. There is also no guarantee that the board members will have the necessary expertise in the very complex and important task of delivering bulk water.

The new CEO and the board of State Water will have to negotiate the level of the corporation debt with the Government, which could see the corporation struggling under high debt levels. I say, with the greatest respect, that this Government has a history of loading its State-owned corporations [SOCs] with debt; it has a track record in demanding big dividends from SOCs. We are concerned that there is no guarantee that the new water instrumentality, the State Water Corporation, will be immune from having to pay heavy dividends to the State Government.

As we move towards the implementation of national water initiatives one must ask who will pay for the delivery of environmental water flows because the bill does not deal with this aspect. Potentially, corporation customers may have to subsidise this activity. The Independent Pricing and Regulatory Tribunal has ruled that the cost of dam safety upgrades in New South Wales should be borne by the Government. However, this ruling is being reviewed and State Water customers may have to pay for at least some of these works. Although the Opposition does not oppose the bill, it has grave concerns about potential dividend payments or any requirement for the corporation to take on government debt. This could mean that consumers of water may incur additional expense, the cost of water may increase to cover onerous dividend payments, or the new corporation may be saddled with government debt.

The Opposition seeks assurance that the cost of dam safety upgrades will continue to be borne by the New South Wales Government and not customers of State Water. I reiterate that the Opposition has grave concerns about the level of debt and dividends that may be required from the new entity and that dam safety upgrades could become the responsibility of the new entity rather than the New South Wales Government. If so, this may increase the cost of water to consumers. We accept that water is a precious commodity and that over the past two or three years New South Wales has experienced a severe drought, with dam levels at an all-time low. We acknowledge that corporatisation is necessary but we assert that the bill does not contain the appropriate guarantees.

The Opposition questions the expertise of Labor Council nominees as to whether they can make a real contribution with respect to the supply of bulk water. If the Government saddles the new entity with high dividend payments or requires it to take on government debt, consumers may have to pay a higher price at the

end of the day. The Government should not use this new entity as a means of obtaining additional dividends, saddling it with debt and making it responsible for dam safety upgrades. With those few concerns, the Opposition does not oppose the bill.

Mr GERARD MARTIN (Bathurst) [8.33 p.m.]: I support the bill. I note the comments of the honourable member for Baulkham Hills, who has a great interest in water. Indeed, he has a property in Rylstone in my electorate and water is of great importance to him. I allay his fears by stating that he should not be concerned about having Labor Council representatives on the organisation. History shows that Labor and union nominees have done an excellent public service in this State. Indeed, the electorate of Bathurst has produced a great trade unionist who went on to become Treasurer and then Prime Minister of Australia. The honourable member for Baulkham Hills should not lose any sleep about having a representative of the Labor Council on the organisation.

The corporatisation of State Water will provide significant benefits for people in country New South Wales. State Water has 6,000 customers, including irrigation areas, country towns, farms, mines and electricity generators—all of which are represented in my electorate of Bathurst—not to mention its role in delivering environmental flows and basic landholder rights. Corporatisation is a great result for water users in country New South Wales because it will allow for the bulk water provider to have improved transparency, accountability and commercial focus. Those three things should allay the fears of the honourable member for Baulkham Hills.

With respect to transparency, the creation of State Water as a corporation that is separate from its regulators will give State Water's customers much better clarity about their services and value for money. In the past State Water's service delivery costs and functions were entangled with the Department of Infrastructure, Planning and Natural Resources, which has resource management and regulatory responsibilities. The corporatisation will allow for a much improved accountability framework. Corporatisation separates the roles of owner, manager, customer and regulator, and establishes formal relationships between the relevant parties. State Water's customers will benefit from having a customer contract that clearly sets out their rights and obligations, which is an important part of the transparency and accountability process.

The accountability framework will also allow for a clear separation of responsibilities between State Water and the Department of Infrastructure, Planning and Natural Resources. Where the old arrangements may have fostered bureaucracy and buck passing, under the new arrangements customers will have a better idea about whom to talk to if they have a problem. The Government's framework will allow for the environmental, commercial and social outcomes expected of State Water to be made clearer. It will make it easier for the corporation to be held accountable for its performance. The commercial focus is the third part of the trilogy. Under the corporatisation bill State Water's principal objective is to supply water in an efficient, effective and financially responsible manner. This will allow country people to have a new level of confidence that the costs of the business, and hence its prices, are indeed efficient and represent good value for money.

State Water customers can also expect greater attention to be given to customer service levels. Many of State Water's customers run their own businesses and would appreciate being able to deal with State Water on a more commercial footing. As a stand-alone State-owned corporation, State Water will be able to be more autonomous, responsive and flexible as a regional service provider. The majority of submissions received by the Government on the proposal support corporatisation because of the benefits to country New South Wales.

No-one denies that there are big challenges ahead in the way in which we manage water in New South Wales. Anyone who heard the contribution by Minister Knowles in the Chamber last night would know that we have reached the watermark level with water management legislation in New South Wales. To use John Anderson's words, New South Wales is leading Australia. A State-owned corporation is the best structure for State Water to give rural New South Wales better value for its water dollar. I commend the bill to the House. I hope that the Opposition, in supporting the legislation, does not become involved in inconsequential nitpicking.

Mr FRANK SARTOR (Rockdale—Minister for Energy and Utilities) [8.38 p.m.], in reply: I thank honourable members for their contributions to the debate. I shall address a number of issues that have been raised and I will start with membership of the board. The Government has been quite conscious of the way in which it has framed the bill on this aspect. The Government does not like to overspecify membership of boards because it is important to ensure that the composition fits together cohesively. If there are many individual stipulations, they can become a problem. We have appointed a nominee of the Labor Council, as we have done for all State-owned corporations [SOCs] to date. The reason is that the Labor Council is a key stakeholder. Rather than being more prescriptive and requiring a staff member on the board, we felt that it was more

appropriate to consult the peak labour organisation in the State. I am sure that in appointing the board the Treasurer, as the shareholding Minister, will look at the range of skills. Clearly, environmental and other skills will be relevant, as will financial skills and knowledge of the landscape of water delivery in New South Wales.

The shadow Minister raised the inclusion of local utilities in a corporatised State Water Corporation. There is no intention to involve or take over local utilities. As for payments for environmental flows, dam safety works, flood mitigation and so on, the Independent Pricing and Regulatory Tribunal [IPART] determines the degree to which those costs must be met by government and the degree to which they are met out of the operations of State Water. To date, dam safety costs have been borne by the State Government, and costs relating to environmental flows have been borne in part by the State Government. I expect the same to happen with flood mitigation costs. In relation to costs and asset values, IPART has already determined an asset value base of \$40 million for the purpose of determining the regulatory base for price increases. Clearly, that will be a matter for IPART in the future. It is not intended to burden recipients of water delivered through the State Water Corporation with price rises off a large asset base. Of course, the asset base is worth much more than \$40 million. That has been determined by IPART as the basis of determining price rises.

In relation to transferring new debt, the simple fact is that there is no intention to transfer debt from the government sector to State Water on corporatisation. At the moment State Water is a public service entity with no debt. Whether it achieves full cost recovery in the long term, in terms of corporate governance there are reasons that a component of debt would be in the interests of good corporate management, and that will be determined down the track. There is no intention to transfer any State debt, and in fact State Water has no debt to transfer. As for consultation on the terms of the licence, the intention to provide for an interim licence in the bill is to provide some time for consultation on the initial licence, which is the one that will succeed the interim licence.

I know that some members of the upper House want the interim licence to be for only six months. Ideally, we would like it to be short. However, the period for the licence will be determined by the Minister after receiving advice from IPART, which has a record of extensive consultation before it determines licence conditions or prices. As I said, my comment on the period for the interim licence is simply that we would like it to be short. The intention is to make it very short. We would prefer not to prescribe the length of the licence in legislation because it could take IPART up to a year to go through the process of consultation to settle the licence that takes effect after the interim licence has expired. It is important to take that issue into account.

In relation to consultation on the operating licence, as I have just said, it is important to provide sufficient time for that consultation to take place. In the past there has been consultation with other SOC's, and there is no reason to expect that to be otherwise through the IPART process. Suggestions have been made about consultations on the interim licence. In my view that would be inappropriate because we would be running a consultation process that is either flawed because it is too short or, on the other hand, it duplicates the work that was done with the initial licence. My intention is that the interim licence be subject to minimal consultation. The period of consultation on the interim licence will be as short as possible and there will be a full consultation process on the initial licence that takes effect after that.

As for consultations on amendments to the operating licence, the bill provides that the Minister may amend the operating licence after consultation with the corporation. That is simply a failsafe mechanism in the legislation that has not existed in other Acts, but I thought it was a good idea. It means that because an operating licence is usually set for periods of three to five years—the idea of an operating licence is that it sets the regulatory requirements for SOC's—it is important that the SOC has certainty, that we do not keep changing it every year or two years. Nevertheless, new issues may arise that require the licence to be changed and it would be unfair to do that without consulting the corporation. It is not meant to be a free-for-all for another round of discussions, as would occur when new licences are implemented. That provision simply gives the Government another option if circumstances change and it is necessary to amend the licence in a minor way before its expiration. I do not support providing for a consultative process to amend the operating licence, because its intention is simply to use it on rare occasions and to only an incremental extent.

As for the frequency of auditing, some SOC's have a practice of conducting full audits every year. Anyone who has studied an operating licence knows that it has something like 50, 60 or 70 requirements. To fully audit every requirement every year is absolute nonsense. If the corporation tries to juggle meeting those licence requirements on a short-term basis and does not act in a strategic way, it is much better not to fully audit the licence every year but to audit aspects of it more often than once a year. One may want to audit some licence requirements every three months, six months or nine months because they are the key requirements in the licence.

Rather than have the nonsense of spending \$1 million to audit everything every year, as happens with Sydney Water, I would prefer to target the critical licence conditions that I want to audit probably more often than once a year. In the case of Sydney Water it might be leaks or other important issues. However, in terms of full licences, it is better to push that point out perhaps to two years or longer. In this legislation we have provided that the first licence will be for three years, and we want to audit it before the expiration of that period. We will probably need to audit the licence towards the end of the first two years as that will provide enough time to feed that information into the new licence renewal process and the public process that follows.

These provisions are in the bill for good and proper reasons. They will ensure that we focus the corporation on key objectives and that all the licence conditions are met over time but also set a hierarchy of what we regard as important. That is why the bill is expressed in this way. It has been said that it should not be taboo to talk about building new dams. Let me make it clear: There is some debate about whether Sydney should have a twelfth, far-flung dam with a shallow area that would lead to high evaporation rates. The Government's current strategy is to look carefully at accessing most of that water without having to build a dam, and I believe we will be able to do that. Obviously, we will say more about that in the next few months.

As for State dams, there is no requirement not to talk about new dams if they are feasible. Indeed, under the country town water scheme we have funded the augmentation and renewal of some dams. Under the Water Act, there is nothing stopping the consideration of dams. However, there are not many options. We have picked the low hanging fruit; all the easy dams have already been built. Our forebears were fairly smart. They picked the best locations to build dams. Future gains in water storage will be harder and harder to make. Nothing in this bill will prevent the augmentation of existing dams or the building of new ones. Blowering Dam is about 6 per cent, and the Lachlan Valley dams are either 6 per cent or 9 per cent. They are low. So let us not get carried away about the benefits of dams in our current climate.

Mr Andrew Constance: What about the one in Eurobodalla?

Mr FRANK SARTOR: That is the country town water scheme. Nevertheless, we address matters on their merits. There are usually environmental tests, but beyond that there is nothing that says we do not talk about building new dams or augmenting existing dams. We talk about them when it is appropriate. It is different with Sydney because Sydney has 11 dams. They are the best placed dams, and the twelfth will be a much more expensive and much lower cost-benefit dam. The bill is a sensible way of creating a transparent entity that will run the delivery of water and the operation of dams in this State. All honourable members have made constructive suggestions. I thank the Leader of The Nationals, the honourable member for Monaro, the honourable member for Bathurst and the honourable member for Baulkham Hills for their contributions. I commend the bill to the House.

Motion agreed to.

Bill read a second time.

In Committee

Clauses 1 to 6 agreed to.

Mr ANDREW STONER (Oxley—Leader of The Nationals) [8.52 p.m.]: I move:

No. 1 Page 6, clause 7, lines 10-18. Omit all words on those lines. Insert instead:

- (3) The persons appointed as directors are, between them, to have the necessary expertise, skills and knowledge that will enable the Corporation to meet its objectives.

The board of directors to which this amendment pertains will be critical to the proper oversight and management of the State Water Corporation. Therefore, the amendment is critical for the successful implementation of the change the legislation brings about. The bill is supported by the New South Wales Farmers Association and the Irrigators Council and is not opposed by the Opposition—but only if it delivers the proper transparency and accountability that it promises. The State Water Corporation needs a board that not only has the requisite skills, expertise and knowledge but also the ability to stand up to the Treasurer and the Government regarding dividends, upgrades of infrastructure and environmental flows and costs. The Minister has given an explanation about the role of the Independent Pricing and Regulatory Tribunal, but we need a strong board that knows exactly what it is doing. If it does not, there is a real fear that increased costs to the State Water Corporation,

which will result in reduced profit or even a loss, will flow through to the users of water by way of charges. The board must have the requisite skills, knowledge and expertise—and, preferably, experience—in the management of water.

My colleague the honourable member for Murrumbidgee once remarked, "Water management is not rocket science, it is much more complicated than that." In my time in this shadow portfolio I have found that to be the case. Water management is an incredibly complicated issue and it is increasingly important as we experience population growth in the State, a growth in the use of water and a contraction in the supply of water. The Opposition's amendment provides that the persons appointed will have between them the necessary expertise, skills and knowledge to enable the corporation to meet its objectives.

The Opposition does not want to make a political issue about the Minister having discretion over the make-up of the board and the numbers on the board. We simply seek to reinforce the point that the board will be critical to the corporation's successful implementation and it ought to have knowledge, skills and experience in the use and management of water throughout the State, particularly with regard to town water, irrigation, farming and the need for the environment to have water. Throughout the State there are people who have that sort of knowledge—whether because of an academic bent, a practical bent, or from an agricultural or environmental perspective. They are there, so they should not be hard to find. The point is we have to have that sort of make-up. Perhaps it is understood by the Minister, but the Opposition would like to have that assurance in the legislation.

It is essential that the board not be a political arm of government, that it is not a series of political appointments and that it is able to stand up to the government of the day, whether it is a Labor Government or a future Coalition Government. It is essential that the board knows the business of water, and that is even more important in these days of water shortages. That is also why the Opposition's amendment removes the specific appointment of the New South Wales Labor Council nominee. That is the only position on this board of between three and eight specified under the legislation. That is an issue of potential conflict of interest. The Labor Council has close links to the Labor Government and contributes funding to the Labor Party for election campaigns. The view of the Opposition is that it represents a clear potential for conflict of interest. Significant money is paid by the Labor Council to the Labor Party and we know the Labor Party is the political arm of the trade union movement. Obviously this money is paid by the Labor Council by way of campaign contributions to help the Australian Labor Party get re-elected.

What is questionable is whether, in return, a sinecure or a paid job on the board of a State-owned corporation is supplied by way of legislation. It is not good enough for the honourable member for Bathurst to say everything will be all right because they are good people and they will serve these boards well. That does not address the fundamental issue of conflict of interest. It is also not good enough to say that all State-owned corporations have this provision. That highlights the extent of this institutionalised potential corruption under New South Wales Labor. If a Coalition Government appointed, by way of legislation, a member of a major financial backer of The Nationals or the Liberal Party, the Labor Party would have us before the Independent Commission Against Corruption so quickly it would make your head spin.

Members of this House who conducted their business with such an obvious potential conflict of interest would be in breach of the ethical standards required of members of Parliament and would rightly be held accountable. The Opposition commends this fair and sensible amendment to the Committee. It will remove the potential for conflict of interest and also ensure that the board of the State Water Corporation will be properly endowed with the expertise, skills and knowledge necessary for what is obviously an important and complex role.

Mr FRANK SARTOR (Rockdale—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) [8.59 p.m.]: I do not accept the amendment but I will compromise with the shadow Minister. If he removes the proposal to delete lines 10 to 18 of the clause and agrees to add the proposed new clause as subclause (6) I am prepared to accept that. I am not prepared to accept the deletion of the Labor Council nominee. The council will put up three people and a selection panel will choose one. One of the critical considerations in relation to State Water has been the staff issue—the transfer of staff, the conditions of staff, what will happen to staff. The employees are a critical stakeholder. We know that on the board there will be people with skills, knowledge and connections with the State's irrigators.

Mr Andrew Stoner: You could still appoint one—

Mr FRANK SARTOR: Yes, but in the long term it is important to preserve this notion. The Opposition should accept the fact that we have not made this a narrow clause; we have made it fairly broad to ensure that we get adequate skills. Employees of the corporation are a vital stakeholder and, therefore, someone should be put forward who has an understanding of industrial issues. It could be a staff person; it may not be. It might be someone with specific knowledge. That is the only specificity we have in this clause. The rest of it has to do with fitting together a group of people who will have maximum benefit overall. Clearly, there will be people from regional New South Wales, people who have knowledge of the water issues of the State, and people who have financial skills and other governance skills. They will be appointed almost as a matter of course. It follows that that will happen. But what we do not want overlooked is the notion that someone has to be there with some industrial knowledge as well. It is a very general clause. I would have thought that the Opposition could have been gracious enough to accept it. If the Leader of The Nationals wants me to add his clause 3 as subclause (6) in clause 7 I am happy to do so. That is the offer I make. Otherwise the amendment as it is proposed is opposed.

Question—That the words stand—put.

The Committee divided.

Ayes, 50

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

Noes, 34

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

Pair

Ms Saliba

Mr Humpherson

Question resolved in the affirmative.

Amendment negatived.

Mr ANDREW STONER (Oxley—Leader of The Nationals) [9.10 p.m.]: I move:

Page 6, clause 7. After line 21, insert:

- (6) The persons appointed as directors are, between them, to have the necessary expertise, skills and knowledge that will enable the Corporation to meet its objectives.

I will not labour the point because the Minister has indicated that the Government will support the amendment. It is very important for the board to know about water, regional and rural New South Wales and what it is doing. The Opposition thanks the Minister for his consideration.

Amendment agreed to.

Clause 7 as amended agreed to.

Clauses 8 to 40 agreed to.

Schedules 1 to 4 agreed to.

Bill reported from Committee with an amendment and passed through remaining stages.

ROAD TRANSPORT (GENERAL) AMENDMENT (LICENCE SUSPENSION) BILL

Bill introduced and read a first time.

Second Reading

Mr TONY STEWART (Bankstown—Parliamentary Secretary) [9.14 p.m.], on behalf of Mr Carl Scully: I move:

That this bill be now read a second time.

The primary purpose of this bill is to amend the relevant provisions of road transport legislation to provide NSW Police with the power to issue a notice of immediate licence suspension after a driver has been charged with a serious driving offence and death or grievous bodily harm has been occasioned, or if the driver has been caught travelling in excess of 45 kilometres an hour over the speed limit. In most cases at present, drivers charged with serious traffic offences causing death or grievous bodily harm are able to keep their licence until a court hears the matter.

Likewise, a driver caught travelling in excess of 45 kilometres an hour over the speed limit will not have licence sanctions applied until either a court determines the matter or, if a penalty notice was issued, after the payment is made. That means that an offending driver is not usually removed from the road until some time after the offence was committed. Clearly that is a concern. The community expects drivers charged with serious offences, such as those that result in death or grievous bodily harm, to be removed from our roads immediately. From a road safety perspective, in some instances a driver awaiting trial in relation to a traffic offence causing death has been involved in or has been a contributor to a further fatal accident.

Speeding represents a causation factor in 44 per cent of all fatal crashes. The community expects strong action to be taken against the reckless minority of drivers who blatantly flout the speeding laws. This was highlighted by the community reaction to media reports of an incident that occurred last year involving a young driver who was caught travelling at 175 kilometres an hour in a 60 kilometres-an-hour speed zone and was allowed to drive on after being issued with a penalty notice. That is a ridiculous situation and it needs to be addressed.

Giving NSW Police further powers to immediately suspend the licence of those who commit such serious driving offences will send a clear message to the community that this type of behaviour is unacceptable and dangerous to all road users. The proposed changes are based on the recommendations of an interdepartmental working group that was established to review the processes for the immediate suspension of a driver's licence. The working group comprised officers from the Roads and Traffic Authority [RTA], NSW Police, and the Attorney General's Department.

I will now refer to the key features of the bill. It will expand the current powers to amend sections 34 and 35 of the Road Transport (General) Act 1999 to provide NSW Police with power to immediately suspend

the licence of a motorist charged with a driving offence under the Crimes Act 1900 if death or grievous bodily harm has been occasioned, or if the motorist was detected travelling in excess of 45 kilometres an hour above the speed limit. The current provisions give NSW Police the power to immediately suspend the licence of a motorist charged with middle-range or high-range prescribed concentration of alcohol or with other serious alcohol-related offences. Such provisions will be expanded to include serious driving offences if death or grievous bodily harm has been occasioned, or when excessive speeding has been detected.

Currently drivers caught speeding in excess of 45 kilometres an hour will not be required to sit out the six-month non-driving period until either a court determines the matter or, if a penalty notice was issued, after the payment is made. In either case, the six-month non-driving period will not commence until some time after the offence was committed. Under the proposal, the courts or the RTA will be required to take into account the time already served by the driver when applying the six-month non-driving period.

I have spoken in terms of immediate drivers licence suspension, but the bill gives NSW Police the discretion to either suspend the licence at the roadside or within 48 hours of the driver being charged with a serious traffic offence or being issued a penalty notice in the case of excessive speeding. It is not proposed to include any police or RTA camera-detected excessive speed offences in the immediate suspension scheme. That is because the intent of the legislation is immediacy, which cannot occur with camera-detected speed offences because of the time delay in identifying the offender, and the processes which allow a vehicle owner to nominate an offending driver. The arrangements proposed in the bill will not impact in any way on law-abiding citizens and I trust that honourable members will lend their unreserved support to the Government's proposal. I strongly commend the bill to the House.

Debate adjourned on motion by Mr Don Page.

FINES AMENDMENT BILL

Bill introduced and read a first time.

Second Reading

Mr GRAHAM WEST (Campbelltown—Parliamentary Secretary) [9.21 p.m.], on behalf of Mr Bob Debus: I move:

That this bill be now read a second time.

In 2002 the Fines Act was the subject of a statutory review to determine whether the policy objectives of the Act remained valid and whether the terms of the Act remained appropriate for securing those objectives. While the review confirmed the validity and appropriateness of the Act, a number of issues were raised in submissions to the review. Those issues primarily related to the role of the State Debt Recovery Office [SDRO] as the co-ordinating body in the fine enforcement system and concerns about the efficiency and fairness of review processes. One concern was the inconsistency of procedures between the SDRO and the Infringement Processing Bureau [IPB], including a lack of procedures for review of matters once they had been referred from the IPB to the SDRO. The IPB is the source of approximately 80 per cent of fines administered by the SDRO. This concern has been addressed in part by the transfer on 1 October 2003 of the IPB from NSW Police to become a part of the SDRO. This move has improved the administration of fines in New South Wales, and further improvements will continue to be made.

The amendments to the Fines Act contained in the bill will further improve the efficiency and fairness of the fines enforcement system. The first group of changes under the bill relates to the mechanisms for review within the fines enforcement system. The review of the Fines Act identified a number of concerns regarding a lack of knowledge of SDRO review mechanisms and how to apply for them. The bill therefore clarifies and codifies review mechanisms in the legislation. This includes a requirement for the SDRO to specify in the notice given to a fine defaulter the review processes that are available if the fine defaulter wishes to challenge the liability for the fine, is unable to pay the fine, or has concerns about the fairness of the enforcement process. This will formalise and extend the SDRO's existing practices. As part of these changes, the bill expands on the circumstances in which enforcement orders could be withdrawn. These include where a motor vehicle that is the subject of a fine is sold prior to the fine being incurred, the fine is a duplicate, or an error has occurred in identifying the person named in the enforcement order.

The bill codifies a part of the process for lifting sanctions where the defaulter is paying by instalments. The provisions that allow time to pay a fine currently suspend any further enforcement action, but do not require

the lifting of sanctions already in place. For example, a fine defaulter whose driver licence has been suspended is not entitled to have the suspension lifted until the fine is paid in full. The bill provides that a licence suspension and any other restrictions on dealings with the Roads and Traffic Authority [RTA] must be lifted after six payments have been made in accordance with the SDRO's initial time-to-pay order. Further sanctions can be implemented if the fine defaulter fails to pay in accordance with that order.

The Fines Act already specifies some of the circumstances in which a penalty notice enforcement order must be annulled, including where the person was unaware of the penalty notice, or where the person was hindered by accident, illness or misadventure from taking action in relation to the penalty notice. The bill clarifies and expands on the circumstances in which enforcement orders may be annulled. Currently a fine defaulter may apply to the SDRO for annulment of a penalty notice enforcement order within one year after the making of the order. The bill will remove the time limit for lodging an annulment application.

The bill introduces a new process for review of fines relating to penalty notices. In some cases, evidence is provided to the SDRO to raise a doubt about the person's liability for the penalty. The bill provides an alternative to referral to court in cases where the available evidence suggests that the fine defaulter might not be found guilty of the offence. Prior to annulment of the enforcement order, the SDRO will be required to refer the fine back to the issuing agency or referring agency to review the matter and determine whether to withdraw the fine.

The bill provides for a further administrative review of decisions made by the SDRO in relation to a person's capacity to pay, such as decisions on an application to allow time to pay a fine, or to write off a fine. Although the SDRO approves the overwhelming majority of such applications, the bill establishes a statutory hardship review board with the authority to review specified decisions of the SDRO. The board will have the power to direct the SDRO to allow further time to pay a fine, to defer a fine by way of write-off, or to lift a sanction in advance of full payment of the fine. Although the board will have a wide discretion to make such a direction, the board will be required to consider matters such as the fine defaulter's capacity to pay, the likelihood of successful enforcement using civil sanctions, and the fine defaulter's suitability for community service.

However, the board will not be limited to consideration of financial hardship and could, for example, consider factors such as serious economic and social hardship experienced by Aboriginal people or people in remote communities. The SDRO protocols will enable the board to take into account the special circumstances of people with physical or intellectual disabilities. The board as formally constituted would comprise the Secretary of the Treasury, the Chief Commissioner of State Revenue, and the Director-General of the Attorney General's Department. A board member may appoint a person to act in the member's place at meetings of the board.

One notable change to enforcement procedures relates to fines imposed on people aged under 18 years. The Act currently provides that certain types of enforcement action cannot be taken against a fine defaulter who was under the age of 18 years at the time he or she committed the offence. If at the time of the offence the fine defaulter was not, and had never been, the holder of a driver licence, a driver licence acquired after that date cannot be suspended or cancelled in relation to that fine.

The bill restricts the use of RTA sanctions, in the case of a defaulter under the age of 18, to fines for traffic and parking offences and not by reference to whether the offender held a licence at that time. This will ensure that enforcement action is appropriate to the nature of the offence. Each step in the fine enforcement process incurs additional costs that are payable by the fine defaulter. People aged under 18 years generally have limited means to pay even minor fines, so enforcement costs subsequently attached to a fine can be more than the original fine. The director of the SDRO has the power to waive costs on a case-by-case basis, and it is not unusual for juveniles to have enforcement costs waived.

The bill provides that all enforcement costs incurred by people aged under 18 years will be waived, with the exception of the initial fee for the issue of an enforcement order. Retaining that fee will act as a deterrent to deferring payment, although the power to waive in individual cases will remain. However, the fee for an enforcement order will be reduced from \$50 to \$25 for fines incurred by people aged under 18 years. If any further offences are committed after the fine defaulter reaches the age of 18 years, any fine enforcement action by the SDRO in relation to the further fines would be subject to the full range of sanctions and enforcement costs.

The bill also extends the limitation period for certain actions in the fines recovery process to ensure that any delay in issuing infringement notices does not cause a backlog, resulting in people who break the law avoiding the consequences of their actions. In September 2002 the IPB relocated from Parramatta to Maitland. Following the loss of experienced staff and the introduction of a new fines processing system, a backlog of infringement processing built up during the 2002-03 financial year. The Government has since taken steps to improve the efficiency of the IPB, including increasing staff, but it is also taking action to reduce the risk of a fines backlog occurring in future.

Last year the limitation period for commencing proceedings for owner onus offences, such as speeding, and red light and parking offences, was extended from 6 to 12 months. The Fines Amendment Bill will provide a similar extension for offences that currently have a limitation period of less than 12 months, if a penalty notice is issued within the original limitation period. It should be noted that the onus remains on the relevant agency to issue notices within the applicable limitation period. The bill also makes a number of amendments to clarify administrative provisions in the Fines Act. It removes an anomaly in the provisions dealing with imprisonment, whereby a fine defaulter will be liable to imprisonment only if he or she is capable of and suitable for community service and has defaulted on a community service order.

The bill authorises the SDRO to disclose personal information on fine defaulters to prosecuting agencies, but only to the extent that the information is reasonably necessary to monitor the status of outstanding fines. Other amendments include allowing the SDRO to use information obtained from other government agencies, such as the address for service of notice of a fine enforcement order, and authorising electronic transmission of documents to the RTA, Sheriff, police officers, or an officer of the court. The bill also clarifies the circumstances in which the SDRO may make a penalty notice enforcement order and clarifies the authority given by a warrant of commitment to a correctional centre under the Fines Act.

The bill incorporates a number of the provisions of the Fines Regulation into the principal Act, with no substantive change. In particular, the amounts of enforcement costs and application fees are not increased. The remaining provisions will be remade in a new regulation. Following the review of the Fines Act in 2002, a fines enforcement reference group was established comprising representatives of the Attorney General's Department, the Juvenile Justice Department, NSW Police, the Probation and Parole Service, the Roads and Traffic Authority, the State Electoral Office and a number of Treasury agencies. This group has overseen a number of administrative changes over the past two years that have improved procedures.

Most of the remaining issues raised by the review are addressed by the amendments in this bill. I would like to particularly mention Adrienne Bailey, Peter Achterstraat, Brian Robertson, Brendan Nugent, Therese Briggs and Bob Gillam for their involvement in preparing the bill. The Government will continue to monitor the fine enforcement process to ensure it is fair and efficient. The Fines Amendment Bill represents a significant improvement in fines enforcement in New South Wales and I commend it to the House.

Debate adjourned on motion by Mr Thomas George.

STATUTE LAW (MISCELLANEOUS PROVISIONS) BILL

Bill introduced and read a first time.

Second Reading

Mr TONY STEWART (Bankstown—Parliamentary Secretary) [9.32 p.m.], on behalf of Mr Bob Carr:
I move:

That this bill be now read a second time.

The Statute Law (Miscellaneous Provisions) Bill continues the well-established statute law revision program that is recognised by all members as a cost-effective and efficient method of dealing with amendments of the kind included in the bill. I know that members will be very excited by the contents of this bill and will stand in awe as I go through some of the aspects of it. The form of the bill is similar to that of previous bills in the statute law revision program. Schedule 1 makes policy changes of a minor and non-controversial nature that the Minister responsible for the legislation to be amended considers too inconsequential to warrant the introduction of a separate amending bill. The schedule makes amendments to 40 Acts and five statutory rules. I will mention some of the amendments to give honourable members an indication of the kinds of amendments that are included in the schedule.

Schedule 1 amends the Real Property Act 1900 so as to require a person appealing against a determination of a boundary dispute to join all owners of the land adjoining the disputed boundary as parties to the appeal. Any adjoining owner who does not wish to take an active part in the appeal may, under current court procedure, file what is called a submitting appearance in the appeal or apply to the court to be removed as a party from the proceedings. Schedule 1 also amends the Parliamentary Electorates and Elections Act 1912, which currently imposes a penalty on a police officer who takes part in any election otherwise than by casting a vote, or who tries to influence the vote of any other elector. The amendment makes it clear that the provision does not prevent a police officer from standing as a candidate in an election or from canvassing votes as a candidate.

Schedule 1 also amends the Optometrists Act 2002 to permit the regulations under that Act to prescribe, as drugs that optometrists may use in the practice of optometry, all drugs that were prescribed for that purpose under the Optometrists Act 1930. This means that the Optometrists Drug Authority Committee, which is established under section 17B of the Poisons and Therapeutic Goods Act 1966, will not be obliged to evaluate and approve the use of drugs that optometrists have been using for many years. However, any other drugs, including any new drugs that may be developed, will require approval by that committee before they may be used in the practice of optometry.

Two private Acts are amended by schedule 1. The first is the Anglican Clergy Provident Fund (Sydney) Act 1908, a very important Act which is amended to permit the Anglican Church of Australia Synod of the diocese of Sydney to delegate to the standing committee of that synod any one or more of the synod's powers under specified sections of the Act. Those powers include the power to provide for admission to the membership of the fund established by the Act teachers in Anglican schools, officials of the Anglican diocesan registries, and certain other lay persons.

The second private Act amended by schedule 1 is the Country Women's Association of New South Wales Incorporation Act 1931. I commend the Country Women's Association for the great work it has done over many years in New South Wales. This Act tunes in to their needs. It currently requires copies of the rules of the Country Women's Association, and new rules, alterations and repeals, to be registered in the Companies Office. That office no longer exists. Accordingly, the amendment provides for another repository for those documents and makes minor consequential amendments to suit the needs of the Country Women's Association.

Schedule 1 also makes a number of amendments relating to the repeal of the Native Vegetation Conservation Act 1997 and its replacement by the Native Vegetation Act 2003. Various references in other Acts to the 1997 Act are translated. Schedule 1 also amends various Acts and statutory rules relating to road transport to reflect the fact that the Commonwealth has repealed its National Road Transport Commission Act 1991 and replaced it with the National Transport Commission Act 2003. The amendments to the road transport legislation also deal with the consequential renaming of certain bodies and the termination of certain agreements. The last schedule 1 amendment that I will mention is to the Valuation of Land Act 1916. It reinstates the appeal rights of all persons who have the right to object to a land valuation. Any such person will be entitled to appeal to the Land and Environment Court against the Valuer-General's determination of an objection to the valuation, whether or not the person was the objector. At present, only the owner of the land concerned may appeal, and only if the objection was made by the owner.

Schedule 2 deals with matters of pure statute law revision, consisting of minor technical changes to legislation that the Parliamentary Counsel considers are appropriate for inclusion in the bill. Examples of amendments in schedule 2 are those arising out of the enactment or repeal of other legislation and those correcting duplicated numbering and those updating terminology. Schedule 3 repeals a number of Acts and provisions of Acts and a regulation. The Acts and instruments that were amended by the Acts or provisions being repealed are up to date on the legislation database maintained by the Parliamentary Counsel's office and are available electronically.

Schedule 4 contains provisions dealing with the effect of amendments on amending provisions, savings clauses for the repealed Acts and a power to make regulations for savings and transitional matters, if necessary. The various amendments are explained in detail in explanatory notes set out beneath the amendments to each of the Acts concerned. Rather than repeat the information contained in those notes, although I am happy to do so if members require, I invite honourable members to examine the various amendments and accompanying explanatory material and, if any concern or need for clarification arises, to approach me regarding the matter.

If necessary, I will arrange for government officers to provide additional information on the matters raised. If any particular matter of concern cannot be resolved and is likely to delay the passage of the bill, the Government is prepared to consider withdrawing the matter from the bill. I commend the bill to the House.

Debate adjourned on motion by Mr Thomas George.

LOCAL GOVERNMENT AMENDMENT (MAYORAL ELECTIONS) BILL

Bill introduced and read a first time.

Second Reading

Mr NEVILLE NEWELL (Tweed—Parliamentary Secretary) [9.41 p.m.], on behalf of Mr David Campbell: I move:

That this bill be now read a second time.

The Local Government Amendment (Mayoral Elections) Bill reflects the Government's commitment to the proper functioning of local government. It will ensure that mayors who were elected by and from council between March and August 2004 will have sufficient time to implement their policy programs. This means more consistent management for councils. The bill is required due to crossbench amendments made to the Local Government Amendment (Elections) Act 2003. Those amendments resulted in the deferral of ordinary elections from September 2003 to March 2004 only. Subsequent ordinary elections will be held in September 2008 and each four years thereafter. The Act provides that a mayor elected by councillors holds office for one year and that a popularly elected mayor holds office for four years. The Act also provides that the first election of the mayor by the councillors is to be held within three weeks after the ordinary election with subsequent annual mayoral elections in September.

Without this bill, mayors elected by the councillors between March and August 2004 will have to be elected again in September 2004. The bill will provide for a one-off 12-month extension of the term of office for those mayors, with the effect that their term will expire in September 2005 rather than in September 2004. Such an extension will allow those mayors sufficient time to negotiate and implement their policy programs consistent with the business of council. A number of councils have expressed concerns about the need to conduct two mayoral elections by the councillors this year within such a short period of time. The peak industry bodies, including the Local Government and Shires Associations and the Country Mayors Association, have also supported the bill. I commend the bill to the House.

Mr ANDREW FRASER (Coffs Harbour) [9.43 p.m.]: The Opposition will not oppose the Local Government Amendment (Mayoral Elections) Bill. My colleague the honourable member for Epping urged me to amend the title of the bill so that it is called the Eddie Obeid memorial bill, but on reflection I decided not to do so. Although Eddie Obeid has some influence in his niece's home town, we do not believe he has that influence over New South Wales law. The bill clearly demonstrates to the people of New South Wales, councils, mayors and general managers that the Government has pushed through a reform program of forced council amalgamations under the guise of structural reform. It did so with such haste that it has now found that the original excuse for having the elections in September to enable new councillors to have input into new budgets was incorrect.

Indeed, the Minister for Local Government was forced to accept amendments in the other place to put the elections back to March because the Local Government Association did not regard September as an acceptable date. Following the elections in March mayors who were elected not by popular vote but by councillors now face a further election in September this year under the Act and previous amendments. It is unfair for mayors to settle into their mayoral position and gain the support of members to then have to face a further election for their position within six months. On that basis, the Opposition supports the bill. However, I refer to the Local Government Amendment (Elections) Act 2003. The Government has interfered with the democratic process in local government. The Act provides that the term of office for councillors and mayors would extend to Saturday 13 September 2003. Clause (2) of the provision relating to terms of office of mayors and deputy mayors in schedule 8 to the Act states:

(2) In relation to a person to whom this clause applies:

- (a) the person's term of office is extended to the day on which the mayor's successor is declared to be elected to the office of mayor following the election to be held on Saturday 27 March 2004, and

- (b) the person's office does not become vacant until the expiration of the term, as extended by paragraph (a), unless a casual vacancy occurs in the person's office on or after Saturday 13 September 2003 and before the day referred to in paragraph (a).

The Opposition supported that measure, although we highlighted the program of forced amalgamations that the Government has pushed onto local government. Section 230 of the Local Government Act 1993 states:

For what period is the mayor elected?

- (1) A mayor elected by the councillors holds the office of mayor for 1 year, subject to this Act.
- (2) A Mayor elected by the electors holds the office of mayor for 4 years, subject to this Act.
- (3) The office of mayor:
 - (a) commences on the day the person elected to the office is declared to be so elected, and
 - (b) becomes vacant when the person's successor is declared to be elected to the office, or on the occurrence of a casual vacancy in the office.
- (4) A person elected to fill a casual vacancy in the office of mayor holds the office for the balance of the predecessor's term.

The Parliamentary Secretary delivered a prewritten speech from someone in the department, probably the director-general, notice of which was given by the Minister for Regional Development. The bill does not amend section 231 of the principal Act, which was amended by the Local Government Amendment (Elections) Act 2003, with respect to deputy mayors. Unless the bill is amended in the upper House, come September mayors will have the opportunity to serve until September 2005—a measure we support—but deputy mayors will have to be re-elected. The Minister has failed to read his own Act. If he were serious about democracy, he would have amended section 231 of the Local Government Act to include deputy mayors. It shows the incompetence and bungling of the Minister and the Premier in their effort to politicise local government and to foist forced amalgamations on the people of regional and rural New South Wales so that they can get some supremacy with regard to local government.

This week I had the fortune to attend the Shires Association annual conference, which was held at the Wentworth Hotel. I was there yesterday and this morning. I say "the fortune" because I had the opportunity to speak to local government representatives who do a fantastic job on what they claim—and I would probably have to acknowledge this—is the closest level of government to the people. My misfortune was that I attended the opening, which was addressed by the Premier. The Premier began by telling the association about his experience of visiting the Roxy Theatre in Bingara. Members of The Nationals experienced the Roxy Theatre the week before the Premier went there. The Roxy Theatre is a magnificent old theatre that has been restored by the local community and the council, which is in a state of flux at the moment because of the forced amalgamations.

The Roxy Theatre was locked up about 30 years ago, and the local community had an opportunity to restore it to its full glory. At the meeting the Premier waxed lyrical about what a great job he had done by giving the Bingara community \$250,000 towards an \$800,000 renovation. At the same time he announced that while he was at Bingara he gave the community another \$40,000 for the roof. He then went on to talk about his Government's record in giving some \$878 million to regional councils for country town water and sewerage supply schemes across regional New South Wales. Although the Premier's address was patronising, he must realise that he is not dealing with idiots; he is dealing with people who are closest to the voting public. They understand that in the mini-budget presented to this House some six weeks ago the Government suspended funding for local government country town water and sewerage schemes. While the Premier may have spent \$878 million during his past nine years in Government, he has yet to spend annually what the last Coalition Government spent annually, which was \$88 million per annum in 1995.

Mr Neville Newell: I can feel a point of order coming on.

Mr ANDREW FRASER: The Parliamentary Secretary can take a point of order whenever he likes. We might start talking about the Murwillumbah to Casino railway line. I am happy to accept the Parliamentary Secretary's interjection. The Speaker has made many rulings about interjections. We will talk about the honourable member's representation of his electorate with regard to railway services and local government.

Mr Neville Newell: Point of order: The shadow Minister is not talking about the overview of the bill or any provisions in the bill. He is rambling on about the Roxy Theatre in Bingara. I point out that media reports of

the great tour of Bingara by members of The Nationals indicated that, despite the funding provided by the Premier, the best The Nationals could do was say that they found it "most interesting". Instead of rambling, the honourable member should be brought back to the leave of the bill.

Mr ACTING-SPEAKER (Mr Paul Lynch): Order! There is a long tradition in this House that members who lead for the Opposition in second reading debates may raise a broad range of topics. If the honourable member for Coffs Harbour were to refer to railway lines, he would probably be going too far. If other speakers made the general points he is making now they would not be relevant. However, as he is leading for the Opposition in this debate I will not rule them out of order.

Mr ANDREW FRASER: I will try to stay away from railway line issues so long as the Parliamentary Secretary, who is known in his electorate as Napping Neville—it is nice to see him awake at this time of night—does not interject. The point I am making is that the arrogance of the Premier in telling these people that he will fund the restoration of the Roxy Theatre and the like in regional New South Wales with \$250,000, which was about one-third of the funding needed to restore the theatre, is bizarre on the basis that, for example, if the local community of Clarence wished to restore its local theatre it would not be able to do so because there is no funding for the country town water and sewerage scheme and planning laws do not provide for a long drop at the back of a theatre.

That is the sort of nonsense this Government has forced on local government in New South Wales. Local councils cannot afford the sewerage and water schemes that have been foisted on them. At present, those schemes are funded at the rate of 60 per cent by local government and 40 per cent by the State Government, although in the past it was always a 50-50 arrangement. Yet the Premier had the arrogance to stand before the good people of the Local Government and Shires Associations and claim some advance in country town water and sewerage schemes. I am absolutely amazed.

On top of that, if local government areas do not adopt a user-pays system in terms of local water and sewerage supply schemes, the Government will not provide funding for them. Some small shires and towns cannot afford to meter every block because it makes the cost of delivering water to those people unaffordable. Yet the Premier had the arrogance and the audacity to go on with that sort of nonsense at the Shires Associations meeting. In his speech the Premier waxed lyrical about the 15 new national parks that the Government has declared on the North Coast. He expects people to accept that as something wonderful, but they know that a lack of resources from forests, which were some of the best timber producing forests in New South Wales, such as Pine Creek—

Mr Neville Newell: The honourable member is straying from the topic again.

Mr ANDREW FRASER: I am speaking on the topic; I am telling the House what the Premier said to the people of the Local Government and Shires Associations about this legislation and the Government's program of forced amalgamations. The Premier tried to defend that by saying that the 15 new national parks were marvellous. He also claimed that seven new long-term wood supply agreements had been signed, although only six agreements have been signed. He did not know how many agreements he had. The Government has signed agreements for timber that is substandard or of an inferior quality to what was supplied previously. Those agreements mean that jobs will be lost from the region. Despite the Premier's rhetoric, jobs will be lost.

Indeed, 20-year supply agreements exist but the quality and quantity of timber will not be there at the end of the day because all of the agreements have been reduced by an average of 10 per cent to 15 per cent. Even Boral has lost timber. Although the Premier claimed that the Government had adopted a fresh approach, people know that that will result in decimation in regional areas. The Premier failed to tell the Local Government and Shires Associations about the sale of pine plantations, which was commented on by the Treasurer, and is referred to in an article in today's *Sydney Morning Herald*. That will decimate regional and rural New South Wales. We will see a lack of fire protection and dubious management practices, which may result in replanting. There are no guarantees. Money will be ripped out of regional and rural communities to pay off a debt or waste of \$8.5 billion that has been run up by the State Government over the past nine years.

The Premier told the Local Government and Shires Associations about the great job he is doing for local government. However, he continues to hurt local government. He talked about the 116 councils that had overspent their budgets and the 27 councils that were on watch. However, he did not tell them—the Minister for Local Government told us about this after the Premier had left—that a new deal had been signed by the New South Wales Treasurer and the Commonwealth stating that the payouts from HIH would be higher because the

income deemed to have been received by council will now be deemed to have been rate income, not total income. I wonder how many of the 116 councils that have purportedly overspent and the 27 councils on watch deserve to be on watch with that sort of news. The Premier did not deliver that news.

Then the Premier threatened the Local Government Association and individual councils in the area with the fact that the Commonwealth Government would be taking away Federal assistance grants from local government. That issue was debunked by the Minister within half an hour—the Minister saying that he had the co-operation from all his Labor ministerial colleagues, that he was going to a meeting within 10 days where they would agree to the current formula being kept in place, and that there would be no loss to local government. The Premier has misled; the Minister, in his embarrassment, has corrected him. The line that has been peddled by this Government from day one on this structural reform, forced amalgamations and loss of Federal assistance grants is a lie. It was confirmed by the Minister when he contradicted his Premier.

He talked about this flying squad that was going to go in, in the Minister's words, to look at pecuniary interest issues in council, probity issues, planning issues and finances of councils. Nowhere did he say that he would send in this squad to assist councils to overcome the unfunded mandates forced on them by this Government over the past nine years. There are dozens of them. It is an insult to those people that he is going to send in a flying squad to oversee councils that I believe are acting very well. If they had the support of this Government to reduce unfunded mandates they would be able to have a balance sheet that is acceptable to everyone, including the ratepayers, and it would not show something in the red from the HIH debacle that was set up by this Government—and that is another chapter.

This is bizarre. The Government has presented legislation to Parliament that does not meet the requirements of the Act. I do not believe it meets the requirements of the people the Government purports to represent—the mayors. Why has it not included the deputy mayors? There are many questions to be asked about this structural reform process. I challenge the Parliamentary Secretary this evening to tell us what criteria the administration and the acting general managers of the newly formed local government areas are appointed on. Tell me how and where the positions were advertised, and what qualifications those people needed. I do not believe anyone who has been appointed as administrator or acting general manager would meet the minimum criteria sought by any advertising agency or any job creation agency in New South Wales.

Mr Steve Whan: Not one of them?

Mr ANDREW FRASER: Not one.

Mr Steve Whan: That is a pretty harsh criticism.

Mr ANDREW FRASER: There might be the odd one. How did he meet them? The honourable member for Monaro should tell me. He has supported this. He is in deep trouble in his electorate. He is going to let the pine plantations be sold out from underneath him. He has allowed the forced amalgamations to go ahead. The people of his electorate will remember his lack of support on these vital issues that produce vital income for them. He is the one who has deserted them.

Mr ACTING-SPEAKER (Mr Paul Lynch): Order! The honourable member for Monaro will cease interjecting and the honourable member for Coffs Harbour will return to the bill.

Mr ANDREW FRASER: We will remember, as will the people of the Monaro electorate, that this member let the Government walk all over them when it came to forced amalgamations in his area. I look forward to the contribution of the honourable member for Bathurst in this debate. The *Western Advocate* of 28 May has an article headed "Submissions fell 'on deaf ears'." That article stated:

Member for Bathurst Gerard Martin "fought to the bitter end" to save Evans Shire Council from being amalgamated with Bathurst.

However, in the end, he says his efforts were in vain.

"I put my submissions to the Boundaries Commission and they fell on deaf ears" ...

He is the head of Country Labor. The Minister for Local Government—the former head of Country Labor—does not listen to the honourable member about what he believes to be in the best interests of his electorate. This bill is trying to fix a situation where mayors will have to be given another 12 months because of the hole they have fallen through. The honourable member for Bathurst has been totally ineffectual in representing his people,

not just on local government. Again, he will be held to account on pine plantation issues. I have said before in this House and in his electorate that the honourable member for Bathurst can be a panther in his electorate but is a pussycat in Parliament. He does not represent his people. He does not raise issues in caucus, contrary to what he tells the people of his electorate. He does not represent them in the way we would expect.

I suspect a lot more will be heard about the honourable member for Bathurst. I ask the honourable member for Bathurst why Kath Knowles, that failed Labor candidate and member of the Labor Party, is entitled to an \$80,000 a year job after one month as deputy mayor, with that election pushed out until September 2005. Why do these people have to wait 18 months when, purportedly, the Government has had a regional review, a Boundaries Commission report, a Minister who is interested, and a local member who says he is passionate about it? At the end of the day, we have a job for the girls—a job for Kath Knowles. I do not know whether she was the best-qualified person, but I want to know whether she applied for the job or whether she was appointed. If she applied for the job, did she meet the criteria? We need to know. The people of the Bathurst electorate and the people of Oberon and the Bathurst local government area need to know what criteria were set and why she came up on top of the heap.

Why did she resign her job at the student unit of the university a month before? Was it because she knew she was going to get an \$80,000 job? Perhaps the Parliamentary Secretary, who comes in here and reads speeches prepared for him by the Minister's office, might ask the Minister why she was given the job and whether she was the most qualified person. I believe that Kath is a well-qualified person, but we need to ask whether she was the best-qualified person. I will continue to ask these questions and I will continue to quote in this Parliament people such as Dick Locke, who is regarded as Bathurst's father of local government, and Les Wardman, who is quoted in newspaper articles as saying that democracy is dead and that he is the longest-serving member of Bathurst council, with 39 years service. These people may be good Labor stalwarts but what are they saying to the Minister about this mess he has created?

I am telling the honourable member for Bathurst that this whole mess that has been created by his friend the Minister for Local Government and by the man who does not listen to him—the Premier—will cost him his seat in 2007. I ask the Parliamentary Secretary to tell us why deputy mayors and deputy chairmen have not been included, as they should have been, as they were included in the bill in 2003. They should have been included in this bill. The Parliamentary Secretary should read section 231 of the Local Government Act and tell us why the Minister has not included deputy mayors. I think there will be an outcry.

I do not believe that the Local Government and Shires Associations realise that come September they will have to re-elect deputy mayors but mayors will be given an opportunity to serve until September 2005. As I said, the Coalition will not oppose the bill but we would like some answers from the Government. We know that we will not get them from the Parliamentary Secretary at the table because he is not capable of it; he is only capable of reading speeches prepared by the Minister's office. I hope that the Minister in the other place will amend the Act further to include those deputy mayors and other committee chairs who may face election in September as a result of this poorly drafted legislation. I congratulate all those at the Shires Association annual conference this week on a great job well done in the trying circumstances brought about by the Premier and the Minister, who still insists that there are no forced local government amalgamations in New South Wales.

Mr GEORGE SOURIS (Upper Hunter) [10.11 p.m.]: The Opposition will not oppose the bill, which seeks to rectify an oversight by the Government. It could have been easily foreseen, and the problem never should have risen. Newly elected mayors would have served for an extraordinarily short period from the election until September and then faced another election, in many cases from within their own council in the case of council-elected mayors. That would create instability following so quickly after the instability generally throughout local government and the much-delayed recent local government general elections. Today I hosted my annual thank-you lunch. It coincides with the Shires Association annual conference, when I take the opportunity to invite mayors in my electorate to lunch and to thank them and their councils for the many courtesies that have been extended to me over the past year and for the co-operation that I have enjoyed on many and varied issues over the last year.

Previously I would have gathered 10 mayors at my annual lunch but on this occasion, following the devastation that has occurred in local government in the last year, I was only able to muster four mayors and three administrators. The numbers are subject to further rationalisation because the Government, extraordinarily, has told Coolah Shire Council that it would be permitted to proceed with a voluntary amalgamation with Coonabarabran, which would take another shire out of the electorate, but if it fails to do that Coolah would be forcibly amalgamated into the mid-western regional council, the council that is likely to be centred on Mudgee.

Either way, the seven present shires will be reduced to six. The electorate of Upper Hunter seems to be losing a shire every other month. I hope the process stops very soon indeed. In fact, from what I can tell in the electorate and throughout the State, the State Government has grossly underestimated the hostile reaction that forced local government amalgamations have engendered. I am certain that much of that miscalculation stems from the Government's metropolitan orientation.

A topic of much of conversation amongst delegates at the Shires Association annual conference is that the bill is also motivated by the thought that it is better for the Government to keep the friendly mayors that are in place through the forthcoming Federal election rather than risk losing one or destabilising one, or a council, in the crucial lead-up to the Federal election. The bill brings into focus the role of mayors and councils. Mayors and councils offer advocacy for their local areas. They are a focus for the hopes and aspirations of their local communities. They offer a visible and physical presence in the electorates, particularly in relation to the jobs and the economic impact they create. Shire councils give leadership with the initiatives that they generally undertake and pursue. This period of frantic amalgamations will leave many districts and towns without that sharp focus, presence, advocacy and leadership. I do not mean only for ceremonies on Australia Day, Anzac Day and other important days, although it will be difficult for fewer mayors to get to as many of the functions that the local community expects their leaders to attend.

More particularly, the widespread job losses felt throughout country New South Wales fly in the face of perhaps the most important social issue facing Australia today: the depopulation of country New South Wales. There is an imperative to have governments with vision that will embrace economic development and pursue initiatives such as decentralisation. We need a capital and infrastructure oriented strategy for the future to address the deficiencies in infrastructure that have come to pass after nine years of rule under the Carr Labor Government. Particular areas of deficiency include water conservation, road construction and upgrading, and money for vital infrastructure in our hospital and educational systems. A number of new initiatives are needed, particularly in the infrastructure area.

As I said, it is often local government advocacy for those infrastructure projects that puts them onto the agenda, onto a strategy and, hopefully, onto a capital works program. All that could be lost. There is a feeling amongst many of the mayors that I have spoken to of considerable instability and apprehension for the future—not for their personal future but for the future of their local community, the future of their local districts and their former shires. I am not surprised. I welcome and strongly endorse the initiatives announced by the Leader of the Opposition, John Brogden, when he addressed the Shires Association annual conference this week. It is Coalition policy that any process of amalgamation involving a majority would be put to a referendum, which then would dictate the outcome. This is not unlike what we have seen in Victoria following a period of amalgamations. It will not surprise me at all in the near future when people's desire for self-determination in pursuit of maintaining their own sovereignty, and the focus on all those initiatives that I referred to—

Mr ACTING-SPEAKER (Mr Paul Lynch): Order! I have extended a degree of latitude to the honourable member for Upper Hunter. I ask him to return to the leave of the bill.

Mr GEORGE SOURIS: I will conclude by saying that it would not surprise me if such a policy became very much a feature and focus for local communities.

Mr GREG APLIN (Albury) [10.20 p.m.]: This bill contains the latest in a long series of amendments to legislation affecting local government. One could say that the Government is fecund when it comes to local government amendments because they have been flowing thick and fast over the past 16 months. That is in stark contrast to the obituaries appearing in the local press in my electorate during the past week because of the forced amalgamation of the shires of Hume, Culcairn and Holbrook. It is interesting to contrast the birth of this legislation with the obituaries relating to successful shires that were represented by able councillors. The difficulty with this legislation is that it was not necessarily based on a desire expressed by elected representatives. It is a reaction to a situation created by legislation that had not been carefully thought through before it was enacted last year.

The postponement to March of the September elections was the precursor to this latest delay to September. We were told that the decision to delay the elections until March was taken to enable councils to prepare better budgets and to allow potential new councillors to gain a greater understanding. That rationale later proved not necessarily to be the brightest idea. The election date subsequently reverted to September, thereby creating a problem for the councils that held elections in March this year. An administrator has been appointed to the newly formed Greater Hume Shire and an election will be held on 5 March 2005. That was the

date in the proclamation issued last week. I implore the Minister to cast that date in stone, because the sooner we have elected representatives the better it will be for local ratepayers. I am sure that all council staff and former councillors will be working to achieve that end.

When the new mayor takes office in March next year, what period will he or she serve? Will the mayor be forced to face an election in September 2005 or will another amendment be enacted next year to enable a further extension? The more frequently the election date is extended, the more I have concerns about the Government's commitment to proclaimed dates. They appear to be changed with frequent monotony. We had the election last year and the proclamation has now been issued. I hope that date will not also be varied.

Because of this ongoing process of rushed legislation and subsequent amendment, councillors elected on 27 March found themselves attending perhaps one council meeting prior to the forced amalgamation of the shires to form the Greater Hume Shire. Howlong was subsumed by the Corowa shire and its elected ward representatives can no longer represent their town on the new council. I have raised that matter with the Minister to establish why the proposal submitted by the regional facilitator was not implemented. The proposal was to allow two local councillors to represent their electors on the Corowa council and to contribute their experience and expertise to the council. I await with eager anticipation the reasons for that decision. However, I am sure that steps will be taken by the very responsible mayor and the councillors of Corowa shire to acknowledge the importance of input from a community forum or some other representative body from Howlong to the workings of the council. I have no doubt that Albury will take similar steps for the former Hume shire ratepayers who are now part of the Albury council area.

That said, we must look at why this legislation is necessary, what it achieves and whether there was any input from councils. Are the shires better off than they were last year? Have they participated in a system that will provide a better form of local government for regional New South Wales? Will they be able to influence the legislation introduced supposedly to benefit them? I hesitate to say that perhaps they have not had that opportunity and that that might be news to them. When this legislation was announced in the media, the Albury mayor said that it will give him some continuity but that he is still learning the job. It was a bit of a shock. For some of those who were not expecting it and who were making plans on the basis that the election would be held in one year the extension is disturbing and distressing. That was the case for those who expected an election in September 2003 and who had to wait until March this year. Is this amendment one in a series, or is it locked in for all time? Can we look forward to decisions being made that take local government into account in its entirety and in a time frame extending beyond six months?

Mr STEVEN PRINGLE (Hawkesbury) [10.25 p.m.]: The Opposition does not oppose this legislation. However, the Minister for Local Government's chopping and changing well and truly defies belief. Councillors in my electorate want stability; they are sick and tired of constant changes. First there was a six-month delay to enable and encourage amalgamations, and we all know what an outstanding success that has been! There were protests from one end of the State to the other and there were few voluntary amalgamations. The election date has been changed a number of times. First it was March and then it reverted to September. It has been only nine weeks since many council elections. Councillors are only now learning what council is all about and the Government has decided to amalgamate a few more. People have invested their time, energy and money in standing for council, and that effort and those resources have gone down the drain.

Mayors were elected recently on the basis that they would serve six months in office, and many councils plans were based on that time frame. The Government cannot get its act together with regard to councils. The Rural Fire Service levy has been increased yet again without any rhyme or reason. Changes made in conjunction with the Department of Infrastructure, Planning and Natural Resources, State environmental planning policy 5 and so on should be done in a timely and business-like fashion. I hope the Government can finally get its act together. Honourable members on this side of the House believe that local people should decide what the major local issues are and how their councils should be run. Those decisions should not be made in Sussex Street by the Labor Party's mates. The Government should get its act together on local government in general.

Mr NEVILLE NEWELL (Tweed—Parliamentary Secretary) [10.29 p.m.], in reply: I thank the honourable member for Coffs Harbour, the honourable member for Upper Hunter, the honourable member for Albury and the honourable member for Hawkesbury for their contributions. Some of them were direct and to the point, but with the latitude extended by the Chair others strayed to irrelevant issues. I reiterate that the amendments in the bill arise from crossbench amendments to the Local Government Amendment (Elections) Bill in 2003, which in turn resulted in the deferral of ordinary elections from September 2003 to March 2008. As

I pointed out in my second reading speech, the subsequent ordinary elections will be held in September 2008 and each four years thereafter.

Some of the comments of members opposite do not deserve a reply, but I make the point that a number of administrators are doing an excellent job. For example, the former mayor of Tamworth, James Treloar, the administrator of the Tamworth regional area, is doing a great job. The Hon. John Jobling, a former Opposition Whip in the Legislative Council, the administrator of the upper Hunter region, is also doing a fine job. The honourable member for upper Hunter spoke about him. We look forward to handing over the duties to the elected representatives, as a number of members opposite have requested. That is all part of the program that has been put in place. I inform the honourable member for Albury that the I have been advised that the new administrators of Corowa council will ensure that the township of Howlong receives a permanent library and a council office, which will be a major plus for that region. With regard to the deferral of elections in the council areas of Bathurst, Albury and Mudgee, the Opposition and the crossbenchers refused to support Government amendments that would have cured the anomaly have referred to by members opposite. With those comments I commend the bill to the House.

Motion agreed to.

Bill read a second time and passed through remaining stages.

INSTITUTE OF TEACHERS BILL

Second Reading

Debate resumed from 12 May.

Miss CHERIE BURTON (Kogarah—Parliamentary Secretary) [10.35 p.m.]: This is groundbreaking legislation. For the first time, there will be standards setting out the professional entry requirements for teachers. The Institute of Teachers, through the framework of professional standards, will deliver clear, defined and consistent entry requirements to the profession of teaching. This is a first. The bill defines "teach" as undertaking duties that include, but are not limited to, the direct delivery of courses of study designed to implement the curriculum as determined by the Board of Studies under the Education Act 1990. That is combined with the responsibility for assessing student performance, progress and participation in such courses. A teacher is defined as a person who is employed to undertake these duties. In simple terms, a teacher is the person with responsibility for delivering the nuts and bolts we expect our young people to know. That is the core business of teaching.

Those definitions are not designed to describe the important pastoral care, extracurricular and non-teaching roles that teachers undertake as an integral component of their daily work. Rather, they provide a basis for determining who should be accredited as teachers. People entering the work force today do not have jobs for life; they may have four or five major career changes in their working lives. Those changing work patterns are starting to impact on the teaching work force. The accreditation requirements included in the legislation have been carefully constructed to support people coming to the profession from different pathways. Universities and schools are accepting more and more mature-age entrants into initial teacher education programs and teaching. Those people bring to teaching a wealth of experience, knowledge and expertise that enriches the educational experience of young people in schools.

As with other professions, there is a minimum academic benchmark that all aspiring teachers must meet. The bill ensures that teachers must have attained a bachelor degree or a tertiary equivalent. This fundamental requirement will ensure that teachers have the essential core skills and content knowledge. The accreditation process is designed to move beginning teachers from that point of formal and initial qualification to mandatory accreditation and professional competence. That process will take, in most cases, around two years, and it must be achieved within three years. It is fair to say that if, after three years, a teacher is still struggling, the writing has been on the wall for some time that teaching may not be that person's best career choice.

At the mandatory level of professional competence, all teachers will have a teacher education qualification or a content degree and educational qualification, or its equivalent. There will be multiple pathways into teaching. Those pathways include a degree in teacher education, a content degree and a postgraduate education qualification, and graduate and postgraduate qualifications in relevant content areas.

Those multiple pathways will enable schools to attract high-quality people into teaching. Schools will be able to employ the physicist with a doctorate, and support his or her accreditation process to become a teacher. Other people are employed in schools to assist teachers in specialist areas. Examples of such people may be visiting artists, dramatists, ballet dancers, sports coaches, school chaplains, and workplace assessors in vocational courses. They bring with them a wealth of experience and talent in their specialised fields, but they are not teachers. Those people will not be required to be accredited. There will be some people who wish to be accredited but cannot do so without undertaking some significant additional study.

The institute will encourage all people in this situation to have any tertiary study they have completed recognised by a university or a higher education provider. Full completion of a qualification may require some additional study, which will be determined by the higher education provider. This situation may apply to people who have completed part of a degree or hold a trade certificate. The institute will have a recognition of prior learning policy, which will enable individuals to show that they have achieved a degree and an educational credential, or its equivalent, for the purpose of accreditation. An educational credential may be achieved through, for example, endorsed school-based professional development.

One of the institute's tasks will be to make sure that the recognition processes are rigorous and valid. This is necessary to enable good people to enter, and stay in, teaching. The definitions in this bill reflect a pragmatic desire to describe all people who can and should be called professional teachers. The place that teachers have in our society should not be underestimated or undervalued. Equality of educational opportunity is at the core of any civilised society, and quality teaching is a major variable in student learning. All students in New South Wales, wherever they go to school, should be taught by a quality teacher, and all quality teachers should be held in the highest regard.

For our Olympic swimmers, entry into the pool at the beginning of a race is a critical part of their race strategy. Falling off the blocks is a lousy way to start and there are no guarantees of success. Teaching is much the same. One of the driving forces behind achieving the best educational outcomes for our children is the quality of their teachers. We know that teacher quality is the number one variable influencing our children's learning. This will not come as any surprise to parents, teachers, and the community. Quality teaching has always been a policy priority for this Government. It is a major focus of our current election commitment.

Mrs JILLIAN SKINNER (North Shore) [10.41 p.m.]: The Institute of Teachers Bill establishes an Institute of Teachers as an independent statutory authority to advise the Minister on the development, content, and application of professional teaching standards, to monitor the accreditation of teachers by teacher accreditation authorities against these standards, and to advise the Minister on the quality of courses and programs of teacher preparation and professional development. A number of aspects of teaching and teacher professionalism have been raised in recent times, most particularly in the reports "Quality Matters: a review of Teacher Education New South Wales, November 2000" by Dr Gregor Ramsey, and the independent inquiry into the provision of education in New South Wales conducted by Professor Tony Vinson in September 2001 and released in three reports over the following two years. Both reports recommended the establishment of an Institute of Teachers.

An interim committee for an institute of teachers in 2002 was chaired by Professor Alan Hayes and included representatives of nearly all stakeholders. It has consulted broadly, and discussion papers are readily available on the internet. It has generally been harmonious, as all parties agreed that there was a need to develop standards and an accreditation process. However, it appears that the actual legislation was drafted by a fairly narrow group, and I will refer later to concerns raised by the New South Wales Teachers Federation and the Independent Education Union, which were excluded from the drafting and not consulted about the bill. I have considered the concerns expressed by the teachers unions and will refer to them later. However, the Coalition will support the bill without amendment. In leading for the Coalition in this debate let me put on record our view that teachers are the key to quality education. The development of professional standards against which teachers can be measured and rewarded is long overdue. We share the sentiments of the Research Director of the Australian Council for Educational Research, Dr Ken Rowe, who said:

Quality teachers and teaching, supported by strategic professional development, is what matters most in students' experiences and outcomes of schooling.

He told a 2003 conference on the subject:

What makes some schools more effective than others is that they have better teachers.

He said:

The magnitude of effects including literacy skills, general academic achievements, attitudes, behaviours and experience of schooling, pale into insignificance compared with class and teacher effects. The quality of teaching is by far the most important influence on cognitive, effective and behavioural outcomes of schooling, regardless of a student's gender or background.

Yet there are currently no standards to describe teacher practice in New South Wales, and, as Gregor Ramsey noted:

Teachers have no accountability other than to meet minimum competency requirements set by employers.

The Coalition believes that the quality of teaching and the standing of teachers will be improved by the following: using professional standards to first of all inform ongoing professional development programs and courses; developing professional performance measures, which will take into account the value that a teacher adds to his or her students' performance after factoring out such variables as socio-economic status—in his report Professor Tony Vinson stated quite clearly that it was quite possible to do that; monitoring teacher performance, providing support for improvement where it is needed; identifying underperforming teachers, who may need to be assisted to leave the profession; identifying innovative and skilled teachers; and identifying teachers with specialist skills or leadership potential.

During his review Professor Vinson found that the quality of teaching in our schools ranges from excellent and innovative to staid and uninvolved. We all know teachers; we know them from our own experience as students in years past perhaps, as parents, as grandparents and, as I am, as mothers of daughters who are currently studying to be teachers. Professor Vinson went on to report that:

All professions reviewed, except teaching in New South Wales, have a professional or regulatory authority which is responsible for registering applicants as members of their profession.

Many teachers are aware of the need to revitalise the profession. And the community is demanding tangible evidence concerning the quality of teaching in our schools. It is no longer acceptable for teachers to proclaim effectiveness without evidence. There are responsibilities attached to being a member of a profession that must be demonstrated. Agreed and transparent standards of professional teaching practice need to be endorsed.

The New South Wales Teachers Federation noted the prospect of teaching standards being used as a basis of performance assessment, stating in a newsletter at the time of the last election:

While this may cause some alarm it has to be acknowledged that current procedures on teacher efficiency and the Teacher Assessment Review Schedule (TARS), which refer to satisfactory performance, are silent on what characterises this. In reality the 2200 different principals determine the standard in their own head.

The provisions within the institute, which I will come to in a little more detail later—although I will not go into it in great detail because the provisions have been mentioned by other speakers—include the revocation of accreditation. Revoking accreditations of teachers who do not meet standards will address the frequently raised problem of underperforming teachers. The President of the Federation of Parents and Citizens Associations was reported in the *Daily Telegraph* on 3 January this year as stating:

... there are some teachers who have really grasped the new technologies and learning styles, but some are finding it difficult to adjust ... This is where we have to be fair to teachers—let them ... have a career change, take on something different. Where it's not working we need to go in with a broom, support those people, relocate them or make it easy for them to look at new and different careers. It's about getting the right people in, looking after them and making sure the match of staffing meets the needs of the school and its culture.

Professor Vinson stated:

Good teachers and good students stand to be alienated by failure to do something about poor teaching. One submission to the Inquiry from a teacher commented that failure to remove incompetent teachers leads to significant cynicism among their colleagues.

I know that the Minister would have heard expressions of cynicism, as I have, not only since I have been the shadow Minister but over the many years I have been involved with and interested in education. I turn now to the career-long development of teachers, which is an important component of the institute. Upon it rests the ability of teachers to raise their standing and move up the ladder of accreditation, although career-long development is important in all professions. Professor Vinson noted:

... the focus in future must be on teachers acquiring the knowledge and skills which will enable them to utilise the capacity of digital information technology to create learning environments very different from most of those which have characterised the traditional classroom.

Professor Vinson is referring to recent technology and knowledge. Unfortunately, many teachers who trained a long time ago do not have the ability or capacity to access professional development to allow them to gain the skills needed in a modern classroom. Professor Vinson noted further:

... teachers with particular interests and skills must be allowed to learn to an advanced level and be accredited for their knowledge and skills. These teachers should have an important leadership role in the places where they teach, directly influencing and supporting the professional practice of their colleagues.

The provision of extra resources for the ongoing professional development of teachers is imperative if the institute's work on accreditation is to be effective and accepted by teachers. This will require the quarantining of funds for professional development from any future cuts in the education budget. These funds must be enhanced, not reduced, as they have been in the past by the Carr Government. Teachers must be able to access professional development no matter where they are located in the State. If teachers cannot get relief to attend courses to upgrade their skills, they will be disadvantaged in the accreditation process. This will, in turn, require the Government to address the long-term shortage of casual teachers, particularly in country New South Wales, but not exclusively in rural areas. Professor Vinson stated:

... the people needed to replace teachers who are ill, [that is casuals] on leave or taking part in training, are in extremely short supply in many parts of the state.

I agree with the emphasis placed on the need for professional development as part of accreditation. However, the proof of the Government's commitment to professional development will be in the real funding increases it provides for the purpose. School principals are rightly sceptical about the allocation of \$700 per teacher for professional development. It sounds good when one recalls Professor Vinson's statement that the \$25 annual amount available per teacher for professional development was one of the "more obvious shortcomings within the public education system". Principals are sceptical that the \$700 includes the repackaging of money for obligatory training that has been funded from head office in the past.

Of the \$36 million funding allocation for the professional development of teachers announced by the Minister in March this year, only \$6 million is new money. Despite the Minister denying that there is a teacher shortage, obviously there are shortages. In fact, I have visited schools at which principals, teachers and parents have told me that they had to hold four classes combined in schoolyards or corridors because there were not enough teachers to cover classes when other teachers were away sick. How can teachers possibly access professional development if they have to deal with such situations? With regard to measuring performance Professor Vinson stated:

Many influences in the school will help to shape plans to improve teachers' professional performance—daily classroom experiences and student and parental responses, goals and principles emanating from the Department, participation in the working groups and committees of the school, goals promoted by the local administration, and interactions with the Professional Development Committees, [should they be established] are some examples.

He also recommended that the principal should retain discretion to take urgent action against non-performing teachers where it was warranted, and that in other cases remedial assistance should be offered to provide "positive career development". I have addressed that matter already. Professor Vinson stated:

Sophisticated statistical researchers ... claim to be able to measure the "value" a teacher adds to her or his students' performance after factoring out such variables as socio-economic status.

I turn now to professional incentives and rewarding performance. Professor Vinson stated:

To underline the importance attached to this form of professional accountability, incremental progression on the salary scale should depend on the completion of this process.

This recommendation was repeated by Gregor Ramsey in his report entitled "Quality Matters: Revitalising teaching: Critical times, critical choices", a report provided for the Government in 2000. Professor Vinson further stated:

In order to raise the quality and availability of educational leaders, it will be necessary that standards be established for educational leadership to which teachers can aspire, be accredited against, and for which they can be recognised and rewarded.

He made the following point:

Schools serving disadvantaged communities are frequently staffed by inexperienced teachers. The Inquiry has recommended the creation of a professional incentives scheme to attract experienced and able teachers to work in disadvantaged schools.

Professor Vinson said that increasing the presence of able, locally experienced teachers in disadvantaged schools was to be commended. I totally agree. I now turn briefly to the general provisions of the bill. The bill generally expresses the views of those involved in extensive consultations during the interim committee's work. However, the way the institute will operate has raised the ire of the unions, particularly the New South Wales Teachers Federation. Concern was raised about the establishment of a board of governance to oversee the strategic directions, operations and finances of the institute, which were reported to have been suggested by the Cabinet Office. I shall return to the concerns of teachers later.

The board will be appointed by the Minister and will comprise the chair, the chief executive and three others with an appropriate balance of legal, business, risk management and financial skills. The institute will not deal with industrial matters. There will also be a 21-member quality teaching council, comprising the chair, who will also be chair of the board, and 10 elected and 10 appointed members, most of them teachers but also some parent representation. The institute will have a small staff and will be able to co-opt staff from other government agencies and engage consultants. During the 2003 election the Government committed \$5 million per annum to run the institute, but it will be largely funded through annual fees, prescribed by regulation, collected from accredited teachers.

Teachers are defined for the purposes of accreditation as those who have primary responsibility for delivering and assessing the curriculum as defined by the Board of Studies. I ask the Minister to address in his reply an issue with which I have had experience in past years, that is, teachers who teach the international baccalaureate, which is not a curriculum approved by the Board of Studies. Recent curriculum changes very much reflect the curriculum of the international baccalaureate. It is taught to year 7 to year 10 students in non-government schools in New South Wales and government schools in other States, but it is not a board-approved curriculum. I ask the Minister to address the issue, in the event that there is a teacher who is teaching only at the international baccalaureate diploma level. I am sure it is not the intention of the Government or the institute to exclude such teachers. The definition of "teacher" excludes sports coaches, visiting artists, chaplains, and so on. The institute will maintain a roll of teachers with electoral and accreditation lists. Accreditation will be at various levels, and I do not intend to go through them because they are well defined in the bill.

Provisional accreditation will apply to those with a teaching degree or those who have done an approved course, and they have three years to obtain professional competence accreditation. Conditional accreditation will apply to those with another degree, partial education degree or approved course, and they will have four years to obtain professional competence accreditation. Beyond the professional competence level, there is professional accomplishment and professional leadership. Professional standards will deal with the skills, qualifications, experience and knowledge required for teaching at each level of accreditation. There will be conditions for continuing accreditation, including a requirement to undertake professional development.

Accreditation can be revoked, and appeals can be made to the Administrative Decisions Tribunal. Once the Act commences, accreditation will be mandatory for all new teachers, and a new-scheme teacher will not be able to teach without accreditation. Conditionally accredited teachers will work under the on-site supervision of another teacher. Accreditation will be mandatory for transition scheme teachers, that is those who are currently teaching but do not have a teaching qualification or other degree relevant to the area in which they are teaching. They will not be able to teach unless they are accredited or have on-site supervision, and they will be able to apply for conditional accreditation. Accreditation at higher levels is voluntary for new and transition scheme teachers, and accreditation is voluntary for all other teachers.

It should be noted that the Act will be reviewed after three years, and a report will be submitted to Parliament. As I said, the Opposition will not support any amendments, and I will put on the record matters that the Teachers Federation has raised with me—I am sure it has raised the same matters with the Minister. I have a copy of the amendments suggested to the Minister by the Teachers Federation. The main concern of the Teachers Federation relates to the board of governance. It is of the view that the board of governance will act as a filter of advice from teachers to the Minister. I am sure that that is not the Minister's intention—and it certainly will not be my intention when I am the Minister after the next election. I can give teachers that assurance now; my door will always be open to teachers.

Dr Andrew Refshauge: How confident are you?

Mrs JILLIAN SKINNER: I am very confident. No government in its right mind would ignore the voice of teachers. Teachers will be well represented on the Quality Teaching Council. The Teachers Federation is concerned about the accrediting authority resting in the hands of one individual who will have the power to

revoke the accreditation of a teacher. The Minister said in his second reading speech that an accrediting authority may well be a principal. Concern was expressed to me about the potential for a principal to revoke the accreditation of a teacher in his or her school, thereby preventing that teacher from teaching in any other school in the State. The Teachers Federation is concerned about the powers of the teacher acting as the accrediting authority.

The Teachers Federation has recommended that the Minister be the final accrediting authority. I find daunting the prospect that the Teachers Federation would accept the Minister as the final authority for the accreditation of the 60,000 teachers in this State. It simply does not bear contemplation. The Teachers Federation is also concerned about the limitation of appeals to the Administrative Decisions Tribunal. It is of the view that there is a lack of clarity about the different levels of accreditation, particularly provisional and conditional accreditation. I am sure the Minister will address those matters when he replies to the debate.

I say to teachers: Let us give it a go. There is provision for the Act to be reviewed after three years and a report to be made to Parliament. That will provide an opportunity to amend provisions that are not working to the advancement of quality teaching in New South Wales, which the Coalition believes is paramount to quality education outcomes for all children.

[Debate interrupted.]

BUSINESS OF THE HOUSE

Divisions and Quorums: Suspension of Standing and Sessional Orders

Motion by Mr Carl Scully agreed to:

That standing and sessional orders be suspended to provide at this sitting until the rising of the House no divisions or quorums be called.

INSTITUTE OF TEACHERS BILL

Second Reading

[Debate resumed.]

Mr ALAN ASHTON (East Hills) [11.05 p.m.]: I support the Institute of Teachers Bill, and I congratulate the Minister for Education and Training on introducing it. I congratulate the Opposition spokeswoman and thank her for her thoughtful comments on the bill. Quality teaching has always been a policy priority for this Government. Indeed, it was one of Labor's commitments during the election campaign last year. The teaching profession is at the heart of all learning, whether in schools, universities or other professions. As a teacher of more than 20 years standing, I have always felt that it is important to have a professional teaching body that is registered, and that teachers gain accreditation and are registered by that body.

The old system under which many of us taught was fairly simple. Teachers continued to teach every year; unless one did something incredibly hopeless, one got a tick from the principal and continued teaching. Unfortunately it is true that, while most teachers are capable and dedicated, and work long hard hours, a few are barnacles on the ship of progress at times and have held back many of their students and colleagues. With the Institute of Teachers, whose governing body will predominantly comprise teachers, with ultimate responsibility resting where it probably should rest—with the Minister—this State will be setting the standard for the professional development of teachers not only in New South Wales but in Australia.

The accreditation of teachers will provide certification that teachers have met the requirements described in the professional teaching standards. It is a hands-on process that will include observation of teaching, analysis of teaching programs and student work samples, as well as student learning outcomes. It means that teachers will reach the status against standards based on their skills and knowledge. This is much more than just registration. Under the Government's plans, teachers will not be full members of the teaching profession unless they can demonstrate skills and knowledge across all aspects of the professional standards required. They will also need to have a strong content knowledge demonstrated through a bachelor degree. Teachers will need a solid understanding of educational theory and practice, including how to teach literacy and how to manage students' behaviour, which is very important in a world in which teachers are challenged daily about how students behave and what is appropriate behaviour for teachers in the same situation.

Also, we need to focus more on how we deliver special education to students and on the effort we need to make with Aboriginal students. New teachers will need to meet a benchmark standard of professional practice. As honourable members know, in the next few years we anticipate losing many senior and older teachers as the average age of teachers increases. So what will be important with the establishment of this body is that new teachers coming through will have a professional body that can judge them. Their professional competence will be judged; they will not be teaching simply on the whim of a principal or because someone is needed in a classroom to babysit kids for a few lessons. Teachers will have to be properly qualified and accredited through the Institute of Teachers.

Broadly speaking, that responsibility will be vested with the school authorities themselves. Structured and consistent processes will be introduced to support the current staff evaluation processes. This will lift the considerable burden from the shoulders of principals, deputy principals and senior teachers. These processes are designed to build on the quality of the teaching work force. They will ensure that teachers receive the recognition they rightly deserve from their peers and the broader community. The New South Wales Institute of Teachers will help raise the standing of teachers. It will place teaching in the consciousness of the community as a superior career choice and an exceptional profession.

Recently I read an article in the *Reader's Digest*—I do not often read this magazine—which listed professions in three categories. I have some bad news: Politicians rated last! I do not think we should take much notice of that. Interestingly, just above politicians were used car salesmen, journalists and a couple of the other usual suspects. It was interesting that teachers held a high position in every ranking. Despite criticism, the Teachers Federation, the unions and occasional strikes, teachers featured very highly. One could say that I have gone from the highly favourable profession of school teaching to one with a slightly lower standing in the community: a politician. I commend the Government for introducing this bill. I commend the Minister for his dedication and for bringing the bill before the House.

Mr MALCOLM KERR (Cronulla) [11.10 p.m.]: I support the Institute of Teachers Bill. The performance of the teaching profession is at the heart of the bill. It is important that the teaching profession be enhanced. Every other profession and trade depends on the quality of teaching. As the shadow Minister for Education and Training said, it should not be forgotten that performance can be affected by the learning environment. For instance, one of the schools in my electorate, Taren Point Public School, is a small school with strong community support. In general, the school is well maintained and is meeting the needs of students. However, the stormwater lines in the school grounds are unable to cope with small amounts of rain. They remain choked with sand, silt and debris that have accumulated as a result of decades of inattention. Pools of water remain in the playground, and rivers flow across the hard surfaces and waterfall down the staircases. It is an unsafe environment for children and adults alike.

On a secondary issue, the school applied for joint funding to refit the school office area, which consists of an indent in the corridor. The work required the removal of a wall and the erection of a front wall with glass sliding windows. Carpet was also laid along the corridor to prevent slipperiness and noise. This work has been completed at the school's expense as the joint funding for 2002-03 was never allocated. To the knowledge of the parents and citizens association, it was not part of the capital works program. As I said, the learning environment is highly important to the performance of teachers. It should be taken into account.

Mrs KARYN PALUZZANO (Penrith) [11.11 p.m.]: I support the Institute of Teachers Bill. I thank the Minister for Education and Training for introducing this iconic and important bill. It is the sort of legislation the Government does well. A key part of being a professional of any sort is maintaining professional development, and that does not switch off when one leaves university. For a profession such as teaching, lifelong learning is at the heart of professional life. Before I came to this place I was a teacher, a lecturer and a consultant with the Department of Education and Training. I know that lifelong learning is important, and the type of learning in the profession is also important. That is reflected in a 2002 publication of the OECD called *Teacher Education and the Teaching Career in an Era of Lifelong Learning*. It stated:

The knowledge base on which a teaching career is based has deepened and calls for teachers to engage with it on an ongoing basis as lifelong learners.

Teachers are calling for a more structured approach to their professional development. The implementation of a framework of professional standards will provide this approach. The key role for the Institute of Teachers will be to assist and guide teachers' ongoing professional development. As a consultant a decade ago in human society and its environment and in environmental education, I know first hand that sometimes professional development was not engaging teachers at all levels of their career. The professional standards developed by the

interim committee for the New South Wales Institute of Teachers reflect these key stages of a teacher's career. They begin with the graduate teacher and continue through professional competence, professional accomplishment and professional leadership. Teachers and schools will be able to align their professional development programs to this framework. The use of professional standards to guide teachers' professional development will allow the objective of specific course content to be mapped to the learning objectives of the teacher, allow judgments to be made as to the usefulness of specific courses and content, and help describe the responsibilities of employers where they support teachers.

This capacity of programs to meet professional teaching standards will, importantly, give them the opportunity to align their learning and opportunities to their career development. Teachers who fail to meet the requirements risk losing accreditation stages. The institute will nurture this culture by introducing mandatory requirements for all accredited teachers to undertake endorsed professional development. There will be different professional development requirements aligned to each accreditation stage. Practically, this means that the professional development at the high level will be substantially more demanding than the mandatory level of professional competence.

The institute will ensure that a teacher's knowledge of the specific content areas does not stagnate upon graduation from university. Teachers, as educators, should be members of a profession that provides exemplary professional training and learning. Teacher professional development should be the forefront of approaches to continuing education of the work force. A core function of the Institute of Teachers is to assure teachers, schools, the community and the Government that professional learning of teachers is of a high quality and contributes to the development of the profession. Most fundamentally, it must provide the quality of learning for all students in schools throughout New South Wales, because that is the core business in the schools of New South Wales.

The approach proposed by the Institute of Teachers to the professional development of the teacher work force creates new opportunities for teachers to have a stake in their future. For the first time, teachers will have clear measures by which to develop their careers and endorse courses to support that development. Most importantly, there will be a motivation for teachers to actively seek professional development. Teachers believe that the provision of high-quality professional development is integral to enhancing the status of the profession. The institute's role in nurturing the quality of professional learning will ensure that this goal is achieved. I commend the bill to the House.

Dr ANDREW REFSHAUGE (Marrickville—Deputy Premier, Minister for Education and Training, and Minister for Aboriginal Affairs) [11.16 p.m.], in reply: I thank all honourable members for their contributions to the debate on the Institute of Teachers Bill. We need to ensure that we do everything possible to improve the status of teachers and the quality of teaching in New South Wales. This bill will do a lot to advance those things. A number of issues were raised by honourable members during the debate, particularly by Opposition members. I am happy to take on board all of those issues and to see whether we can progress them further. It is important to recognise bipartisanship when looking at raising the quality of teaching in New South Wales. I am not suggesting that what we have is not good, but we want to find ways to improve it—both the status and the quality of teaching.

This is landmark legislation. It is a reform of great significance. It changes the way things happen in this State, particularly in regard to teaching and learning. It does it in a way that incorporates the views of the vast majority of those involved in the education systems—both government and non-government—and does it in a way that makes some groundbreaking reforms but that is acceptable to practitioners. In that sense, I am proud to be associated with it. A lot of people have been involved in the development of this reform. The interim committee has been negotiating and working with the interest groups. I pay tribute to everyone involved. Although the Teachers Federation had some difficulties with this bill, I thank it for its involvement. I thank all the interest groups that have been involved in this process. I thank the Opposition for its support for this important reform. We will benefit from it in the years to come. I hope we will see the Institute of Teachers making those changes as soon as possible.

Motion agreed to.

Bill read a second time and passed through remaining stages.

The House adjourned at 11.20 p.m. until Thursday 3 June at 10.00 a.m.
