

LEGISLATIVE COUNCIL

Wednesday 28 February 2001

The President (The Hon. Dr Meredith Burgmann) took the chair at 11.00 a.m.

The President offered the Prayers.

DEATH OF SIR DONALD BRADMAN

Motion by the Hon. J. J. Della Bosca agreed to:

That this House places on record its sense of deep loss on the death of Sir Donald Bradman, AC, the best cricketer to have ever played the game and a hero to millions of people in Australia and around the world.

TABLING OF PAPERS

The Hon. E. M. Obeid tabled the following reports:

Report of Casino Community Benefit Fund for year ended 30 June 2000

Report of Fair Trading Tribunal for year ended 30 June 2000

Ordered to be printed.

PETITION

Woy Woy Policing

Petition expressing concern about the proposed loss of general duties police officers from Woy Woy Police Station and praying that the House seek the assistance of the Minister for Police to reinstate those police officers, received from the **Hon. M. J. Gallacher**.

BUSINESS OF THE HOUSE

Withdrawal of Business

Private members' business item No. 5 in the order of precedence withdrawn by the Hon. J. M. Samios.

Discharge of Business

Order of the day for resumption of the adjourned debate on private members' business item No. 28 outside the order of precedence discharged on motion, by leave, by the Hon. J. H. Jobling.

FEDERAL GOVERNMENT TELSTRA POLICIES

Debate resumed from 27 February.

Ms LEE RHIANNON [11.10 a.m.]: I support this motion. It is wonderful to have the opportunity to bond with my colleague the Hon. I. M. Macdonald on such an important endeavour, because the whole issue is of deep concern. I am pleased he knows the difference between a popular front and a united front. Diversity is always our strength. The issue of privatisation of Telstra—as indeed all issues of privatisation—is something the Greens have great concern about. It is where we have been 100 per cent consistent. The history of privatisation around the world, and indeed in Australia, is one that delivers great ruin to the communities affected. With Telstra, as we know, it is rural and regional communities that are at the head of the list. In the three-month break I have had the opportunity to move around New South Wales, meeting and working with people in various areas. Much of that time was spent on the other side of the so-called sandstone curtain, which I have found the Great Dividing Range is now called by people on the other side of the mountains

The Hon. D. J. Gay: Where have you been?

Ms LEE RHIANNON: In answer to another pathetic interjection from the Deputy Leader of the Opposition, I acknowledge I have not heard the term before but I have certainly heard about the Divide. The loss of jobs and services came up time and again. We all realise in this day and age that phone communications are an essential service, not a luxury. I noted with interest the number of rural people who are moving into e-communications of all types, as a way of keeping in touch with people, managing their farms and businesses, and reducing their phone bills. They have real concerns about the privatisation of Telstra. I enjoy listening to the Hon. D. F. Moppett. His contributions are well argued, even though I may not agree with them. However, he fell down considerably when he ventured into discussion of competition, which he seemed to fail to understand. It has been shown that competition does not deliver for the bush in Australia, as we have seen particularly with the ABC.

I find time and again that country people are so passionate about the ABC because they know that if it is gutted any further they will not receive the basic service they get through that form of communication. Similarly, there is wide recognition that Telstra is essential for telecommunications and there is concern that it not be further privatised. We strongly support this motion. I need to comment on a couple of remarks made by the Hon. I. M. Macdonald yesterday on the issue of FreightCorp. His remarks demonstrated an interesting contradiction in a party that chases privatisation in some areas but not in others. That contradiction was clearly evident in the honourable member's comments. We heard it said, "Let us not raise the issue of FreightCorp."

It is greatly worrying to hear the argument that this Government is being forced to sell out FreightCorp because of what the Federal Government is doing with regard to the national rail system. That is such a cheap argument and is an attempt to hide behind a screen said to be linked to the Federal Government. The Government in this State is not doing the right thing by the people of New South Wales and particularly people in rural and regional communities, and is using a rather tired old smokescreen. It seems that the Government, rather than saying this is Labor Party policy, did not learn from the big privatisation battle. The Greens were pleased to be able to work with sections of the Labor Party and a number of unions to fight the attempt to privatise the electricity industry, another success.

Reflecting on that battle, we note that the lesson the Premier and the Treasurer seem to take from that win was never to mention the P-word again, never to call anything privatisation. That is what the Government effectively might be doing in transport and schools, and in this case in FreightCorp, but it realises it has to get the unions on side and talk about jobs all the time and not talk about privatisation. The Government says it is doing this for the people and this is the only way it can save jobs. That is a major con and will bring Labor undone in the country areas where it is trying to gain ground. Let us remember, as we are considering a Federal issue, the unsavoury work Labor did in privatising the Commonwealth Bank and Qantas and, in New South Wales, the TAB. Labor does not have a good track record, but this is actually a motion about Telstra and a fight for public assets. The Greens are pleased to support the motion and we congratulate the Hon. I. M. Macdonald for bringing it forward.

The Hon. J. H. JOBLING [11.16 a.m.]: Not surprisingly, I oppose the proposition put forward by the Hon. I. M. Macdonald. Frankly, I thought his argument was nothing more or less than a failed ideology, and, considering the time he had to put it forward, I was extremely disappointed. My colleague the Deputy Leader of the Opposition, in moving his amendment, succinctly pointed out that the Government was wasting time. It was clear yesterday that the Government had no bills or work before the House, yet I am beginning to hear that the Government and the Hon. I. M. Macdonald have been speaking with the crossbenchers, one might say monsterring the crossbenchers, to oppose the sensible amendment of the Deputy Leader of the Opposition.

The Hon. I. M. Macdonald: Point of order: I ask the honourable member to withdraw the comment that I am monsterring the crossbenchers in relation to this matter. I am not. I am having perfectly sensible and logical discussions. I ask the honourable member to withdraw the use of that term.

The Hon. J. H. JOBLING: To the point of order: I suggest the word "monster" is a well accepted word in the English dictionary. It could be used in either form, and the honourable member has not taken care to describe which form of monster he objects to being called. At the same time he admits to having discussions. I contend to you, Madam President, that the way he conducts those discussions would easily fall within that term, and in this House it has been normal practice to allow fair and robust debate.

The PRESIDENT: Order! If the Hon. J. H. Jobling had referred to another member as a monster, that might be seen as the use of unparliamentary language. To describe what the Hon. I. M. Macdonald does as monsterring is probably robust language, but it is not unparliamentary. The member need not withdraw the comment.

The Hon. J. H. JOBLING: I reiterate the point that the honourable member, just a moment ago, quite clearly demonstrated extremely robust debate and, as such, would be exercising pressure to have the Deputy Leader of the Opposition's amendment defeated. One would wonder why. Clearly, it exposes the paucity of the Government's argument and its failure to produce any work in this House. At the same time, it is extremely probable that the Hon. I. M. Macdonald has gone further than that.

Because the amendment moved by the Deputy Leader of the Opposition has exposed the Carr Government's waste of the resources of this House in canvassing Federal issues and failing to address or discuss matters of State importance, the Hon. I. M. Macdonald is now suggesting to crossbenchers that they should defeat his motion. That causes me a great deal of dismay. It also causes me to wonder why the Government put such a matter on the business paper in the first place. I suggest that honourable members clearly throw out the Hon. I. M. Macdonald's proposition and strongly support the amendment moved by the Deputy Leader of the Opposition.

Reverend the Hon. F. J. NILE [11.20 a.m.]: I have one or two concerns about the motion moved by the Hon. I. M. Macdonald. I am also concerned that the amendment moved by the Deputy Leader of the Opposition is critical of Federal issues being raised in this House. That seems to be inconsistent with previous practices of this House. In the past Federal issues have been raised by both sides of politics, and I agree that Federal issues should be raised in the relevant way. The motion is simply a political motion aimed at the Federal Government because it condemns the Federal Government for its policies on Telstra. That is not a helpful approach.

It is right and proper for this House to debate Federal matters that have some bearing on the people of this State—and obviously Telstra has a major impact on the people of this State—but those matters should not be debated under a loaded gun, so to speak, aimed at the Federal Government. That makes the issue a political issue. It would be much better if the motion were reworded in such a way that it did not condemn the Federal Government but raised a number of practical issues arising from the sale of half of Telstra, and possibly the remaining 50 per cent, and how that affects rural and regional communities.

The Federal Government is well aware of these criticisms. As other speakers have said—I think the Deputy Leader of the Opposition spelt it out clearly—the Federal Government has taken many steps to relieve the pressure on rural and regional areas. One step is to try to provide phone calls for the same charge to all citizens in Australia, irrespective of where they live. I support a policy of standard pricing not only in relation to Telstra and telephone charges but also to other matters. It would mean that city residents carry some of the cost, but I do not think that is unfair. In other words, people who live in the country should not pay more for items such as food, petrol and telephone calls simply because they live in the country.

Higher charges are like an extra tax on people in country areas who are already suffering many other economic pressures, whether through floods, drought and so on or simply the economic downturn that has occurred in country areas. We support in principle the equalisation of charges across the nation so that everyone is charged the same price. We acknowledge that the Federal Government has responded to some criticisms. Even as I speak it is rapidly responding to criticism about petrol prices and other matters brought to its attention through the election results in Western Australia and Queensland. The Federal Government is moving rapidly to reduce the amount of criticism of its policies.

As I said, it is not helpful for the Government to move a motion that simply attacks the Federal Government. However, I am not happy with the Opposition's amendment, the impact of which will be to ban the discussion of Federal issues in this Parliament. On the day the Hon. I. M. Macdonald moved this motion the Hon. Dr B. P. V. Pezzutti rightly moved a motion, which we would strongly support, acknowledging the one hundredth anniversary of the Australian Army. It could be argued that that is a Federal issue but it also has an impact on our State. A number of the motions move by Opposition members would have a Federal impact and rightly should be debated in this Parliament. Therefore, we do not support the motion moved by the Hon. I. M. Macdonald and we do not support the amendment moved by the Deputy Leader of the Opposition.

The Hon. J. S. TINGLE [11.24 a.m.]: I intend to speak briefly on this motion. I do not think there can be any debate about the poor quality of some services provided by Telstra to country areas. I have lived in

country areas. I have lived on and owned properties where the telephone line was connected to the top wire of a fence, and I know exactly how bad that can be. However, I believe that there is not much to be gained from the debate that has been going on in this place since yesterday, simply because I do not believe that the Federal Government, being as unresponsive as it is towards everything, is likely to take the slightest bit of notice of any kind of condemnation from this House of its policies on Telstra or anything else.

I should like to argue that point with the concerns raised by Reverend the Hon. F. J. Nile, who rightly said that there should be no ban on discussing Federal issues in this House. I do not believe that the amendment moved by the Deputy Leader of the Opposition will create such a ban or block. It seems to be saying that, if we support the amendment—and I do support the amendment—we do not understand why we have talked about this particular issue today instead of giving priority to State issues, which are probably more important and upon which this House can have a greater impact. I do not believe that Reverend the Hon. F. J. Nile has great cause for concern about the wider impact of the Deputy Leader of the Opposition's amendment because, as I said, I do not think it will stop us from addressing Federal issues but, instead, insists that we should give Federal issues proper priority. I support the amendment.

The Hon. A. B. KELLY [11.26 a.m.]: I support the motion moved by the Hon. I. M. Macdonald. I want to talk about the full privatisation of Telstra. I am sure honourable members appreciate the high stakes involved in the Howard Government's desperate attempts to push through the full privatisation of Telstra, against the wishes of most Australians. I am pleased that Reverend the Hon. F. J. Nile said that country people should have the same services as their city counterparts for the same fees, and I shall talk more about that in a moment.

Labor and Country Labor oppose the full sell-off of Telstra for three crucial reasons, which are supported by the Federal Opposition—jobs, revenue and the maintenance of decent telecommunications services in the country. Last year I was sickened when Telstra, after announcing a record profit of \$2.1 billion, immediately proceeded to outline its plan to shed between 10,000 and 6,000 jobs—10,000 directly from Telstra and 6,000 from NDC, Telstra's privatised company, which it will be able to shed separately. This is a result of what happens when profits are put before people, and it is a result of the fact that less than 50 per cent of Telstra is privatised. What would happen if Telstra were fully privatised? This is the result when public assets are sacrificed to private interests.

The Telstra sell-off will not only destroy jobs but also sacrifice government revenue—revenue that could be used to develop and drive programs throughout the country. The Coalition trundles out the old argument that by selling off the rest of Telstra it will be able to retire Government debt. That is a shallow argument that does not stand up to questioning. My father-in-law always used to say, "If you keep selling off the back paddock you eventually get to the front gate." It is like a home owner who, wishing to remove the burden of house repayments, sells the house, only to find that he must use his income to rent another property. And he has no long-term asset. The Coalition's argument similarly lacks any logic.

Besides cutting jobs and revenue, the full sale of Telstra threatens the maintenance of an effective and reliable telecommunications network in the bush. Over recent months we have had several indications of what the full privatisation of Telstra will mean for country communities. For example, last year Mudgee hospital was left without two vital phone lines for four days. Despite desperate calls from hospital staff requesting priority status on Monday, the hospital's vital lines of communication were fully restored only on Thursday evening. Other communities in surrounding areas, including Dunedoo, were also without phone lines on that occasion and on another two occasions. Indeed, a fire engine from Dubbo had to be stationed at Dunedoo because no phone lines were available.

Sydney residents would not tolerate such a lack of service for four minutes let alone for four days. But it will become a reality if the complete privatisation of Telstra goes ahead. Complete privatisation would not only threaten the provision of reliable phone services but, as in the case of Mudgee District Hospital, it could place lives at risk. That is why Labor and Country Labor continue their strident opposition to the sell-off of Telstra. The momentum behind our campaign is growing. The National Party, particularly the Queensland National Party, seems to be changing its mind on this issue, and I welcome its support. This issue goes far beyond party politics and it is too important for the Nationals to hide behind the political expediency of the Coalition. The Nationals are experiencing a huge downfall right across the country because they are simply issuing Liberal Party policies and not differentiating themselves.

Rural members of Parliament need to unite and speak out against the anti-country policies of the Howard Government. I reiterate the comments Reverend the Hon. F. J. Nile made a few moments ago. Last year

the Hon. P. T. Primrose reminded me that there is a factory in his area that fronts two streets. If factory workers ring Sydney from one section of the factory it is necessary for them to make a trunk call. However, a telephone has been installed at the rear of the factory because it fronts a different street and if workers ring from there it is only a local call. That sort of zoning anomaly occurs throughout New South Wales and needs to be addressed. It costs people 45¢ to send a letter anywhere in this country, but people in country areas must pay trunk line fees and enormous fees on timed phone calls. This issue must be addressed. I ask the House to support the motion.

The Hon. I. M. MACDONALD (Parliamentary Secretary) [11.31 a.m.], in reply: I thank all honourable members who have participated in this debate. At various times some rather robust debate has taken place; however, I think that is probably a very good thing for this Chamber. I note that whilst members may have had robust statements to make, at other times they are quite gentlemanly and friendly in this place in relation to other issues and events. The Deputy Leader of the Opposition, the Hon. Dr A. Chesterfield-Evans, the Hon. J. S. Tingle and the Hon. D. F. Moppett criticised the Government for bringing on the Telstra motion at the beginning of the autumn session. I make it clear that the Government did not bring the motion on. The Deputy Leader of the Opposition in his contribution even described it as the first item of business.

Last December the Government and the crossbenchers agreed to the relinquishing of three private members' days at the end of the 2000 spring session, to be replaced by three extra days during this session. Yesterday and today are the first opportunities for the Government to commence the process of returning those days. The Government has maintained its commitment to the House. The fact that the Telstra matter moved by me was one of the first items to be adopted on private members' days at the beginning of this session was not, therefore, determined by the Government. The private members' list, as all honourable members know, is determined by a ballot and it is there for all to see. It must be remembered that this has been the policy adopted by the Government since taking office to ensure that no day will be lost. Therefore that matter, as referred to by a number of members, is completely irrelevant.

The amendment moved by the Deputy Leader of the Opposition is one of the most pathetic and irrelevant amendments to be moved by the Opposition in this House. I agree with Reverend the Hon. F. J. Nile that the amendment defies logic, and I understand that he will not vote for it. It is a desperate attempt by the Opposition to avoid grappling with the real issues posed by this debate. To accuse the Government of wasting this House's resources by canvassing Federal issues is, in effect, a critique of a number of motions moved by members of all sides of this House relating to issues that are beyond the direct confines of this State's boundaries. For example, the notice of motion of the Hon. J. M. Samios, which I note he has withdrawn from the list, has Federal ramifications. The Hon. Dr B. P. V. Pezzutti's notice of motion—No. 74 on yesterday's business paper—reads in part:

That this House:

- (a) celebrates the 200th anniversary of the raising of the Army Reserve in Australia,
- (b) commemorates the service of civilian volunteers to supplement the Regular Armed Forces in Australia over that period,
- (c) acknowledges the role played by those Reservists in all phases of Australian history ...

The remainder of the notice of motion is totally federally oriented, although it has some State implications, as does this Telstra motion moved by me. The Hon. Janelle Saffin has a notice of motion that condemns Northern Territory mandatory sentencing. The Leader of the Opposition has a notice of motion on the goods and services tax, yet he criticised me for moving this motion. Notice of motion No. 66 deals precisely with a Federal issue: the goods and services tax. But I again acknowledge that that motion does have some impact on the citizens of this State.

[Interruption]

The Leader of the Opposition has withdrawn his notice of motion, but it is still on the list. The Hon. I. Cohen has a notice of motion relating to British hunter-killer nuclear submarines, which I am sure will be debated in this House. I am sure that members opposite will not move a motion that the House should not debate it. Ms Lee Rhiannon has a number of motions on the notice paper. The Hon. Helen Sham-Ho has a notice of motion that relates to the Council of Australian Governments, Aboriginal reconciliation and multicultural Australia. All of those motions canvass issues that go beyond the confines of the State border. It is therefore absolutely stupid of the Opposition to move an amendment that attempts to deny members the opportunity to debate issues that go beyond the borders of New South Wales.

In the past members simply had to get out the list of motions moved by Opposition members and other members to realise that we in this Chamber have taken not only a responsibility to the citizens of this State on

issues that are directly state-related but we have taken a responsibility to our citizens on issues that relate not only to Australia but at times to international matters. For example, the Hon. Patricia Forsythe moved a motion, which has been carried by this House, on the Australian Army involvement in Rwanda. The House has debated motions about human rights in Nigeria, Australia's involvement in Rwanda, Aboriginal people in Australia and an Amnesty International report on human rights in Turkey. National gun control has been debated in this House. Amnesty International issues have been debated in this House. The Hon. J. P. Hannaford agreed to it when he was leader of the Chamber. National Sorry Day has been debated in this House.

The amendment moved by the Opposition is clearly ridiculous. It ignores the fact that the majority of people in this country do not support the sale of Telstra. I am sure that honourable members will not be hoodwinked by this manoeuvre. The motions I have referred to have been passed by the House during the last few years. I now await the Opposition's response to the motions on the notice paper, which will be dealt with in the fullness of time, that deal with issues beyond the confines of the State. The issue at hand is clearly outlined to the people of this State. Consequently, the motion should be dealt with and the Opposition's amendment should have dealt with the issue at hand—the Opposition should have clearly outlined to the people of this State its real views on the sale of Telstra.

Instead, the Opposition chooses to hide behind the skirts of a silly attempt at pseudo procedural motion. The majority of members will not be hoodwinked by this impractical amendment. They will vote yes or no on the sale of Telstra. Despite the Opposition's attempts to ridicule this important motion, I await the opportunity to see which way members vote. We in the Labor Party will certainly inform the people of regional New South Wales just how members voted on this critical motion. The Hon. Dr A. Chesterfield-Evans said in this House:

I wish to ridicule this motion. It is an absolute disgrace that the Government ... wastes the time of this House [in relation to this motion].

I have already dealt with the relevance of this position. However, the remainder of the honourable member's contribution skirts the issues and fails to oppose the privatisation of the sale of assets. For the assistance of the Hon. Dr A. Chesterfield-Evans, I cite his Federal leader in relation to this issue.

The Hon. J. H. Jobling: Which one?

The Hon. I. M. MACDONALD: The Democrats spokesperson for communications, Senator Lyn Allison, stated:

It will water down public ownership and also water down the shareholders' ownership as well ... The Senate, which has succeeded in blocking the sale of the rest of Telstra, had little legislative power to stop the NDC sale, but all options would be explored.

The position adopted by Hon. Dr A. Chesterfield-Evans is at complete variance with the position of the Federal Democrats, who oppose the sale of Telstra. I will take a minute to point out the appalling position adopted by the National Party. Members of the National Party are falling apart nationally and everyone knows it. We know that in New South Wales Country Labor is taking them apart. Recently a very large poll was taken at Gwydir. It shows why members of the National Party face great difficulty. The issues canvassed with 700 survey respondents included this question:

Do you agree or disagree with each of the following—

The National Party is out of touch with people in the bush.

I ask honourable members what the answer to that question is. The survey shows that 68 per cent of voters in Gwydir believe that the National Party is out of touch with people in the bush. I rest my case.

The Hon. D. J. Gay: Point of order: My point of order relates to relevance. The Opposition has indicated that the motion is an improper motion for this House, yet the Hon. I. M. Macdonald has now gone well beyond the terms of the motion. I raised issues dealing with Beazley meeting with the Macquarie Bank on privatisation and the honourable member has not addressed any of those issues. He continues with a tirade that is making no honourable member any better informed.

The DEPUTY-PRESIDENT (The Hon. A. B. Kelly): Order! The time allowed for the debate has expired.

Question—That the amendment be agreed to—put.

The House divided.

Ayes, 14

Dr Chesterfield-Evans	Mr Lynn	Mr Samios
Mrs Forsythe	Mr Oldfield	Mr Tingle
Miss Gardiner	Mr Pearce	<i>Tellers,</i>
Mr Gay	Dr Pezzutti	Mr Jobling
Mr Harwin	Mr Ryan	Mr Moppett

Noes, 22

Mr Breen	Mr Johnson	Ms Saffin
Ms Burnswoods	Mr M. I. Jones	Mrs Sham-Ho
Mr Cohen	Mr R. S. L. Jones	Mr Tsang
Mr Della Bosca	Mr Macdonald	Dr Wong
Mr Dyer	Mrs Nile	
Mr Egan	Reverend Nile	<i>Tellers,</i>
Ms Fazio	Mr Obeid	Mr Primrose
Mr Hatzistergos	Ms Rhiannon	Mr West

Pairs

Mr Colless	Dr Burgmann
Mr Gallacher	Ms Tebbutt

Question resolved in the negative.

Amendment negatived.

Question—That the motion be agreed to—put.

The House divided.

Ayes, 19

Ms Burnswoods	Mr Johnson	Mrs Sham-Ho
Mr Cohen	Mr R. S. L. Jones	Mr Tsang
Mr Della Bosca	Mr Macdonald	Dr Wong
Mr Dyer	Mr Obeid	
Mr Egan	Mr Oldfield	<i>Tellers,</i>
Ms Fazio	Ms Rhiannon	Mr Primrose
Mr Hatzistergos	Ms Saffin	Mr West

Noes, 17

Mr Breen	Mr M. I. Jones	Mr Ryan
Dr Chesterfield-Evans	Mr Lynn	Mr Samios
Mrs Forsythe	Mrs Nile	Mr Tingle
Miss Gardiner	Reverend Nile	<i>Tellers,</i>
Mr Gay	Mr Pearce	Mr Jobling
Mr Harwin	Dr Pezzutti	Mr Moppett

Pairs

Dr Burgmann	Mr Colless
Ms Tebbutt	Mr Gallacher

Question resolved in the affirmative.

Motion agreed to.

HEALTH CARE COMPLAINTS COMMISSION**Report: Investigation of Incidents in the Operating Theatre at
Canterbury Hospital 8 February-7 June 1999****Report: Investigation into Adverse Outcomes Following Cataract Surgery at
Dubbo Base Hospital on 8 February 1999**

The Hon. Dr B. P. V. PEZZUTTI [11.55 a.m.]: I move:

That this House takes note of the following reports by the Health Care Complaints Commission tabled in the Legislative Assembly on Tuesday 14 September 1999:

- (a) Report on an investigation of incidents in the Operating Theatre at Canterbury Hospital on 8 February-7 June 1999,
- (b) Report on an investigation into adverse outcomes following cataract surgery at Dubbo Base Hospital on 8 February 1999.

I have been ready to move this motion since 30 September 1999. Honourable members will remember that when the incident at Canterbury Hospital occurred on 11 June 1999 the *Sydney Morning Herald* reported:

A Sydney specialist is facing possible criminal charges after injecting 22 patients with dye containing caustic.

Two of the patients, who were injected over a five-month period at Canterbury Hospital, have since died. Four of the other 20 are seriously ill in hospital.

The article continued:

The chief executive of Central Sydney Area Health Service, Dr Diana Horvath, said she was unaware of this happening anywhere else in the world.

The department has referred the matter to the coroner to determine whether there is any link between the procedure and the deaths of two of the doctor's patients.

Dr Tony Speer, a gastroenterologist at Royal Melbourne Hospital who commonly performs the procedure, said it was possible the phenol had not caused any problems.

However, in spite of all of that, the doctor had notified the hospital on the Monday that the wrong solution had been used. The article continued:

The Department was informed on Tuesday, the complaints commission investigation began yesterday. [That was two days later] and the patients affected were assessed by gastroenterologists yesterday.

I will term the Minister for Health, Craig Knowles, "blame and shame Minister" because of what he did, but the article states that he said:

... the range of sanctions available to the (commission) including referral to the Director of Public Prosecutions, if that should be found to be necessary.

He was "shocked and frankly dismayed" and had no sympathy for the doctor involved.

I saw the outraged Minister on television pointing his fingers. The Minister said:

One would find it hard to believe that in a system such ours you could have such fundamental error by a clinician in the delivery of what should be a fairly straightforward diagnostic services. I, of course, expect any or all individuals associated with this incident to be held fully and totally accountable for it.

I bring this matter to the attention of honourable members because some 33 errors of judgment in the system occurred and in only the last of them was the doctor vaguely implicated. I refer to the confusion between injecting a crystal clear solution that came out of a 20 ml phial with the professional label "Conray 280" on it and a 5 ml phial with an ordinary paper cover on it which stated that there was 10 per cent phenol in conray 280. Conray 280 is a radio-opaque dye and when injected the dye cones up as very dense on X-ray. The poison is phenol. The gastroenterologist passes a scope down through the patient's mouth into the stomach and uses a very delicate technique, with the patient anaesthetised, to get a catheter to pass up the common bile duct into the gall bladder to see why the patient might be jaundiced—whether there is a blockage in the common bile duct and so on.

The dye is injected to outline the common bile duct, the passage into the pancreas and the bowel generally. If a blockage is found, a wire can be passed through the passage with a catheter, the blockage is then held away, the patient's bile goes from the liver into the gut, and the patient's liver function then returns to being relatively normal. This is often done with seriously ill patients who have cancer at the head of the pancreas or cancer in or around that area. What did the Health Care Complaints Commissioner find after she did the investigation? She found a number of systemic problems. Note what the Minister said:

One would find it hard to believe that, in a system such as ours, you could have such a fundamental error by a clinician.

The Health Care Complaints Commissioner found a series of systemic problems. I will indicate what they are because the people of New South Wales deserve at least to know what is going on in the New South Wales health system, a system controlled in this case by the Central Sydney Area Health Service. That health service at the time had a stores provision process which did not include a pharmacist. That stores provision process involved the ordering of large amounts of drugs on requisition even though there was no pharmacist controlling the ordering of those drugs.

This drug, the 10 per cent phenol in Conray 280, is available only on a special order signed by a pharmacist and a doctor, with the purpose for the use of the agent required to be given before the manufacturer may supply it. This is an agent that I have used in pain relief in doing what are called chemical sympathectomies, where nerves are chemically destroyed. The conray is used to make sure that the needle is in the right place, as proof that the needle is properly positioned to kill the target nerves. It is the sort of drug that the Central Sydney Area Health Service should only ever have been using at Royal Prince Alfred Hospital or at Concord Hospital—never at Canterbury Hospital, because there would not have been an indication, given the level of services delivered at Canterbury Hospital, that that drug should be used. But what happened? The whole thing reads like a tragedy of errors. The first error is to be found at page 17 of the report:

Although the imprest list said the item was Conray 280 **50ml**, the solution in stock in 1998 was Conray 280, **20ml**.

So the 50-millilitre ampoule and the 20-millilitre ampoule were barcoded the same. The second error was evidence by the notation of the report that, although things changed in 1999, for the same period "the record indicates that 126 vials of the wrong solution, Phenol 10% in 60% Conray 280, 05ml were delivered to Canterbury Hospital Pharmacy." So the area health service was delivering the wrong product—a product that was not requested—to the pharmacy at Canterbury Hospital. The report further states:

Even though checks were made, it was **not** noted at any time, or by any person, that the product being counted as Conray 280 was a completely different solution.

This is the system that the Minister said is wonderful. The report continued:

... there is no independent recollection held by Recovery nursing staff of seeing a 05ml vial and a 20ml vial in the cupboard space occupied by Conray 280 ...

Error No. 4 was noted by this part of the report:

If the expiry date was checked, as stated, there was no recognition that the product was:

- significantly different to that being used previously;
- different to the name printed on the imprest list;
- different to the name printed on the shelf of the stock cupboard in the Sterile Stock Room, Operating Theatres;
- different to the name printed on the solutions list ... attached to the stock cupboard door located in the Sterile Stock Room ...

Attached to the report are photographs of the list and the stock room. Error No. 5 is marked by this passage from the report:

The next requisition by Canterbury Hospital Pharmacy Department was on 05 January 1999 and the product requisitioned was Phenol 10% in 60% Conray 280.

Error No. 6 is indicated by this statement:

The new employee commenced as pharmacy clerk in November 1998. This staff member had no previous pharmacy experience but had undergone a merit selection process for the position.

One would think that a pharmacy clerk, selected on merit, would have some pharmacy experience. But one never knows. The report continues:

The new pharmacy clerk was orientated to the duties of the position by the previous pharmacy clerk who had resigned and returned two days a week for training purposes.

So the new pharmacy clerk had four days of training to fit him for the ordering of all these sophisticated drugs, which were ordered and delivered to a store that had no pharmacist. Error No. 7 is reflected by this statement:

The Chief Pharmacist told the Commission that following the orientation period all pharmacists contributed to supervising the pharmacy clerk in her new role.

Obviously, no supervision was involved in this case. Error No. 8 was:

However, there would have been no catalogue number for the contrast medium Conray 280 because it was not catalogued.

In other words, because this agent is so rarely used, it was not on the catalogue. So they went to the nearest thing! This was error No. 9:

The only item located as a result of this search on the Oracle system—

This was the system that the Minister referred to as the wonderful ordering system, expressing disbelief that, with the systems that the Government has in place, errors like this could occur and that the doctor would be responsible. I return to the report:

The only item located as a result of this search on the Oracle system was Phenol 10% in 60% Conray 280. Consequently, this product was entered into the Oracle generated computer requisition. This process was repeated on each occasion that Conray 280 was requisitioned by Pharmacy ...

In other words, every time the pharmacy ordered this agent, it got the wrong item. Error No. 10 is established by this paragraph lifted from the report:

Conray 280 was not listed by the Oracle system as a result of the search using the colloquial "%Conray%", because Conray 280 was not an inventory item, but a "miscellaneous" or one-off purchase. Conray 280 was requisitioned prior to 1999 by typing the full name, Conray 280, onto the requisition form. The new pharmacy clerk, however, was not aware that the product was a miscellaneous item or that it had been requisitioned in this manner previously.

In other words, this was a local arrangement that was not part of the system but which interfered with the system. The Minister is absolutely responsible for that. The pharmacy clerk had very poor training, and that was the problem. The report continues:

Since the last requisition in 1998 for Conray was on 19 October 1998, (before the pharmacy clerk commenced work in the Pharmacy Department in November 1998), the pharmacy clerk would not have been involved in the previous requisition or receipt of Conray in 20mls vials.

Error No. 12 is established by this part of the report:

Documentation provided by Central Sydney Supply Service (CSSS)—

notice, no pharmacist—

indicates that this product had not previously been requisitioned by Canterbury Hospital ...

If there had been a pharmacist at the central stores at the Central Sydney Area Health Service he or she would have been asking the question, "Why on earth is this pharmacy clerk at Canterbury Hospital ordering these, when they are never going to use them there? What is going on here?" There is a need for a pharmacist at the central stores at the Central Sydney Area Health Service. But the chief executive there, I suppose in an effort to cut costs and come in on budget, at the Minister's request, probably made an error in not having a pharmacist at central stores. Error No. 13 was:

The pharmacy clerk accessed the system by using the password of the Chief Pharmacist.

That is, the chief pharmacist at Canterbury Hospital. There was no authorisation by the chief pharmacist to allow a clerk to use his access code. The report continues:

The other hospital pharmacist had been issued with a password which, the Commission was advised, had expired due to infrequent use. Therefore, when this pharmacist required access to Oracle, again the Chief Pharmacist's password was used.

Error No. 14 is reflected in this statement:

Since the Operating Theatre would routinely requisition a product containing Phenol, (Phenol in Almond Oil, used for haemorrhoids) there would be nothing on the screen requisition to alert the approver. The limited amount of information available to the approver is one of the limitations of the Oracle system.

This had been widely known throughout the health system for years. What had this Minister done about correcting it? Nothing! Error No. 15 is evidenced by this extract:

The pharmacy clerk demonstrated the query function used by entering the colloquial "% Conray%". Again the only product listed was Phenol 10% in 60% Conray 280 ... The Commissioner brought this continuing situation to the attention of the Director-General of NSW Health, and changes were made to the "Oracle" system to ensure that the product Phenol 10% in 60% Conray 280 was no longer listed by Oracle in response to any query using the colloquial "Conray".

In other words, the commissioner, Merrilyn Walton, intervened at the time she found the problem. Nothing happened for three weeks, until the commissioner pointed this out to the Minister. Only three weeks after this error occurred did something happen. It could have happened anywhere in the State because the same procedures are followed elsewhere. Error No. 16 was as follows:

There was no catalogue number for the item Conray 280, and no warning or direction on the Pharmacy shelf, or elsewhere, to alert an experienced staff member that the product was a "miscellaneous" item.

Error No. 17 was:

No product information is supplied with the product—

and this is referring to phenol, the dangerous drug—

as it is requested by the hospital for the specific use stated in the DEB9 contract. In this case it is stated on the completed form that the product is to be used for chemical sympathectomy for the relief of chronic pain. This is an appropriate use for this solution.

That is the only appropriate use for that product. The total number of phials provided to services other than Canterbury was 36, while 170 phials were used at Canterbury Hospital. Prince Alfred and Concord hospitals, the two hospitals at which we would expect the odd chemical sympathectomy—the appropriate use for the drug—got 36 phials, but Canterbury Hospital suddenly got 177 ampoules of the stuff. That is outrageous! Any pharmacist at central stores would have realised that. Error No. 17 was:

There was not at the time a system in place at CSSS/PSS—

that is, the central store—

to 'flag' an order for a product that was:

- not normally used at a particular hospital;
- requisitioned in unusually large amounts;
- a special purpose item not usually used at a particular facility or provided only under certain conditions.

So the Oracle system is not a fail-safe system. Error No. 18 was:

The central requisition system for the Central Sydney Area Health Service:

- failed to flag the first time a special order product, used in limited chemical circumstances, was requisitioned by a health facility;
- failed to flag the high level usage of a special order product by a health facility;
- failed to query the high level usage of a special order product.

Error No. 19, which relates to the delivery of the product to Canterbury Hospital pharmacy in the report, was as follows:

Delivery receipts for the order of Conray 280 indicate that all the stock delivered to Operating Theatres from the Pharmacy Department after 05 January 1999, were:

- in 5ml vials;
- invoiced at a cost at \$20 or \$21, the cost of a 5ml vial of Phenol 10% in 60% Conray 280.

Error No. 20 was:

There was a failure to recognise that the product delivered was not the correct product.

Error No. 21 was:

There was a failure to question the change in size of the vial delivered to that used previously.

Error No. 22 was:

There was a failure to question the need for the revision of the amounts ordered in view of the change from a 20ml to 5ml vial.

Error No. 23 was:

There was a lack of any protocol regarding the receipt of goods into the pharmacy and guidelines for dealing with any discrepancies regarding goods received.

Error No. 24, relates to the delivery of phenol to operating theatres. The Minister has not drawn these errors to the attention of the House. I am quoting directly from the report, which states:

The documentation accompanying deliveries (the imprest list and a delivery receipt) generated in Canterbury Hospital Pharmacy rather than from Oracle, stated that the product delivered was Conray 280, 5ml. The name of the product delivered after 05 January 1999 was clearly different to the name of the product requisitioned by Operating Theatres on the imprest list and that stated on the delivery docket.

Error No. 25 was:

There was no system in place in pharmacy to ensure that the name, strength, and volume of the goods was adequately checked against the requisition prior to despatch.

Error No. 26 was:

There was no system in place to flag the apparent increased cost of an item from \$7.50 to \$21 with a decrease in volume from 20ml to 5ml.

So these goods were costing three times more or, on a volume-for-volume basis, 12 times more than the previous drug. Error No. 27 was:

Apart from the name of the item delivered, Phenol 10% in 60% Conray 280, there were other visible differences in the product delivered from Conray 280.

The commission clearly points out those differences. Phenol comes in brown glass, and conray in clear glass. The colour of the label for phenol is black print on white, and the colour of the label for conray 280 is light blue print on white. The contents on the label are shown as follows:

Phenol was part of the mixture Conray 280 alone.

The table in the report shows that the phenol solution contains a caustic substance and the conray 280 solution is quite different. Under the heading, "directions for use" for phenol are the words, "Use under strict medical supervision." There are no directions for use for conray 280. Error No. 28 was:

- ticks ... appear in a number of the delivery receipts indicating that the order was checked, including the product listed on the receipt as Conray 280, 5ml.
- on the imprest lists, a second tick ... has been placed alongside or over that made by the pharmacy assistant/clerk when the order was packed. Recovery nursing staff advised that this was the usual method of documenting that the items had been delivered and checked.

Error No. 29 was:

There was no system in place at Canterbury Hospital Pharmacy and/or Operating Theatres to monitor costs of goods received.

There was no system in place in Operating Theatres to flag a sudden increase in solution cost which would increase the cost of the procedure by \$76.

That is a significant amount of money. Under the heading "How did Phenol 10% in 60% Conray 280, 05mls, a caustic solution, come to be used during ERCP procedures at Canterbury Hospital", error No. 30 in the report states:

Of the scout nurses who say they saw the product, all say that they questioned the product while in the operating theatre for the procedure and that they were reassured that the product was appropriate for the procedure by the instrument nurse. Two staff members also noted that there was no information leaflet inside the box of Phenol 10% in 60% Conray 280.

Error No. 31 was:

On examining the requisition records in conjunction with the dates and numbers of procedures performed, it is likely however, that Phenol 10% in 60% Conray 280, 05ml, was used during procedures for which there is no documentation of the product used.

Error No. 32 was:

No Operating Theatre policies existed in relation to the role of nursing staff in checking solutions used in an operative procedure. In addition, there is no written standard published by the NSW Health Department or ACORN—

the Australian Confederation of Operating Room Nurses—

that specifically addresses the practice for checking solutions.

This is where the doctor comes into the picture. I have listed 32 errors, but there are probably more. However, those are the errors that have been identified in the report on this investigation by Merrilyn Walton, the Health Care Complaints Commissioner. Error No. 33 was:

The standard procedure in Operating Theatres in NSW, is for the instrument nurse—

that is, the nurse who has scrubbed up and who is assisting the surgeon—

to check the solution to be used with the scout nurse—

and, here it comes—

or the medical practitioner.

This document clearly shows that instruments were laid out for the procedure according to a chart drawn up by the doctor. The doctor's chart clearly required 20 mls of conray 280. So four ampoules of conray 280 were placed on the tray. When the doctor walked into the theatre all he would have seen would have been instruments, a few catheters and 20 mls of conray 280 in a little pot. Conray 280 is quite a clear solution. The scrub nurse is supposed to have checked this solution off with the scout nurse. That is the procedure that is followed in all public hospitals. The report states:

In this case, the nurses understood the contrast medium was "Conray". While some nurses documented the solution as *Phenol 10% in 60% Conray 280*, no one said this name out loud in the operating room, during the procedure, before the solution was injected into the patient.

Nursing practices require that the solution is checked by someone reading the name of the solution out loud before it is injected into the patient. That was not done at Canterbury Hospital. The doctor could not have known. But when he found out, what did he do? He went straight to the administration. He was devastated and was weeping when he found, after checking, that he had performed 30 procedures like that. The Health Care Complaints Commission report contains a lot of tables, glossaries and terms. I have not yet referred to the procedures carried out in Dubbo. My colleague the Hon. Jennifer Gardiner will refer later to the procedures at Dubbo, which are even worse. Having made a big statement to the press, the Minister said he was going to put this doctor in gaol. He said:

One would find it hard to believe that in a system such as ours you could have such a fundamental error by a clinician in the delivery of what should be fairly straightforward diagnostic services.

He got that wrong, because it is a very highly-skilled diagnostic service. He went on:

I, of course, expect any and all individuals associated with this incident to be held fully and totally accountable for it.

Where is the accountability? I see Diana Horvath is still the chief executive officer of the Central Sydney Area Health Service. I have not seen wide-scale sackings in the Central Sydney Area Health Service. I have not seen the pharmacy department at Canterbury Hospital being turned upside down. It has all gone very quiet. What did the Minister say, after thinking about this a little bit? On 22 June, eleven days after the doctor had been pilloried back and forth, he came into the Chamber and said:

The recent incident at Canterbury Hospital has raised some important questions in the health system and in the broader community about how and why the quality of care for 22 patients was seriously compromised. As honourable members would understand, a relatively simple diagnostic procedure failed. The matter is now the subject of investigation.

He said:

As was reported in this morning's media, the Coroner has declined to further investigate the two deaths on the basis that he has found no link between the deaths and the incorrect treatment. The expert team of gastroenterologists continues to monitor the patients, and the patients and their families continue to be offered full support of the services available. The Canterbury Hospital incident demonstrates that while such errors are not expected to occur, they can and they do. Medical and clinical errors are clearly a feature of the health system in the world. Statistically, the errors are overwhelmingly human. Our role is to find ways of reducing error rates and to ensure consistency of quality health care throughout the health system.

He went on:

The Government is committed to providing and improving the quality of health services to families throughout New South Wales.

Did he apologise to the doctor concerned? Not one bit. It was a completely different Minister in Parliament. He was not jumping up and down calling for the doctor to be put in gaol. He said later:

The issue of quality management brings to mind a totally unwarranted attack by the honourable member for North Shore ...

And he then went on to attack the honourable member for North Shore, who had the temerity to raise these issues in Parliament. The Minister is entirely responsible for the management of the health system. I raised this matter in the House on the day that this report came out—when I knew the report was public. The Minister had the report for five or six days before he tabled it in Parliament. I put out this press release on 10 September:

The Opposition has called for the report investigating incidents of caustic dye at Canterbury Hospital. "Gross negligence" were the words used by the Minister when he described the situation where patients were wrongfully injected with a dye containing phenol. He promised an inquiry. The Minister also promised the results of that inquiry would be made public. That was three months ago. The people of New South Wales have a right to know what went wrong with the system. The commissioner's inquiry has not released its findings. It is nothing short of secret government behaviour.

The Government tabled these documents on 14 September but at that stage the Minister already had them, because they were completed on 3 September. So, the Minister had them for 11 days before he tabled them. That is outrageous. He was running for cover when he tabled them. That is not the only thing that the Minister is responsible for at Canterbury Hospital. The Minister has gutted Canterbury Hospital. This hospital was rebuilt when Concord Hospital came into the public hospital system. We had to rejig our system in the inner west. The previous Government decided it would have to combine Western Suburbs and Canterbury hospitals into one hospital. The Government that was going out of office decided on Western Suburbs Hospital but the current Minister came in and said he would rather merge at Canterbury Hospital. The Government rebuilt Canterbury Hospital. It put a lot of money into rebuilding Canterbury, so what is happening now? On 16 November last year the honourable member for Canterbury complained that the Government had gutted the amount of operating theatre time at Canterbury Hospital. He said:

Only three theatres have been operating since the new hospital opened. I am told that that equates to approximately 30 operating procedures per week. Since that time the Central Sydney Area Health Service has reduced the number of procedures to 25, which means that the hospital was only using 2½ theatres. More recently the number of procedures ... has dropped to 20 per week, which means that only two of the five theatres are operating.

This is the Central Sydney Area Health Service, which is cutting back on services to people at Canterbury local hospital, which is where one provides basic services—not the high-flying Royal Prince Alfred type services. The local member is complaining. He has received no satisfaction from the Minister and he is concerned about the way in which Royal Prince Alfred is now receiving total expenditure for the Central Sydney Area Health Service. I will speak more about this in my reply.

The Hon. Dr A. CHESTERFIELD-EVANS [12.25 p.m.]: These two investigations are important in the sense that they are investigations of an adverse outcome within the hospital system. I point to systemic problems in the identification of drugs used in procedures. A number of issues have been raised. The 33 points elaborated by my colleague the Hon. Dr B. P. V. Pezzutti show the complexity of simply getting a drug and injecting it; the number of steps involved in that, with the ordering of the drug; its coding into a barcode system; its being identified by a pharmacist, its distribution by a scout nurse, who gets it from a cupboard and takes it to the operating theatre; the instrument nurse, who presumably gives it to the anaesthetist or the procedural specialist, who injects it, and so on; and the checks along the way.

Two forces are at work here, and that is why Parliament has to take note of this issue. There is the increasing complexity of hospitals with the specialisation of staff at one end, which means more mistakes are able to happen. There is also a deskilling of staff as hospital costs are constrained. I was interested in the comment made to me in the Chamber just before this debate started. The Hon. J. S. Tingle said, "They are trying to deskill staff at Port Macquarie hospital." I understood that Port Macquarie Base Hospital was not doing as well financially as was anticipated when the deal was made with the Government and the nursing unions. There was an enthusiasm to replace nurses with nursing aides. In other words, there are fewer people to identify problems.

When I worked as an occupational health physician at Royal North Shore Hospital I noticed quite a change in the role of staff, and the jobs of nursing aides, porters and cleaners had been rolled into one position, which was called, I think, a support worker. I cannot recall the exact title of the job. The point is that the nursing aides, who would have had some training in nursing at a basic level—which means being around patients and identifying problems—were being put into other duties, so there was a downgrading of their expertise. The increased turnover meant that the same number of nurses had more patients going through, clerking them in and clerking them out, and all the procedures associated with that. A higher percentage of them would have operations on a particular day because of the faster turnover and the lesser time in hospital, and that means the expertise in the system is being stretched further and further.

At another level, the managerial mantra coming out of Harvard is that one does not need to understand the process to manage it. One simply needs to put the proper procedures in place. That is all great stuff, and in a lot of cases that has resulted in people who have knowledge running around writing the procedures. When I used to work at Sydney Water this used to happen, and I used to think the whole thing was a managerial training exercise. So the poor old manager who was brought in through seniority and rotated through to have the broad experience that enabled him to do the top job was being helped by all of us who wrote the training manuals for the clueless. They could then say, "You deviated from the training manual you gave me."

A huge amount of energy went into writing down the policies. I am not suggesting that we should have no policies and nothing should be written down. Rather than having an ISO9000 or whatever quality control certificate is displayed prominently on the foyer wall, and managers who do not have a clue what they are managing as they cut the expertise of their staff to save their bottom line, the point is that before all these procedures were written down those who did the job well understood what was going on. The level of training in the organisation meant that mistakes were less likely to be made.

I put it to honourable members that increased complexity, the downgrading of staff and the loss of expertise in management—in other words, people who have done the job are not promoted; people are brought in as a managerial class without expertise in the areas they are managing—leads to this situation. In both examples of the misuse of pharmaceuticals the chain of checking was broken. The Hon. Dr B. P. V. Pezzutti made the point that the lack of a pharmacist in the chain of checking the pharmaceuticals may well have been the cardinal error, if one wants to look at it as a managerial system.

The errors that I have observed in hospitals are often system failures. In other words, the system gets so complex that eventually one step fails. When there is a big failure, often a number of steps have led to other steps failing, again because of the complexity. I shall cite an example of a mistake that I saw recently. A man in a nursing home had had a stroke; no-one realised the significance of the red light above the bed which meant that the ripple mattress that stopped the man from getting a bed sore was not rippling. This was not recognised. It is a fairly simple training exercise to say, "The red light means trouble. I wonder what the trouble is. Golly gosh, the ripple mattress isn't working. We better have a spare one." A lack of training meant that the man got a bed sore which has taken months to heal.

Interestingly, in the process of treating the bed sore, which became infected, I had to make a number of visits to the hospital because no-one would take my word that the instructions for treatment by antibiotics could

be given orally on the phone. The instructions had to be written down because hospital staff are precise about their procedures. I am all for precise procedures, but it is one thing to be precise about procedures for checking drugs, and another matter entirely when staff are not skilled enough to recognise that the red light means that the ripple mattress is not rippling, resulting in a bed sore. Sure enough the man got a bed sore, and the poor man has gone back to hospital for surgery, again because of this minor error. The effect of a lack of training is great. A simple problem and a lack of simply training can cause problems. It is another example of the deskilling of the health system causing problems.

We must decide where we will put our priorities in health. I have spoken on this matter many times in this House. The cheapest disease to treat is the one that does not happen. We must shift our priorities from the curative to the preventive to lessen the load on the health system, but that never gets addressed. The power in the health system is often in intensive care units, in which doctors have the most interest and which are the most lucrative. I believe that intensive care units are often the least cost effective in the sense that they are pre-funeral sometimes in the heroic efforts that are attempted. Interestingly, when the health system was put under the microscope recently the number of intensive care beds was taken as a proxy for the health system. That is an extraordinary situation.

The Hon. Dr B. P. V. Pezzutti: New South Wales has the lowest number of intensive care beds per head of population in the western world.

The Hon. Dr A. CHESTERFIELD-EVANS: I note the Hon. Dr B. P. V. Pezzutti's interjection. A more selective use of intensive care units and the redeployment of resources in prevention is not a bad thing.

The Hon. Dr B. P. V. Pezzutti: Unless you need intensive care.

The Hon. Dr A. CHESTERFIELD-EVANS: The idea that one might need intensive care beds prejudices one's judgment considerably. As soon as I finish this speech I will be running around the block to try to maintain my health so that I can avoid the intensive care unit.

The Hon. Dr B. P. V. Pezzutti: Don't get run over by a car and need intensive care. That is the important point.

The Hon. Dr A. CHESTERFIELD-EVANS: No, and I will be wearing my spectacles and looking very carefully as I cross the road. Intensive care units dominate the thinking of the hospital system, the hospital system dominates the health system, and the health system dominates the welfare system. The priorities are being set, probably with the urgent taking priority over the important.

The Hon. Dr B. P. V. Pezzutti: Isn't the Minister responsible for that?

The Hon. Dr A. CHESTERFIELD-EVANS: This Parliament is responsible for the allocation of resources, and I believe it needs to take these issues into account.

The Hon. Dr B. P. V. Pezzutti: No, it isn't. We just check how the Minister is spending resources.

The Hon. Dr A. CHESTERFIELD-EVANS: Ministers take considerably more power from this Parliament than they should. The Parliament must keep a better check on Ministers, and the Executive Government must be more responsive to this Parliament. Also, the Parliament must be more aware of these issues, which is why I am making this speech.

The Hon. D. F. Moppett: What should have happened at Canterbury Hospital?

The Hon. Dr A. CHESTERFIELD-EVANS: The point about the Canterbury Hospital episode is that there was phenol in the Conray solution, which is the radiopaque solution that makes visible the ducts being examined under the endoscopic procedure. The problem at Dubbo Base Hospital was that the eye stream solution being used to irrigate the eyes was in fact the sterilising substance for contact lenses; it was not designed to be used inside the eye. These were managerial problems within the system. I could not pretend that simply fixing more money in prevention and less in the hospital system would fix this problem. One could not sustain that proposition because it was probably the removal of resources from the hospital system that led to a lack of expertise in the checking process, which in turn led to the problem. On the other hand, a more preventive approach would mean that the load on the hospital system would be lessened. Of course, if the load on the hospital system is lessened the stress on the hospital system is lessened, which is why one must look at the matter more broadly. If people live longer there may be a higher incidence of cancer and cataracts.

The Hon. Dr B. P. V. Pezzutti: Fewer car accidents means that more people get older.

The Hon. Dr A. CHESTERFIELD-EVANS: I acknowledge the interjection about car accidents. The point is that people do get older. If people get older they will require a hospital in 50 years; if they have a car accident at the age of 20 they will require a lot of intensive care tomorrow. Basically, something postponed undoubtedly lessens the hospital's load. The systems must be looked at. If we are to look at medical indemnity to work out what to do with medical mistakes—if we want to call them that—or negligence, we need the ability to look at systems and system failures, rather than at nailing individuals. We also need to look at risk management within a framework of the whole system.

The danger of a highly adversarial medical indemnity system is that people are not so willing to acknowledge mistakes within a system, which makes those mistakes harder to fix because they cannot be identified. Of course, more mistakes will then be made, fewer mistakes will be acknowledged, resulting in an expensive litigious procedure to try to find scapegoats, victims or those who made the mistakes—however one wants to define them—within the hospital system. We need a more open approach to enable us to look at things in a risk management sense. There are disciplines of risk management within universities which look at the probabilities of mistakes and procedures and document them, in the manner described by the Hon. Dr B. P. V. Pezzutti, in terms of the potential for errors at each step, how many steps are involved and, obviously, trying to minimise the number of steps, thus reducing the number of errors and checking at the critical stages.

There must be acknowledgment of mistakes, acknowledgment that there are often system failures with a number of people contributing, and clarification of these matters in a managerial context. The Minister must not simply say, "I will nail the doctor." A more systemic approach must be taken. Important lessons are to be learned from these two incidents, and of course from the upcoming discussion about medical indemnity, which I believe has blown out of proportion in the sense that it is finding a few scapegoats for systemic problems that are not being addressed. I urge the Parliament, and the Ministers in particular, to look at these problems systemically and address them. There must be sufficient resources, and particularly sufficient training, at all levels of the health system, because skimping on training of staff at these levels will lead to these sorts of errors.

The Hon. I. M. MACDONALD (Parliamentary Secretary) [12.41 p.m.]: In 1999 the Minister for Health advised the other House of a Health Care Complaints Commission inquiry into serious incidents at Canterbury Hospital and Dubbo Base Hospital. As a result of that inquiry a number of health professionals will appear before inquiries. It would therefore be inappropriate to express any view on the likely outcome of inquiries into any individual before those inquiries are completed. The Canterbury Hospital incident occurred between 8 February and 7 June last year. It involved the injection of a solution containing phenol into the pancreatic ducts of patients undergoing endoscopic procedures. The Dubbo incident occurred on 8 February last year when 19 patients had cataract surgery. Some of these patients were administered an incorrect eye solution. As a result, 12 patients experienced severe corneal damage and visual impairment.

I can report that all patients received full care to manage the adverse impact of the incorrect procedures. The commissioner's investigations provided a comprehensive report into the procedures associated with the two incidents. The reports identified gaps in the communication of information, especially associated with ordering procedures and professional accountability. They graphically depicted the difference between the bottles and packaging containing the solutions that should have been used and those that were incorrectly administered. For example, in both incidents the incorrect solutions contained explicit information regarding their use. The packaging was remarkably different—in the Canterbury matter, a clear 20 millilitre glass bottle versus a brown 5 millilitre glass vial—and clearly labelled.

The reports identified the following procedural issues, which can be summarised as follows. An incorrect solution was used, which clearly contained explicit warning regarding use; protocols and procedures required review; and pharmacy departments were involved in the supply of solution in both cases. However, poor protocols were in place to evaluate the use of pharmaceutical products or to provide advice on specific substances. A significant number of patients were adversely affected. The surgical-nursing teams were experienced. In both instances they were multidisciplinary, and included visiting medical officers. The operation notes lacked detail of significant matters including details of substances used. The commission identified inadequacies in the manner in which surgical stock was ordered and supplied, although these inadequacies differed between cases.

As a result of these findings, a range of recommendations for change were made. The Minister instructed the Department of Health to implement these recommendations. They include the following. A

multidisciplinary working party has been established to review and develop procedures for the requisition and supply of pharmaceuticals and products across all area health services. The working party will also review, on a Statewide basis, the professional services supplied via hospital pharmacy departments to hospital operating theatres. Other recommendations relate to the review of current departmental publications, including circulars, and their distribution to ensure that all significant data is accurately recorded in medical records and that there is an effective, ongoing audit process.

Both these incidents have raised important questions about how and why the quality of care could be so seriously compromised. They demonstrate that whilst we do not expect such errors to occur, they can and do occur, even amongst experienced professionals. To assist health professionals in resolving these problems, the Government has already implemented a quality framework to provide area health services and hospitals with the necessary infrastructure for improving the quality and safety of health care. A new quality and safety unit within the Department of Health has been established to co-ordinate specific projects. The unit will be responsible for examining the concerns raised by the Health Care Complaints Commission relating to medical records in the Canterbury and Dubbo incidents.

In relation to Canterbury Hospital, a complaint has been lodged with the Medical Tribunal against a doctor and this matter has not been heard. A nurse was referred to the Nurses Tribunal, and the tribunal found her guilty of professional misconduct and suspended her from practice for 12 months. Two other registered nurses have been referred to the Professional Standards Committees. As a result of the Dubbo investigation a nurse was referred to the Nurses Tribunal, and the tribunal found in favour of the nurse. Three doctors are still under investigation.

The Hon. JENNIFER GARDINER [12.46 p.m.]: Firstly I join my colleague the Hon. Dr B. P. V. Pezzutti in taking note of these two reports by the Health Care Complaints Commission. Honourable members have just heard the Hon. Dr B. P. V. Pezzutti ask the spokesperson for the Government and the Minister for Health in this place, the Hon. I. M. Macdonald, whether the Minister was in any way apologetic for what happened in relation to those two serious incidents. Of course, the answer to that question is no, there is no apology at all. I should like to refer to what occurred as reported by the Health Care Complaints Commission in its report on the investigation into adverse outcomes following cataract surgery at Dubbo Base Hospital on 8 February 1999. I point out that the Hon. Dr B. P. V. Pezzutti placed this notice for debate on the notice paper at that time, therefore this debate has been on the list awaiting being reached ever since that time.

The commission investigated the circumstances surrounding a large number of adverse outcomes following cataract surgery at Dubbo Base Hospital in February 1999. Twelve out of 19 patients who underwent surgery on 8 February 1999 experienced significant permanent damage to their corneas as well as visual impairment, which is a horrifying thought. Having undergone a corneal graft myself, I have some sympathy for people who undergo eye surgery. It appears that a solution named Eyestream was introduced into the surgical procedures during the course of the surgical list on that day. The box and bottle containing the solution bear warnings to the effect that the product is not to be used for intra-ocular surgery. After analysis, the Health Care Complaints Commission found that the use of that solution had caused the adverse outcomes.

The commission found that there were systemic issues warranting review and rectification, and it recommended the implementation of various protocols. The commission recommended, for example, that protocols and procedures be developed for the acquisition of stock for use in theatres, and the verification of receipt of materials used in operating rooms, particularly in unusual circumstances. As a lay person, I have to say that one would have wondered why Health Department protocols were not in place in any case across the entire hospital system.

The commission also recommended that the role and function of the hospital pharmacy be reviewed to ensure the correct use of products in operating theatres, and that protocols for nursing and surgical team members be developed to specify the procedures to be followed when identifying drugs, solutions and other substances used in operating theatres. The investigation also found that there needed to be a critical incidents policy for the Dubbo Base Hospital and Health Service. The policy needs to be reviewed to ensure that all staff throughout the hospital understand what needed to be done in connection with critical incidents and how to meet their obligations under that policy. A whole series of recommendations was made and, as the Hon. I. M. Macdonald stated, a working party was established.

The Hon. Dr B. P. V. Pezzutti: Where is its report?

The Hon. JENNIFER GARDINER: The Hon. I. M. Macdonald did not actually give the date when the working party reported, nor did he say when it will report. It should be remembered that this matter has been

on the Parliament's business paper since February 1999, yet it seems that only now are honourable members hearing about a working party that is supposed to investigate across disciplines in relation to the two incidents referred to earlier. A whole range of measures arose out of the investigation.

The chief health officer of the Department of Health contacted Commissioner Merrilyn Walton concerning a cataract extraction at the Dubbo Base Hospital. The commission was told that over half the patients in the list were found to have suffered corneal damage following day surgery. It was discovered that the solution, "Eyestream", was used as a substitute for the solution usually used. Apparently the supplies of the solution usually used were low because there had been mistakes in the ordering and/or delivery of that solution to the hospital. In March 1999 the ophthalmologist who performed the surgery wrote to the Director of Medical Services at the Dubbo Base Hospital advising that follow-up examinations found that 11 patients had "marked corneal decompensation". A letter written by the director suggested that the balanced salt solution, "Eyestream", may have been responsible for the adverse outcomes because it contains a particular preservative which is not present in the solution that is usually used.

The Health Care Complaints Commission interviewed a whole range of staff who were involved in the incidents. It was discovered that 12 patients who were treated on a particular day suffered corneal damage. The commission identified systemic issues and recognised that the following matters needed attention: procedures and protocols for the acquisition of substances and materials required for use in operating rooms; the role and function of the hospital pharmacy in ensuring the safety of substances used in future; the role of the surgical and nursing teams in determining the safety of substances used in operating rooms; protocols for identifying substances used during surgery; protocols for introducing new or substitute substances prior to or during the course of surgery; identification and reporting of critical incidents by operating team members; and the hospital management's obligations and actions for unexplained adverse surgical outcomes. A number of recommendations have flowed from the investigation.

The Hon. Dr B. P. V. Pezzutti: What—sack the Minister responsible?

The Hon. JENNIFER GARDINER: The recommendations do not seem to get to that point.

The Hon. Dr B. P. V. Pezzutti: No. The report does not blame the Minister. The poor old managers just have to plug on.

The Hon. JENNIFER GARDINER: Nothing happens to the Minister, nor to anybody else—except the patients. The recommendation states that the Dubbo Base Hospital and Health Service has to address the policy and practice that was in place when these two incidents occurred in relation to the ordering of stores for surgical purposes. The recommendations also state that the procedure needs to include obvious details such as the documentation showing the actual date by which the materials are required; order documents that are able to identify the status of the requisition—in particular, whether it is urgent or non-urgent; order documents that show the actual address to which the stores are delivered. One would have thought that these matters are fundamental. Obviously the Health Care Complaints Commission discovered some practices which were not at all clear.

The recommendations also state that relationships with suppliers should be developed by the Dubbo Base Hospital and Health Service to ensure that any ambiguity or variation in the order form is capable of being clarified informally prior to supply. The Dubbo Base Hospital and Health Service also needs to ensure that a full and detailed description of the processes involved in the acquisition of stores is available and that people who have the task of ordering the stores need to understand the processes fully. Clear procedures are also needed to check and record the physical receipt of goods at both the area supplies service and the hospital, irrespective of when the goods are delivered or where they go. Of course, the procedures should also include a process whereby the nursing staff for the theatre for which the goods are ordered were advised as quickly as possible of the goods receipt and the adequacy of the goods supplied so that the nursing staff will know whether there will be any problem in meeting a demand for a particular solution or any other substance.

There also needs to be written protocol for the proper identification of substances introduced in the future. I would have thought that such a protocol is incredibly important and overdue. Identification should include the assessment of the suitability of the product for its intended purpose. The protocol should identify the individual responsibilities of each member of the surgical and nursing teams. There needs to be a review of the quality assurance operating rooms skills test to ensure that it fully examines the competence of the person in respect of each of the key processes involved in identifying the suitability of substances for surgical purposes.

The Dubbo Base Hospital and Health Service needs to review and develop its policy relating to the handling of medication to ensure that it includes the identification and assessment of pharmaceutical items and to ensure that the policy applies to all theatres and relevant professional groups.

The Health Care Complaints Commission found that the area health service needs to conduct an audit of the adherence by the Dubbo Base Hospital and Health Service to the departmental guidelines on how medication is to be handled in New South Wales public hospitals. The area health service also should take whatever steps are appropriate to ensure future adherence to that policy. The Health Care Complaints Commission recommended that the hospital's pharmacy policy be reviewed to ensure that the same involvement and consultation provided by pharmacists to the wards is also the one that relates to operating theatres.

In relation to critical incident reporting and management, the Health Care Complaints Commission found that there needs to be a review of the appropriateness and effectiveness of the critical incident policy as well as a need to identify the means to ensure that the policy is widely disseminated. The commission also found that it was necessary for staff to understand and act on the obligations under the critical incidents policy. The two incidents to which this debate relates—the one that occurred at Canterbury Hospital and the one that occurred at Dubbo Base Hospital—were the subject of these particular Health Care Complaints Commission investigations to which the Hon. Dr B. P. V. Pezzutti referred. They highlight the great work carried out by the Health Care Complaints Commission and the need for an independent, fully-fledged body to make sure that appropriate investigation by an independent body of incidents or things that go wrong in the hospital system can be carried out.

The Opposition, as members of the Legislative Council, pose questions about the adequacy of the Minister for Health's response which was read onto the record by the Hon. I. M. Macdonald. It appears that the Government has been somewhat tardy in responding to matters that were documented as long ago as 1999. The Opposition is not sure whether there has been a comprehensive follow-up of these issues, whether the working party has reported, or whether it will report. The response presented by the Hon. I. M. Macdonald probably raises more questions than it resolves.

[The Deputy-President (Reverend the Hon. F. J. Nile) left the chair at 12.58 p.m. The House resumed at 2.30 p.m.]

The Hon. D. F. MOPPETT [2.30 p.m.]: Prior to the luncheon adjournment the Hon. Dr. B. P. V. Pezzutti, who is in the chair, moved a significant motion. It is therefore appropriate that I address the motion before him. The motion has been on the notice paper for some considerable time, but it is as apposite for consideration today as it would have been when he first placed it on the notice paper. There is growing concern in the community about medically acquired injuries and illnesses, and the perceived danger present for people who undergo medical treatment, particularly in hospitals. The motion highlights two reports from the Health Care Complaints Commission which have been canvassed adequately by the Hon. Dr B. P. V. Pezzutti and the Hon. Jennifer Gardiner, although I intend to refer to them in due course in more detail.

One should note that we are fortunate indeed to have a body such as the Health Care Complaints Commission to which such serious matters can be sent. It would be remiss of me not to point out that the commission was an initiative of the previous Coalition Government, which recognised this growing problem and its consequences on people. It is partly a product of more complicated procedures and certainly a product of pressures placed on the medical system in relation to productivity and the specialisation of some roles, which paradoxically leads sometimes to neglect of the overall management of the patient. That was the case in the two examples investigated by the Health Care Complaints Commission, which made detailed recommendations which the general public would have found quite shocking.

I interjected during the contribution of the Hon. Dr A. Chesterfield-Evans. I understand his irritation and his decline to reply to what I said. He was obviously extremely interested in the subject debated and, as a medical practitioner of great experience, he had a different perspective to me. Honourable members were certainly pleased to hear his contribution. I was trying to give some perspective to the scale of the issues investigated at the two hospitals. I said that if one went to the back of the average country wool shed one would find a five-litre can of branding fluid, a 20-litre drum of an insecticide for treating blowflies, lice, et cetera, and a 20- to 25-litre plastic container in which drench is dispensed.

Even if one said to a relatively inexperienced jackeroo to administer a drench to a group of sheep in the yards and to decant it out of the plastic Nilvern container that was there, one would be very annoyed if the

drench bag was filled from the five-litre container with branding fluid written on it and the sheep were dosed with that. Whilst the containers referred to in the report were smaller, they were clearly different containers labelled in different ways. It would only lead to the conclusion that the system had failed very badly by allowing staff to mistake the drug that was drawn out and prepared for injection.

The Hon. J. H. Jobling: You should pick it up from the amount you use per month—you use virtually none of one of them.

The Hon. D. F. MOPPETT: Yes. Some very serious matters were referred to in the report. We do not want to throw the baby out with the bathwater. Recently I had occasion to seek treatment at Dubbo Base Hospital. I am full of praise for the way in which the hospital treated me and other patients in a section of the hospital. Patients are managed in a competent, efficient and extremely sensitive way. The requirements of doctors—mostly visiting doctors, because it was a specialist discipline—are also met. Many patients with whom they are dealing—I am glad that I am not one of them—have life-threatening and, in some cases, terminal illnesses. Dubbo Base Hospital is undergoing redevelopment, a substantial part of which has been completed. It is wonderful to see that facility in Dubbo and to witness the dedicated service offered by medical, nursing and ancillary staff to try to make the system work.

When looking for systemic reasons for these incredible glitches—I think as the mover, Mr Deputy-President, you would probably regard my description of them as glitches as being far too moderate, and I acknowledge that—one has to look beyond the competence and attention of the individuals. The experience that you and I have shared in looking at the hospital waiting lists issue demonstrates that this Government is prepared to do anything to manipulate the health system, in the first instance to make the Government look good, to make it appear that the Government is doing things, while at the same time it is inexorably pressing down on the financial resources of all area health services.

The Macquarie Area Health Service, within which the Dubbo Base Hospital works, is no exception. It is certainly not the most stressed of the area health services, but it has been managing a very difficult budgetary situation. It has been coping with productivity demands that have put staff and perhaps the procedural systems under a great deal of stress. We live in an extraordinary world where miracles can be achieved in the medical field. We certainly admire the practitioners who have developed those techniques. Today's news was dominated by a young girl in Canada who was virtually brought back from the dead by medical practitioners who, when interviewed today, seemed almost to have an air of, "We do this every day." I suppose that is a product of the extreme climate in Canada, where hypothermia is a very common condition. Nevertheless, I do not think it dulls the wonderment that all of us felt on the recovery of this young child who, according to the reports, had been snap frozen. In actual fact, I think her body temperature had come down to 16 degrees celsius. To a medical man, that is beyond recovery because, as most of us know, the human physiology will not stand extremes of temperature and that in most cases an aberration of maybe five to 10 degrees leads to irreversible damage.

These miracles are occurring, but they are at a cost. I think we would all understand that somehow or other the services have to be streamlined and that we have to adopt modern management procedures to ensure that we get the best from our specialists. The other day I was talking about people's experiences with the particular area of the Dubbo hospital with which I am now so familiar. I compared practices now with those of a renowned doctor in the Coonamble district, Dr Broome. This would have been in the years just after the war. Dr Broome diagnosed a patient as suffering from breast cancer, undertook the surgery to remove the lump from her breast, removed the lymph glands from under the arm and performed other surgery down the arm.

This was a general practitioner operating in the Coonamble District Hospital. That is unthinkable today. I suppose we should admire his general skills. He would have been supervising, I would think, the anaesthetic procedures. Although he may have had another doctor assisting him, he would have been responsible for the whole operation—the diagnosis, deciding what organs had to be opened up and what surgery had to be undertaken. No-one would think of that today. We have to have a team, with groups of people involved all along the way. Of course now we have very sophisticated drugs, which in most cases are centrally controlled from a pharmacy. It would seem that moving to this modern context would be a way of eliminating mistakes. But, in actual fact, it appears that the modern process opens up all sorts of possibilities, with people thinking that it is the next person along the line who is actually responsible, rather than the individual, as was the case with Dr Broome, who felt responsible for the whole procedure from start to finish.

It is not, perhaps, a matter for this House to deliberate upon—because we are only lay people—but we must be cognisant of the great concern in our community about the health system. The *Four Corners* program exposed, to use the extraordinary euphemism that seems to have developed in the medical world today, adverse

outcomes in the major maternity hospital in Western Australia. I am sure such a program would not have made the allegations that it did if it was not sure that it would be successful against any defamation claim arising from the program. These were very serious allegations. Sadly, again they seem to centre around the medical practitioner. In my view, it spoke more about the system and the overloading of doctors, particularly those working in a central obstetric hospital like that. We all know that illness and medical emergencies such as impending parturition have no clock; they do not observe working hours. Emergencies just crop up, and if there is a limited number of doctors available to deal with them, the demands on them are extreme. I think that is probably the root cause of the problem in Western Australia.

We will not have any control over that, but it would be blind and foolish to think that there are not developing in the New South Wales health system problems that reflect the diminishing fabric that has been imposed by financial strictures, more than anything else, though to a certain extent by systems designers who may have the very best objectives in mind but sometimes produce systems that are unsustainable and prone to occasional, at least, lapses, with rather dreadful outcomes. There is a tremendous amount of interest in this matter in the Dubbo area. I hasten to say that I think the confidence of people in the area remains high in regard to the Dubbo hospital and the specialists who work in the hospital.

I would hope it would remain so, because it is essential that as many procedures as practicable be maintained in our base hospitals and, where possible, in country hospitals generally, so that the whole of medicine is not allowed to be centralised in the major teaching hospitals in Sydney, Newcastle and Wollongong. That is a prospect that none of us would embrace with any enthusiasm. These problems are deep-seated. This debate concentrates on two hospitals. We would like to think that the response from the Government to those reports would be wholehearted, and that the Government would adopt the recommendations of the Health Care Complaints Commission in both cases. Those cases largely relate to the issuing of drugs from a central pharmacy, and the control of those drugs through various steps until their ultimate usage, in both cases, in operating theatres.

Much the same process is followed in the dispensing of medicine to patients in wards. At the end of the day we should all be mindful of, and guardians of, our health. But it is pretty impractical for patients lying in hospital to say, "I would like to read the label on that bottle before you inject it", or, "I would like to see the original bottle out of which you got that pill before I swallow it." When the nurse comes along with a plastic cup, some water and some tablets, patients are not able to distinguish between those tablets. They could be panadol, pills to reduce blood pressure, or highly toxic pills. It is not practical for patients to say to the nurse on every occasion, "I want to assure myself that that is what has been prescribed for me." Patients probably would not understand anyway. Only the most highly educated and motivated people would challenge the treatment being proffered to them, whether it was simply the taking of tablets or the administration of injections. In reality, we rely entirely on the pharmacy department.

I again divert from debate to refer to my experiences when I had a stint in Royal Prince Alfred Hospital. Nursing staff discovered that I was routinely taking tablets to reduce chronic hypertension and, on one occasion, I experimented with some cholesterol medication. Nursing staff said to me, "You must not take your own pills. While you are in hospital we would prefer to prescribe for you from our pharmacy whatever medicine you are taking." I said, "I am happy with that if you are prepared to ensure that those tablets are made available to me." I think I was at that hospital for an incredible three weeks and only at the end of the third week was the hospital pharmacist able to get those tablets delivered to me. So the system is certainly prone to breakdown. That is a simple case, but when it comes to the maladministration of things that have a toxic side effect it becomes a serious matter.

We owe a debt of gratitude to the Hon. Dr B. P. V. Pezzutti, first, for putting this motion on the agenda and, second, for maintaining his desire to expose the matter in the adequate way that he did when he spoke in debate to the motion. I am pleased also, Mr Deputy-President, that you have relieved the Hon. Dr B. P. V. Pezzutti from his duties in the chair, as I am sure he is anxious to reply to this debate. I have made the points that I wanted to make in this debate. When other speakers have finished their contributions I am sure that my colleague will make an incisive reply. I stress again that, whilst I take these matters seriously—and every honourable member should—we must be careful not to throw out the baby with the bathwater. People within our hospital system are working as hard as they can. We must support them in the wonderful work that they are doing.

The Hon. Dr P. WONG [2.50 p.m.]: I fully support the motion and I intend to speak only briefly to it. I have the honour of sitting beside the Hon. Dr B. P. V. Pezzutti at hearings of the Committee on the Health Care Complaints Commission, which supervises the work of that commission. I am impressed by his knowledge and the unbiased way in which he presents his views on all occasions.

The Hon. E. M. Obeid: He has tremendous potential. We know that.

The Hon. Dr P. WONG: He is a talented person. I am not sure that I always agree with his political views, but his medical views are impeccable. As a general practitioner and a former member of the medical board in New South Wales, I read articles in the newspapers. I read the articles about the incident that occurred at the operating theatre at Canterbury hospital. I subsequently learned that the reputation of that doctor was tarnished by the former commissioner of the Health Care Complaints Commission. Many other honourable members have said in debate on this issue that it is sad when incidents like that happen.

We must learn from these lessons, and such incidents must not be repeated. I support the views expressed earlier by the Hon D. F. Moppett. He said that medical skills and medical facilities should not be concentrated in city areas. In a world filled with medical and legal problems, doctors are having to pay enormous sums of money to insure themselves. I believe that this Government has a duty to look into those matters and to ensure that people in regional Australia in particular get the medical care that they deserve without harming the insurance program. I support the motion moved by the Hon. Dr B. P. V. Pezzutti and congratulate him on raising this matter.

The Hon. Dr B. P. V. PEZZUTTI [3.55 p.m.], in reply: I thank my colleagues who spoke in debate on this motion. I thank the Hon. Dr A. Chesterfield-Evans and the Hon. D. F. Moppett, who referred to the new complexities in our health system. Health teams have to exercise the utmost care when arranging protocols and processes so that patients are protected from so-called medical incidents. More importantly—and this is current today—when an incident occurs steps must be taken to ensure that it does not happen again. Problems must be properly investigated to identify system errors and those errors must be taken into account. The whole issue relating to doctors and professional indemnity insurance costs—an issue which is bedevilling Australia—was addressed this week by the Minister in a most ham-fisted and unworkable way.

To his detriment, the Minister did not consult widely on this issue. He heaped blame and shame on doctors and the medical profession and did not even mention the Dubbo matter. He went after the doctor in question from the beginning and then had to claw his way back. On no occasion did he say he was sorry. He did not take up the recommendations contained in the report of the Health Care Complaints Commissioner and report to Parliament that those recommendations had been implemented. The Hon. Dr A. Chesterfield-Evans referred also to the managerial class—another process bedevilling the new health system. Managers who are implementing management processes unfortunately do not understand the culture of nursing and other professions when practising medicine. Managers go overboard working out systems to accommodate those professions but, unfortunately, they are not then held responsible. They are not the ones who are hanged or sued; they quietly disappear into the background.

I name in particular the Central Sydney Area Health Service. Dr Diana Horvath is chief executive officer of that area health service. Her central and only stores department, which does all the ordering, is under her direct control and falls within her management responsibility. Did she fall on her sword? No. She is on the public record as saying, "I have never heard of this happening anywhere in the world." What steps did she take? Of course, Merrilyn Walton, Commissioner of the Health Care Complaints Commission, inquired into this matter. The report from Central Sydney Area Health Service, which was tabled in Parliament, referred to the steps that were taken to overcome the difficulties, following the recommendations of the report of the Health Care Complaints Commission. Not once did Dr Diana Horvath apologise for those problems—for those 33 management errors which occurred in her hospital.

If the hospitals at Canterbury or Dubbo had been private hospitals I am sure that the Minister for Health would have deregistered the hospital, asked for it to be closed and would also have asked for compensation. A more important point, which is relevant to this issue, is: Where is the Treasury managed fund—the fund that pays out as much for personal indemnity insurance costs as United Medical Protection? No system is in place that I can discern. The Committee on the Health Care Complaints Commission has been inquiring into this matter and that committee's report will soon be tabled. Where is the Treasury managed fund in risk management procedures that is administered by the GIO? Why is it not finding things to stop this from happening, to reduce the cost of professional indemnity insurance?

I was impressed by the grasp of the Hon. D. F. Moppett of the nitty-gritty of all this. Of course, the Hon. Jennifer Gardiner dealt substantially and comprehensively with the issue at Dubbo. It is of great concern to me and to all the people of New South Wales that such a thing could occur. As the Hon. D. F. Moppett said: When you are presented with the stuff, you take it because you think they know what they are doing. If you go into hospital with your own tablets they will give you theirs. Sometimes they are the equivalent, and sometimes

they are not. The patient may have been taking a name brand drug and in hospital the patient may get a generic brand drug. It may be a matter of availability, and the Commonwealth has done the right thing in making sure the availability is corrected. Nevertheless, it is not necessarily the same drug the patient was taking outside, and activity levels change and doses have to be adjusted and so on.

The Hon. Jennifer Gardiner made the point that there has been no report back from the Minister. There has been no response by the Minister to Parliament to reassure the people of New South Wales that the 33 named errors in this terrible incident have been corrected. We are aware that a couple of doctors and a couple of nurses have gone before their professional boards but, again, I have not seen the response to that. That has not been publicised. I suspect that the doctor concerned at Canterbury will get off absolutely scot-free, as he deserves to, but his reputation has been destroyed by the Minister and by being outed by one of the newspapers. It was not his fault but he felt instantly responsible because he was caring for his patients. He has enough to worry about doing the highly technical procedure. It is not what the Minister said, a routine procedure. This is highly technical work, done by perhaps a handful of people in New South Wales with enormous skill on very ill patients.

When the eye surgeon at Dubbo and the gastroenterologist at Canterbury walk into their theatres, that is all set up in the interests of efficiency, movement, flow of patients, and so on. The Minister got it dead wrong when he laid the blame on the doctor. It is very easy to do, but the Minister is entirely responsible for this. The Hon. Dr A. Chesterfield-Evans spoke about the allocation of resources. Parliament does not do that. We approve a budget of the Executive Government. We explore that in our estimates committees, but every time we decide we want to spend money in certain areas the Government says how dare Parliament decide that, it is the Government's decision to spend money. We tried it with the M5 extension stack in southeastern Sydney, and the Government said it will decide what will happen with that.

In my view there has not been a full examination by the Government of what happened at Canterbury. It has not followed it up and there has not been a report back to reassure us. I am on the Committee on the Health Care Complaints Commission, which has conducted an inquiry—the Hon. Dr A. Chesterfield-Evans raised this issue too—into incidents that cause problems. When they are litigated and the litigation ends in a settlement, no-one knows what the problem was. We have now worked out a way. It will require the Minister for Health to put money into the system so that those things can be properly investigated by experts who can come up with solutions and overcome the faults. If we want quality we go to where there have been problems, investigate why the problems occur, and try to work out a system and notify everybody in the system.

In the Canterbury case it was three weeks before the oracle system—that is the big computer ordering system for drugs—was looked at by the department. We do not know whether the correction has been made. Could this happen again in New South Wales? I believe it could, because I have no evidence in front of me that it could not. I have always been very careful in the practice of medicine but that does not mean I cannot face litigation. When a doctor is subject to litigation, the Treasury managed fund rolls over and gives the claimant some money. It does not care, it wants to get out of court cheap and not pay lawyers any more money than it has to. It does not concern itself with the issue of how to correct the problem. It might pay a patient some money, but another 30 patients who have not taken litigation may have been damaged in the same way.

How can one be sure, after going through the litigation process, that there has been a finding of negligence or a settlement, or that the hospital has learnt from that mistake? Many patients complain to the Health Care Complaints Commission and they do not want money. If they have commenced litigation they cannot go to the commission as well. They do not want money, they want to be sure it does not happen again. So we have set in place a process whereby doctors are re-educated. If there is a problem they can come before the board and be struck off. There will soon be legislation to apply that to nurses as well.

But at the end of the day the person in this Parliament who is responsible for all of this is the Minister for Health and, apart from the mealy-mouthed statement he made to correct himself and get himself out of a problem, he did not apologise to the people of New South Wales or to the individuals at Canterbury or Dubbo. He has not come before Parliament to say he recognises the problems, that he has had an inquiry conducted by the Health Care Complaints Commission, here are the recommendations, and this is what he has done as Minister so this will not happen again. That is the least that is required, and he has not done it. In taking note of these reports I ask that the Minister does exactly that, so we can reduce the cost of professional indemnity insurance and reduce injury to patients and, more importantly, so there can be more certainty that we are doing everything we can to reduce these problems for patients in New South Wales and give people better access to a better quality of care.

Reports noted.

RESIDENTIAL PARK RENTS GOODS AND SERVICES TAX

The Hon. JAN BURNSWOODS [3.06 p.m.]: I move:

That this House condemns the Howard Government for making people who live permanently in residential parks pay GST on their rent.

I am glad I have finally had the chance to speak to this motion. I put it on notice in April 2000, before the implementation of the GST. The fears that so many permanent residents in residential parks up and down the coast of New South Wales and in other areas throughout the country had at that time have proved to have been well and truly founded. Some of the most vulnerable and deprived people in our community have been the only tenants who have had the GST applied to their rent. Those people have a very real grievance, and I propose to speak not only about the way the Howard Government has ill-treated tenants in residential parks but also about the commitment given by the Federal Leader of the Opposition and the Labor Party, and I also want to say something about the efforts of the State Government to address some of these issues.

Before I look at the history of this issue I would like to give some indication of the number of people we are talking about. Figures are available from the census of the numbers of persons in each electorate residing in caravans, cabins and houseboats. Those figures probably understate the total, because they do not necessarily pick up people living in garages and people who are perhaps living illegally at various sites. Nevertheless, even those official figures indicate that something like 161,000 Australians are living permanently in mobile homes, caravan parks, and so on. To give some indication of the size of the group we are talking about who have been so unfairly treated by the Howard Government I shall quote figures for some of the Federal electorates in New South Wales. For instance, the electorate of Cowper has 4,471 people living in residential parks or similar. I will come back and say quite a bit more about that later because Coffs Harbour is in the heart of Cowper and this is an issue I discussed with people in Coffs Harbour a couple of weeks ago.

Another Federal electorate with a high figure is Lyne, with 3,421 people living permanently in mobile homes and caravan parks. Port Macquarie is at the heart of the Lyne electorate. This issue was raised with me yet again when I was in Port Macquarie last weekend. The Federal electorate of Richmond has well over 6,000 people living permanently in residential parks. The list of Federal electorates on the New South Wales coast includes Page and Paterson, although the issue is not confined to the North Coast. A substantial number of people on the Central Coast and in the area between the Central Coast and Newcastle live in mobile homes and caravan parks. For instance, 2,284 people in the Federal electorate of Shortland live in mobile homes and caravan parks, as do some 1,200 people in the Federal electorate of Dobell.

Honourable members may be surprised to learn that many people do not live in areas in which caravan parks and mobile homes are often regarded as retirement places. For instance, well over 1,000 people in the Federal electorate of Greenway in Western Sydney live in mobile homes, caravans and so on. On the whole, these people live there simply because they cannot afford to buy or rent bigger or better accommodation. As I said, we are talking about some of the most vulnerable people in our community. The arrangement to apply the GST to people living permanently in caravan parks was included in the complete GST package. It was made by the Howard Government, totally contrary to the assurances given by National members in some of the Federal seats I have named. For example, prior to the 1998 Federal election the member for Lyne, Mark Vaile, circulated a notice to people living in caravan parks in Port Macquarie, Laurieton and other areas in the electorate. Among other things, he said:

I would like to assure you that residents who occupy accommodation in a caravan park or holiday village on a permanent basis (i.e. over 28 days) will not have to pay GST on their site fees.

I repeat: Prior to the 1998 Federal election Mark Vaile assured people in his electorate that they would not have to pay GST on their site fees. He further said:

This will be treated in the same way as rental of a house or unit, and is GST free.

We all know that Mark Vaile's promise was worth absolutely nothing. When the final arrangements relating to this and other aspects of the GST—

The Hon. C. J. S. Lynn: What about your promise to lift the tolls on the M4 and M5 and the troubles that caused the people of Western Sydney? You forgot about that one.

The DEPUTY-PRESIDENT (The Hon. Dr. B. P. V. Pezzutti): Order!

The Hon. JAN BURNSWOODS: It is nice to have the poacher turned gamekeeper in the chair. I am pleased that the Hon. Dr B. P. V. Pezzutti is unable to interject the way he normally does.

The DEPUTY-PRESIDENT: Order! The Hon. Jan Burnswoods should not reflect on the Chair.

The Hon. JAN BURNSWOODS: I apologise deeply. I most certainly was not reflecting on your ruling. Indeed, I wish the honourable member is the chair more often, because that is the only time he does not interject. The honourable member interjected on me before he moved into the chair.

The DEPUTY-PRESIDENT: Order! The honourable member is very tempting.

The Hon. JAN BURNSWOODS: I will take that as a compliment. As I said, the entire package, which has impacted hard on this vulnerable group in our community, was part of the infamous deal struck between the Australian Democrats and the Howard Government. Like so many other things done by the Australian Democrats, the GST has not only hurt many people in our community but also come back to haunt the Australian Democrats. Indeed, the Hon. Dr A. Chesterfield-Evans recently remarked that the Australian Democrats are suffering as a result of cosyng up to John Howard. Like many other speakers, I place on record my regret or, to use a stronger word, my contempt for the Australian Democrats for allowing the Howard Government to impose the GST on permanent residents of caravan parks.

Once the potential impact of the GST became clear to people prior to 1 July 2000, a number of people started to run for cover. Interestingly, at the conference of the New South Wales branch of the National Party in June 2000 members unanimously supported a motion to abolish the GST on caravan park site fees. Many of the remarks made by honourable members of this House who were present at the conference were reported in the media, and they were subject to a demonstration outside Parliament House. I refer to a comment made at the conference by the Federal member for Cowper, Garry Nehl. Perhaps it is not surprising that Garry Nehl is not standing for re-election. The Federal member for Cowper told the State conference:

My integrity and honour is impugned, as is John Anderson, and Larry's—

that must be Larry Anthony—

and Mark Vaile and the rest of us. Everybody ... It has an impact on John Howard's integrity and honour.

I do not often agree with Garry Nehl but on this occasion I agreed with him, and I still agree with him. The integrity and honour of Garry Nehl, John Anderson, Larry Anthony, Mark Vaile, John Howard and the other National and Liberal members who perpetrated this insult is clear. In dealing with these matters I shall refer to some of the ways the Minister for Fair Trading, John Watkins, has tried to remove the harm caused by the impact of the GST on permanent residents of caravan parks, mobile home villages and manufactured home estates. Members opposite who are not so ignorant may know that the State has considerable powers relating to the running of these establishments. Indeed, the New South Wales Residential Parks Act is the most advanced legislation in Australia covering park tenancies and related issues.

The Labor Party raised this issue when it was in Opposition—people such as Paul Crittenden raised it on behalf of people on the Central Coast, including Wyong—and certainly again when the Carr Government was elected in 1995. The Labor Government has consistently done a great deal of work in this area. I pay tribute to John Watkins for his work in trying to mitigate the impact of the GST on people in residential parks. One way his department and the other bodies under his ministerial control have been able to do that is through the Residential Tribunal. I shall comment on some of the tribunal's rulings over the eight months since the GST on the rents of people in caravan parks and so on came into effect.

Up to January 351 applications were made to the Residential Tribunal in relation to increases in park rents as a result of the GST. Those applications related to 12 parks. A number of issues have arisen out of the tribunal's deliberations on those applications. Several important and fundamental rulings made by the tribunal have helped to remove much of the uncertainty that existed when the GST came into operation. I shall run through some of the tribunal's rulings that have enabled the New South Wales Government to protect people against the deprivations of the Howard Government. The first important ruling is that the GST cannot simply be added to the rent paid by park residents, and the requirements of the Residential Parks Act must be followed.

In effect, that means that an increased charge which is said to be necessary because of the GST must be in the form of a properly negotiated rent increase, at least 60 days written notice must be given, and the resident

has the right to challenge the increase in the Residential Tribunal if the increase is considered to be excessive. Matters such as these have been useful not only when people have appealed to the tribunal, they have also been useful in preventing owners of caravan parks, mobile home villages, and so on, from imposing such rents.

When I attended a meeting of well over 100 people at Edgewater Caravan Park in Port Macquarie just prior to the introduction of the GST, along with Senator Steve Hutchins, who was dealing with the Federal aspects of this matter while I was dealing with the State aspects, one of the major concerns of the tenants was that the GST, as in so many other areas, would clearly provide an opportunity for less scrupulous owners of caravan parks to increase their rents by blaming the GST, even when the rental increase was not totally due to the GST. Such an increase could be partly due to the GST but may also be due to other factors. There was therefore a lot of confusion and a lot of unscrupulous and profit-making behaviour.

Another matter of great concern to people living in mobile homes and caravan parks in the Port Macquarie area was that many of the residential park owners had begun the process of legally separating the short-term holiday-making component of the park from the long-term component. This legal separation frequently meant a reduction in services for people who lived in the permanent or long-stay section of the park. It also made it administratively easier for owners of caravan parks to impose the GST component on some tenants but not on others. Some of those separations had been done illegally; others were left open to intervention by the Department of Fair Trading. I was pleased to have had a hand in the fair trading inspector visiting various caravan parks in the Port Macquarie area to ensure that these and other administrative steps were conducted in accordance with the law.

Another significant ruling made by the tribunal was that when considering an application concerning a GST-based rent increase the tribunal would take into account a range of matters, including increased costs that have to be met by the park owner. As with any other outgoing that is payable, the tribunal takes such matters into account. In some cases the tribunal has found the increase in rent to be justified; in others it has found it not to be the case and has acted accordingly. Another important matter that caused a great deal of confusion in some areas, particularly in the early stages of the imposition of the GST in July last year, was that the New South Wales Residential Parks Act makes it clear that all taxes, including the GST, are payable by the park owner; the GST is not directly payable by park residents.

A number of other important rulings were made, which I shall refer to briefly. They protected people who had fixed-term agreements and those who had entered into certain types of written agreements before December 1998, and they related to the interface between New South Wales and Commonwealth laws. All those matters have been important in ensuring that the GST has not simply become a way of slugging permanent residents of caravan parks, either illegally or in a way that is not provided for by the whole package relating to the GST. As I have said, while this motion is worded to condemn the Howard Government for making people who live permanently in residential parks pay GST on their rent, when I gave notice of the motion in July 2000 the GST was not yet in place.

I am very pleased to be able to say that while the GST has had the effects on this less well off and vulnerable group of people that I predicted, the New South Wales Government, through Minister Watkins, has been able as much as possible to limit those effects. That stands in striking contrast to the actions of the Liberal Party, which, as far as I can see, has never shown any concern about this issue at all, the actions of the Democrats, who sold out on this issue, as they did on other issues, and the actions of members of the National Party, who acted in their usual gutless way. Each of those parties went on record to say they wanted the GST on those people removed but none has ever stood up to John Howard and the Liberal Party, just as they have never stood up to him in relation to petrol or any other important issue that affects their constituents.

I conclude my contribution by referring to the commitments of Kim Beazley and the Labor Party in relation to the effect of the GST on permanent residents of mobile home and caravan parks. Many statements have been made on the subject, but I quote in particular from Kim Beazley's statement of 14 February, which is headed "No GST on site fees" and begins with the statement—very much to my delight—that the Labor Party has been consistent on this issue ever since it first arose. The statement reads in part:

A future Labor Government will abolish the GST currently being charged on the site fees of permanent residents of mobile homes and caravan parks.

I re-confirmed this aspect of Labor's GST rollback policy today while visiting Chinderah's Homestead Caravan Park ...

Despite Government promises prior to the last election that the GST would not be charged on residential rents, the Government decided that there was one class of citizens that would be forced to pay the GST on their rents—those Australians living in mobile homes, caravan parks or boarding houses.

Kim Beazley then went on to speak about an area I have not yet referred to, partly because Kim Beazley has spoken on my behalf and on behalf of so many of us about the so-called compensation package that was introduced in an attempt to get the National Party off the hook. The rates that were negotiated in that compensation package have turned out to be almost useless. The figures are available in relation to a very small percentage of the people concerned who were eligible to receive the maximum rate of rent assistance. It has been calculated that the percentage of people who have been eligible to receive that maximum rate is well under 3 per cent, so, while the package was promoted to try to get people such as Larry Anthony, Mark Vaile, Gary Nehl and all the others off the hook, it turned out to be a complete sham, and I am glad to see Kim Beazley still this month describing it as a complete sham.

The Howard Government, with the connivance of the Democrats, imposed a GST on permanent residents of caravan parks. The National Party has totally failed to defend the very large numbers of people who are concentrated in the National Party seats I listed. The Liberal Party has equally failed to do this. I believe it is time that these and other aspects of the Howard Government's behaviour were put on the record, and I look forward to hearing other members' contributions to the debate. I urge the House to support this motion and to condemn the Howard Government for making people who live permanently in residential parks pay GST on their rent.

The Hon. M. J. GALLACHER (Leader of the Opposition) [3.29 p.m.]: I am pleased to participate in this debate. As a number of Opposition members also intend to participate in this debate the Opposition will be presenting a very strongly defended position—one which, at the end of the day, will prove to be the right position yet again. I think we should not go past the starting point which is that the only other debate that the New South Wales Government has introduced in the past 24 hours was another beat-up of the Federal Government. The New South Wales Government has absolutely no program for reform. With all due respect to the Hon. Jan Burnswoods, who made the point that the motion has been listed for debate since last year, I point out that—

The Hon. C. J. S. Lynn: It should have been debated last year.

The Hon. M. J. GALLACHER:—although it was on the business paper for some time and not debated in this House, the issue has been debated in the other place and the Parliament has moved on. The honourable member might well be caught in a time warp but the Parliament has moved on. I note with interest the interjection made by the Hon. C. J. S. Lynn because he makes a good point. Why did not the Government of which the Hon. Jan Burnswoods is a member allocate more sitting days to enable the Opposition to debate similar issues? Why did the Government of which the Hon. Jan Burnswoods is a member put the knife into the number of days allocated for private members' business last year, necessitating a number of days being allocated this year for private members' business and enabling the Government to get onside with crossbench members who were well and truly fixed up with a number of days for private members' business compared to the number allocated during the previous year?

The Hon. J. R. Johnson: That is because you keep on wasting time.

The Hon. M. J. GALLACHER: I look forward to Hon. J. R. Johnson speaking about his understanding of the issue being debated. I look forward also to hearing his defence of the position adopted by the Special Minister of State and Assistant Treasurer, the Hon. John Della Bosca, who in fact has stated that roll back is not an option; it simply will not work. Already a division of opinion is evident from a backbencher being in conflict with the Assistant Treasurer of this State. The Assistant Treasurer suggests that we should not go down the path of roll back because it simply will not work, yet a Government backbencher thinks that it will work. I will put my money on the Assistant Treasurer on this occasion because he has a greater understanding of financial matters and the New South Wales coffers following the grab made by the Treasurer and the Premier at the moment the Government in Canberra said, "Does any one of the State representatives want to sign up quickly for GST revenue?" The Premier and the Treasurer could not get to Canberra fast enough. The Treasurer and the Premier had no need of a very fast train [VFT] because they reached similar speeds on the Hume Highway.

An interesting and salient comment was made by interjection towards the conclusion of the speech made by the Hon. Jan Burnswoods. If the Hon. Jan Burnswoods and the New South Wales Government are so concerned about low income earners whom they believe are being dealt a savage blow by the goods and services

tax [GST]—the revenue from which the Hon. Jan Burnswoods and the New South Wales Government are more than happy to accept every day of the week—why does the New South Wales Government not give back the money? It would cost a very small amount to distribute the funds through the public postal service and I am sure that all the residents about whom the honourable members have heard today would get back all the money representing GST paid on residential park rents—all the money that would be sent back by a very generous and benevolent State Government.

Do honourable members think that they will see such an occurrence? No, they will not see that, just as honourable members will never see this State Government give back the 8.1¢ a litre that it sucks out of each motorist each time he or she goes to the petrol bowser. Members of this State Government bleat about the Federal Government, which is in a position to state honestly that it is consulting with the community on excise. But what is this Government doing in relation to its receipt of 8.1¢ a litre from excise? The answer is—absolutely nothing! The Minister for Fair Trading, the Hon. John Watkins, made great promises and pledges to the people of this State when he swore that he would bring down petrol prices. He said that his Government and Country Labor were working to bring down petrol prices. But the figures speak for themselves. Every time the Minister for Fair Trading speaks about petrol prices, the prices actually go up.

The Hon. Jan Burnswoods: Point of order: This debate is not about petrol. I ask the honourable member to stick to the debate, which is about the Howard Government's imposition of the GST on residents in caravan parks.

The DEPUTY-PRESIDENT (The Hon. Dr. B. P. V. Pezzutti): Order! The Hon. Jan Burnswoods was given considerable latitude when she made her contribution to the debate. I take the point that this is a debate on a specific motion. I ask the Leader of the Opposition to confine his remarks a little more closely to the subject matter of the motion.

The Hon. M. J. GALLACHER: I am quite happy to do so. The point has been made that this State Government has simply no program for reform in this State. This Government is trying to deflect attention from its own inadequacies onto beat-ups based on incorrect facts related to the performance of the Federal Government. The Hon. Jan Burnswoods referred to the effect of roll back but did not mention what roll back would mean to residents. The Hon. R. H. Colless made a significant comment when he said that the policy of the Australian Labor Party will force prices up. That is exactly what will happen.

Associations of caravan operators throughout this country have revealed that if the Federal Opposition wins Government and implements roll back of the GST, that will result in many operators being incapable of recouping many costs incurred on a day-to-day basis. As a result, they will pass on the increased costs to residents of residential parks in the form of increased rents. Who will be the net losers as a result of a roll-back policy? The losers will be the very people whom the Hon. Jan Burnswoods purports to represent in this Chamber. There will be many residents who will be affected by any move by the Federal Opposition, if it were to become the Federal Government—and let us hope that that does not happen for many, many years to come—towards roll back of the GST which will simply result in prices increasing.

Yet again the New South Wales Government retreats from its own responsibilities. Nothing has been said about what has been happening throughout this State. Many residential park residents on the Central Coast are concerned about law and order. Last night in the Woy Woy area on the Central Coast I attended a public meeting which was organised by the Federal parliamentary representative for Robertson, Jim Lloyd. The meeting was held to give all residents in the Woy Woy area an opportunity to come forward and raise any issue of concern with the federal parliamentary representative for Robertson. The meeting was open to questions on the GST and its effect on residential parks. Jim Lloyd would have been more than happy to hear about that and any other issue. But instead the overwhelming majority of people in attendance wanted to discuss this State Government's inability to address the issue of law and order in this State.

This State Government is walking away from its responsibilities because it simply does not have the answers. The Hon. Jan Burnswoods neglected to mention the two methods for calculating GST for residential park residents. The first is the input tax method by which the operator pays the GST inclusive price for goods and services purchased in order to maintain the caravan park. But the manager is not able to recoup the GST component because that would result in a slightly increased operating cost which can be passed on to park residents. That is exactly what will occur if the Federal Opposition wins government at a federal level. We will see the costs of running parks passed on to the residents. Most of the residents are beginning to switch on to that fact. The New South Wales Government is trying to beat up concern in a number of areas among the residents of residential parks but the reality is that those people are seeing what is being offered by the Australian Labor Party in this country. And higher rents and lower standards of living are what is being offered.

The second option that is available to operators for calculating GST is the concessional rate option which was mentioned very lightly during the speech made by the Hon. Jan Burnswoods. This method presents an opportunity to provide some respite for people who live in residential parks—a fact that this State Government fails to acknowledge and a method which the Federal Opposition equally is not prepared to entertain. The Australian Labor Party at the State and Federal level would prefer to see a policy of GST rollback implemented, which will force prices up. In the view of the New South Wales State Opposition, that is a completely unfair proposition for both the operators and residents of residential parks. That is not merely the word of the Opposition on this issue. On 18 February the *Sunday Telegraph* reported:

Labor's GST rollback plan has come under attack from caravan park owners who say it will cause rent rises.

Park owners say Labor's proposals will lead to an increased administrative burden. Labor has proposed reducing the GST on permanent residents' rents.

The article goes on to make a point that rents will rise as a result of the proposed rollback scheme. As a result of that, the net losers will be the residents. What Mr Beazley is proposing is that residents will not pay any tax and will not get any input credits. Therefore, rents will go up, and they are the words spoken by people who are involved in the industry.

We see crocodile tears being shed by the Hon. Jan Burnswoods. I must say that her contribution to the debate was one of the less passionate speeches I have heard her make in the years that I have been a member of this Chamber. She simply read from a prepared speech that had obviously come from the Ministry of Fair Trading. There was not a lot of passion or warmth in what she said. At the end of the day I suspect she knows in her heart that the position adopted by the State Opposition is the right position. That will become obvious when other Opposition members make their contributions to the debate. Quite simply, under the proposal espoused by the Federal Opposition, the only people who will come off second best as a result of a rollback policy will be the residents as a result of the imposition of higher rents.

The Hon. I. W. WEST [3.40 p.m.]: I support this motion, which condemns the Howard Government for making people who live permanently in residential parks pay the goods and services tax [GST] on rent. One of the most appalling aspects about the Howard Government's decision to discriminate against those battlers who live in caravan parks, who very frequently have little or no alternative or choice in the matter, is that they were targeted, assured and told by the National Party that they would not have to pay GST on their rent. The Deputy Leader of the National Party distributed a document to caravan park residents before the last election, as has been quoted by Hon. Jan Burnswoods, in which he said:

I would like to assure you that residents who occupy accommodation in a caravan park or holiday village on a permanent basis ... will not have to pay GST on their site fees. This will be treated in the same way as rental of a house or unit, and is GST free.

What makes this matter worse is that the National Party had an opportunity to support a matter of public importance in the Federal Parliament last year but did not do so. It had a further opportunity to lift the tax of the Howard Government before 1 July 2000 by supporting amendments in the Senate which would have removed the GST from site fees and on boarding house accommodation. The National Party had the opportunity to do what its New South Wales State conference delegates unanimously voted for last year, that is, lift the tax on what was already a vulnerable and struggling community. National Party members have a further opportunity today to speak in this debate and put the record straight as to what they propose to do in relation to this matter. Based on the 1996 census there are well over 161,000 people currently living permanently or long term in caravan parks throughout Australia, a very significant number of whom live up and down the coast and throughout the inland and mountain regions of New South Wales.

It is important to refer to the number of persons residing in such accommodation as quoted by the Hon. Jan Burnswoods. The number of residents in Gilmore is 1,684, in Robertson 1,725, Parkes 1,774, Gwydir 1,921, Eden-Monaro 2,682, Page 2,968, Lyne 3,421, Cowper 4,471, and in Richmond 6,649—people who will all be very interested voters at the next election. In 1999 the Federal Minister for Family and Community Services, Warren Truss, was asked why the GST would apply to caravan park residents. His response was: "What are caravan parks if they are not tourist accommodation?" A lot of people may think that caravan parks are nothing but tourist accommodation but many others in this State rely on them for their accommodation, place of abode or permanent residence. The Howard Government holds those people—whom it regards as tourists in their own homes and country towns—in contempt. The National Party's position on the matter has been unclear at best. In fact it has seemingly taken every possible position on the matter, but not one which reflects in any way the harsh reality.

There was the pre-election promise not to have the GST on home rental and soon after Larry Anthony, the Federal member for Richmond, said to the *Tweed Daily News* that "Site fees aren't really the same as rent"

and that the whole issue was "nothing new". Site fees for 6,649 people in Richmond are rent. At a further public meeting in his electorate Larry Anthony changed his position again and said, "But I do hope there can be change here ... and I hope that I can come back to you shortly, and I will through your representatives, and hopefully there can be change." With those words Larry Anthony went to Canberra and lobbied a few other people but the end result was not crash hot as no change came about at all. The National Party member for the Federal seat of Cowper, in relation to rent in caravan parks, said at the National Party conference:

As far as I am concerned there is one issue and it affects me very, very personally ... but what affects me personally is that my integrity and honour is impugned, as is John Anderson and Larry's and Mark Vaile and the rest of us. Everybody. Because we went to the people of Australia at the last election and we said there would be no GST on residential rents. It's had an impact on John Howard's integrity and honour and that of the Liberal Party as well.

Those comments came two days after Larry Anthony said on the *AM* program that if there were a change, if the conference carried a resolution, the parliamentary leadership would have to stand-up and take notice, and the party would have to make a decision, and so would he on a personal level. One of the most offensive and enlightening comments regarding the attitude displayed towards these vulnerable people came from Liberal Party member Ross Lightfoot, who said of caravan park residents on 20 June 2000, "These people are lucky. They are no more special than anyone else." Indeed, many of them are lucky: They are lucky to be alive and struggling away to try to survive. That is why it is so offensive that people who live in caravan parks and boarding houses on a permanent or long-term basis are forced by the Howard Government to pay tax on their rent.

A person paying \$3,500 a week to rent a home in Kirribilli does not pay GST, but people living in caravan parks must pay GST. Let us look at some examples of rental increases due to the GST. Redhead Park residents received notices of increases in rent of \$18 a fortnight because of the GST, and those in Tweed Broadwater Village were notified that their rents would increase by \$15.10 a fortnight. Many people would say, "That's peanuts! What are they worrying about? A rise of \$15.10 or \$18 a fortnight is nothing." But look at the financial position and income of some of the people who live in those caravan parks.

The sole pension basic rate is currently \$394.10 per fortnight—not a week, but a fortnight. That is \$197 a week for a person on the pension. Residents at the Tweed Broadwater Village caravan park are now paying rent of \$220.80 per fortnight from their pension of \$394.10, leaving them \$172 a fortnight to live on. Those who think these figures are made up should get the facts for themselves. Those who think that rent increases of \$18 and \$15 a fortnight are not a palpable impost on those people's lives should think again.

Equally, an unemployed person 21 years of age or older on a Newstart allowance receives a basic rate of \$350.80 per fortnight. Those people are already vulnerable, and the increase in their caravan park rental charges was yet another painful blow to their already tenuous and precarious financial existence. That is not to say that those who live in caravan parks are faced with no other choice. But many unemployed people and pensioners are severely limited in their housing choices. There are strict limitations on accommodation available for \$200 a week. The Federal Government has made it no easier for them. The GST impost makes it much harder for those people to conduct their lives with just a little bit of dignity.

The DEPUTY-PRESIDENT (The Hon. Dr. B. P. V. Pezzutti): Order! There is too much audible conversation in the Chamber.

The Hon. I. W. WEST: We now know that having a job does not guarantee that a person will not live in poverty. Almost one in seven Australians, or 2.4 million people, are amongst the working poor. And every step of the way the Howard Government is kicking them. Yet another example of the Howard Government's contempt for the battlers, those who live in caravan parks, is its resistance to the \$28 living wage claim on behalf of Australia's 1.7 million lower-paid workers, due to be heard by the Australian Industrial Relations Commission on 13 March.

The Howard Government will be paying for its heartlessness and lack of understanding right up until the Federal election this year. The plight of people who live in caravan parks on a permanent basis under the Howard Government is well worthy of condemnation. I appreciate the opportunity to speak on this important matter on behalf of those who have not been heard by the Federal Howard Government and who pay the GST on their home rentals. I look forward to the comments from honourable members opposite, especially National Party members, in support of the motion.

The Hon. D. T. HARWIN [3.54 p.m.]: I want to start what I have to say this afternoon with a quotation. It is a quote from the Leader of the Government, who said:

The will of the people is not schizophrenic. For democracy to be effective, people must make a choice. They can't vote yes, no and maybe at the one time.

That is a good place to start because on very few other subjects in Australian politics has there been as much debate as on the issue of whether we should have a goods and services tax. It was one of the key issues in the 1993 election and, if I may be something of a heretic, I think it was the issue that won the Coalition the 1998 election. The Hon. C. J. S. Lynn makes a point that I will come to later. I will defend to the death the fact that the Coalition brought in the goods and services tax. It is good for this country. Thank God we have a Federal Government that is interested in doing things for the good of the country, as opposed to the New South Wales Labor Government, which is only interested in occupying office.

The Hon. C. J. S. Lynn prompts me to recall me that shortly after I was elected in the last election, I think on 9 April 1999, the Premier of this State—as he was described in the newspapers—sent the architect of his recent election victory, Mr John Della Bosca, down to Canberra to convince Kim Beazley that he should change his position on the GST and to convince the Labor Party to let that legislation pass through the Senate. Over and over again we have heard from the State Labor Party in this Chamber and elsewhere in the community unbelievable hypocrisy on this issue. As was repeatedly alluded to in interjections earlier in the debate when the Hon. Jan Burnswoods was addressing the Chamber, the fact is that Bob Carr was the first Premier to sign the tax reform agreement, and he did that on 24 June 1999.

As our Federal Treasurer said, Bob Carr was "like the roadrunner racing to the table to get his signature on the document lest it be taken away". That has been consistently the position of the ALP in this State. They bleat on issues like this. In fact, the Hon. Jan Burnswoods gave notice of this matter and has raised it for discussion on a private members' day, complaining about an aspect of the GST. The reality is that the New South Wales Government could not sign the agreement quickly enough, and supports it absolutely. If the hypocrisy of the Carr Government was not evident at that time, it was certainly evident in the Legislative Assembly on 20 June last year, when this issue was debated, because members in the other place had the opportunity to vote on this amendment moved by the honourable member for Coffs Harbour:

That the amendment be amended by leaving out all words after "this House" with a view to inserting instead the following:

recognises that as 100 per cent of the GST revenue is distributed to State governments, the New South Wales Government commit to refunding the full 5½ per cent to caravan parks.

The Hon. R. H. Colless: Why doesn't it?

The Hon. D. T. HARWIN: Why indeed? Let us reflect on what happened on that occasion. There were very lengthy speeches by the Hon. Jan Burnswoods and the Hon. I. W. West as to how many people along coastal New South Wales are affected by that decision. Perhaps a few people living in coastal New South Wales would like to know what their Country Labor members did when this issue was put to a vote. When they were offered the opportunity to make a statement about the fact that the GST on caravan park rents could be repaid to residents, Matt Brown, Neville Newell, Wayne Smith and Harry Woods all voted against it. They said, no, they would not give the money back.

I repeat that the honourable member for Kiama, Matt Brown, the honourable member for Tweed, Neville Newell, the honourable member for South Coast, Wayne Smith, and the honourable member for Clarence and Minister in this Government, Harry Woods, all voted against refunding GST on caravan park rents, despite the fact that the State Government gets all the GST revenue. What absolute hypocrisy! Two words have been missing in the contributions of Government members in this debate—input and credits. Not once have we heard the Hon. Jan Burnswoods or the Hon. I. W. West defining what is at the crux of this whole debate—that is, the concept of input credits.

Pursuant to sessional orders debate interrupted.

QUESTIONS WITHOUT NOTICE

NEWCASTLE STEELWORKS

The Hon. M. J. GALLACHER: My question without notice is directed to the Treasurer, and Minister for State Development. What analysis and investigation has Treasury or the Department of State Development

undertaken in relation to the proposed \$2.8 billion steelworks planned by the Austeel consortium for Newcastle? Will the Treasurer provide copies of such an analysis to the House?

The Hon. M. R. EGAN: The House will be aware that only recently the Premier and I went to Newcastle to sign a development agreement with Austeel, which proposes to build a \$2.8 billion steel mill in Newcastle. As both the Premier and I have pointed out, there is a long way to go before this proposal becomes a reality.

The Hon. D. J. Gay: That is a bit less than full support.

The Hon. M. R. EGAN: No, the proposal has our full support. We will be doing what we can.

The Hon. M. J. Gallacher: It is a reality.

The Hon. M. R. EGAN: No, the project is not a reality. Projects are never a reality until all the finance and the equity are in place. What is interesting about this proposal is that it is part of a \$5.5 billion proposal and it includes not only the development of an iron ore mine and a hot briquetted iron process facility in Western Australia, but also a steel mill in Newcastle. The signing of the development agreement was an important step towards this project, which we hope will become a reality. But, as I pointed out, there is a long way to go. As the Premier and I both pointed out, neither the Government nor the company can be absolutely certain that the project will become a reality.

The determination of both sides is now clear. We will be working co-operatively and professionally with the company, and with us, to bring this project to reality. As the honourable member pointed out, total investment in the proposed Newcastle steel mill is some \$2.8 billion. During the three-year construction period it is conservatively estimated that the project will create an average of 9,400 jobs per year, including 3,400 direct construction jobs. Once the project is operational it is expected to generate 5,300 new jobs, of which 1,500 will be directly related to the steel mill.

What is impressive is that Austeel has formed a consortium with a number of international and Australian companies. It has also struck some partnerships with other major international and Australian companies. They include Corus, which is the proposed plant operator. Honourable members would know that Corus is the third largest steel producer in the world. It is a merger of British Steel and the Dutch steel producer, whose name I cannot remember and, if I could, would not be able to pronounce. It is also dealing with the Italian firm, Danieli, which is not only a large steel producer in its own right but also the world's biggest constructor of steel mills. It also has other companies such as Lurgi, which is the preferred supplier of the hot briquetted iron technology, Thiess, Clough and various members of the north-west shelf gas consortium. I am informed that Lurgi, Thiess and Danieli will, at financial close, provide equity.

The other interesting aspect is that Mac Steel, which is also one of the world's largest steel producers, has signed a pay contract with Austeel to purchase 70 per cent of the total steel mill production over a 15-year period. I understand that negotiations are under way with Mac Steel to purchase the remaining 30 per cent of production. For the project to go ahead it will be necessary for certain infrastructure to be provided. The Government has undertaken to provide that infrastructure once financial close is reached and it will do so on a commercial basis. For example, the Government, or one of its instrumentalities, would have to purchase land for the steel mill. It would have to undertake certain site works and preparation on that land. But, in turn, it is proposed that the land would be leased to the steel mill at a commercial rental.

Likewise, significant port and port-associated infrastructure works would need to be undertaken. Those facilities would be provided to the company on a commercial basis. We might well need to set up a new statutory owned corporation for the purpose of providing infrastructure. We might have to establish a subsidiary of an existing State-owned corporation to provide that infrastructure. After the infrastructure was provided the Government could sell that asset and, in other words, recoup the capital investment and free up that money to be used for other social or economic infrastructure provision around the State. But, as I said, there is a long way to go.

It is a massive project and, if it reaches fruition, it will be the largest industrial project in money terms ever undertaken in New South Wales. I hope that the project has the support not just of the Government but of all members of the House. I appreciate the support of the Leader of the Opposition, the Hon. M. J. Gallacher. This is a project that should have the support of all members of Parliament. I reject the proposition that,

somehow or other, the Government should not have dealt with Austeel because the chairman of Austeel is a former director of the Queensland National Party. To my mind, that does not disqualify anybody from anything—not that I would ever vote for the Queensland Liberal Party.

[Interruption]

I would deal with the honourable Hon. Patricia Forsythe. I deal already with many of her former colleagues. I do so professionally and in good faith, and they deal with me professionally and in good faith. I do not know what the Hon. Dr B. P. V. Pezzutti is planning when he leaves this House in two years time, but if he takes on some engagement or appointment which involves him dealing with the Government, I say now that I will be happy to deal with him in a bona fide and professional way. The fact that Mr Clive Palmer is a former director of the Queensland National Party is, as far as I am concerned, no bar to his doing business in New South Wales.

The Hon. M. J. GALLACHER: I ask a supplementary question. What due diligence has the Treasurer undertaken in relation to King Stream Steel, the proponent of Austeel consortium steelworks in Newcastle, prior to committing support for this consortium?

The Hon. M. R. EGAN: I am not aware of King Stream Steel.

CONSTRUCTION INDUSTRY TRAINING SCHEME

The Hon. R. D. DYER: My question without notice is directed to the Special Minister of State, and Minister for Industrial Relations. Will the Minister inform the House what the Government is doing to improve the prospects of younger workers in the building and construction industry?

The Hon. J. J. DELLA BOSCA: I note from reports that one of Parliament's Labor radicals, Reverend the Hon. F. J. Nile, has given support to the Construction, Forestry, Mining and Energy Union's advocacy for a training levy on the construction industry in New South Wales.

Reverend the Hon. F. J. Nile: It is a new coalition!

The Hon. J. J. DELLA BOSCA: Yes. It is a popular front rather than a united front. Industry parties have suggested the establishment of a levy-funded construction industry training scheme in New South Wales to address concerns about skills shortages, the rate of apprenticeship commencements and completions, front line management skills and other issues that may affect the efficiency and costs associated with construction in New South Wales. The Government has decided to commission an independent consultant to conduct a feasibility study of a levy-funded training scheme. The terms of reference for the study are comprehensive and should result in a report examining the need for, and the most appropriate form of, a training scheme for the construction industry in New South Wales.

The study will assess the economic impact and cost benefit of such a scheme on sectors of the construction industry in New South Wales and analyse the progress of the five existing State or Territory levy-funded construction industry training regimes. The study will be based on extensive consultation with key industry groups, including trade unions, employer and industry associations, training provider representatives, and a sample of individual employers in the industry. I look forward to the outcome of the study. As honourable members are aware, the construction industry provides an entrance to the labour market for so many young workers in New South Wales.

NEWCASTLE STEELWORKS ENVIRONMENTAL IMPACT

The Hon. G. S. PEARCE: My question without notice is to the Treasurer, Minister for State Development, and Vice-President of the Executive Council. What studies have been made by the Government or the Austeel consortium to analyse the environmental impact of the proposed Newcastle steelworks, which would have given the Treasurer the confidence to sign the development agreement referred to in his earlier answer to the question by the Leader of the Opposition? Who were the parties to the development agreement, and will the Government agree to table the environmental studies and the development agreement in this House?

The Hon. M. R. EGAN: The parties to the development agreement we signed were the Government and Austeel. In relation to environmental matters, of course, any project of this nature has to undergo all of the

necessary environmental and other approval processes. However, I point out that the proposal is for brand-spanking new technology to take the place of older, antiquated, clapped-out technology, which was in existence in Newcastle until a very short time ago. So, do not build up any bogus environmental arguments against this project. Newcastle has always been, until very recently, a steel town and I would like to see steel-making remain a vital part of the Newcastle economy. I have to say, though, that Newcastle is no longer just a steel town and never will be just a steel town.

One of the interesting things about the Newcastle and the Hunter economy in the past few years is that its employment numbers have increased by some 40,000—from 200,000 to 240,000—in just four years. That is a phenomenal rate of increase and it is an increase in employment across a very diversified range of industries—from avionics to horticulture, agriculture, transport, education, health, wholesale and retailing. Right across the range there has been significant growth in the Newcastle economy. Even though it is good news that there is a proposal to bring steel-making back to the Hunter, no-one should ever think that the Newcastle economy is simply a steel-making economy. It is much more diverse than that.

The Hon. M. J. Gallacher: When is it going to be signed off? When is the finance going to be there?

The Hon. M. R. EGAN: I cannot give the honourable member a date for that.

The Hon. M. J. Gallacher: So this could go on for 10 years?

The Hon. M. R. EGAN: I think we will know well before that.

The Hon. G. S. PEARCE: I ask a supplementary question. In his answer to the earlier question the Treasurer said the Government was committed to provide the land and infrastructure but he did not say it was subject to a satisfactory environmental assessment of the project. Is he now able to give us an assurance that the project will be the subject of a satisfactory environmental assessment?

The Hon. M. R. EGAN: As I said, all projects are subject to satisfactory environmental and other approvals. What does concern me is that the Opposition is now trying to build up a bogus environmental argument against this proposal. This is another example of a Liberal Party and a National Party who have continually let down the Hunter. Is it not time that the once great Liberal Party and the once great National Party heard what the people of Australia and the people of New South Wales are saying about them? It is about time they got in touch with what regional communities want and what the people of Australia want. They want, amongst other things, economic development, investment and jobs.

MURRAY HEARNE PRISON SENTENCE REDUCTION

The Hon. D. E. OLDFIELD: My question is to the Treasurer in his capacity as the Leader of the Government in this House. Is he aware that Murray Hearne, the murderer of Constable Peter Forsyth, was today successful in having his sentence reduced? Is he aware that, at least in part, this was decided on the basis that the murder of Constable Forsyth was not premeditated, despite the murderer carrying a weapon which, when he was confronted, he used without hesitation to kill Constable Forsyth and maliciously wound Constable Sample? Would he agree that under the circumstances, Hearne, the murderer, proved by his actions that while he did not plan to murder Constable Forsyth in particular he was prepared to murder whoever got in the way of his criminal activities, and in that respect his despicable act was premeditated? Will the Treasurer advise the Premier that he must act immediately to pursue every possible avenue to address the grossly inappropriate leniency of this murderer's sentence?

The Hon. M. R. EGAN: I am not familiar with the details of the case and, in any event, it is a matter outside my portfolio. I thank the honourable member for his question, which I will refer to my colleague in the other place and obtain a response as soon as I can.

COMMUNITY DRUG ACTION STRATEGY

The Hon. JAN BURNSWOODS: My question without notice is addressed to the Special Minister of State. Will he inform the House as to what resources are being produced to support the community drug action strategy and local communities who want to take action on drugs?

The Hon. J. J. DELLA BOSCA: I thank the honourable member for her abiding interest in the community drug action strategy.

The Hon. R. H. Colless: Does this apply to Cabramatta too?

The Hon. J. J. DELLA BOSCA: Indeed, it does. I am pleased to report that an information kit has been produced to support the community drug action strategy [CDAS]. The kit contains four new resources. The resources will support approximately 40 new community drug action teams already in operation across the State. It will also assist communities who want to take local action on drug problems. The first resource is the drugs and community action framework for action. The framework provides an overview of the strategy. It introduces the concept of community drug action schemes and provides a guide to help teams contribute to community action on drugs. It also outlines the activities that will take place to implement the strategy.

The second resource is the drug action newsletter. This is the first issue of the quarterly newsletter that provides updated information on community action activities throughout the State. The newsletter includes articles explaining how community drug action teams work, introduces the regional community drug action project managers and some of the activities already being undertaken by community drug action teams. The third resource is a series of information sheets on key issues relating to the Government's plan of action on drugs. The first two information sheets concentrate on the drugs and community action strategy and the community drug action teams. Future issues will focus on other initiatives such as our successful drug diversion programs—the Parramatta Drug Court and the Magistrate's Early Referral into Treatment program.

Lastly, I am advised that the drugs and community action web site will go online this evening. The web site is located within the Premier's Department community builders web site at www.communitybuilders.nsw.gov.au. It is an interactive online tool for people interested in community drug action. It will provide contact details for DCAS project managers and community drug action teams in the nine regions, a tool for sharing information between the community drug action teams and updates on events and meetings in relation to drugs and community action. This is yet another important step in the implementation of a key Drug Summit recommendation. We are working hard to give communities the resources and equipment they need to find solutions to the serious problems of drug abuse and its impact upon local communities. I will ensure that all honourable members in this House and in the other place receive a copy of these important resources so that they too can take action on drugs in their communities.

COMMUNITY SERVICES COMMISSION INVESTIGATIVE POWERS

Ms LEE RHIANNON: I address my question to the Special Minister of State, representing the Minister for Community Services. Is it true that the Minister for Community Services recently obtained advice from the Crown Solicitor that the Community Services Commission can no longer investigate consumer complaints about statutory child protection and other functions of the Department of Community Services [DOCS]? Given that the Government has had advice since at least 1999 from the Law Reform Commission that the legislation is flawed, why has the Minister allowed this situation to arise, in which instances of child deaths and other controversies can no longer be investigated?

The Hon. J. J. DELLA BOSCA: I have been advised by the Minister for Community Services that the Commissioner for Community Services has proposed an amendment to the Community Services (Complaints, Reviews and Monitoring) Act 1993 seeking to clarify the commission's jurisdiction. Advice on this proposal was sought from the Crown Solicitor, who raised legal questions about these proposals. The Cabinet Office is currently co-ordinating these matters. I am further advised that interim arrangements agreed with the commissioner have been put in place to enable the Ombudsman to handle the matters in question.

It is most important to ensure that DOCS clients continue to have access to avenues of review while this jurisdictional matter is being settled, and I am assured that that is the case. I am further advised that the type of matters affected comprise only about 15 per cent of the commission's caseload, with the remainder of the commission's work unaffected. It is acknowledged that the commission plays a central role in the scrutiny of welfare agencies in this State, and the Government is working to resolve these issues as quickly as possible. The Government is committed to the effective monitoring of public sector agencies.

LITHGOW ALUMINIUM SMELTER

The Hon. D. J. GAY: My question is directed to the Treasurer. Why did the Government build up the hopes of the Lithgow community by announcing the aluminium smelter project during the 1999 election campaign when in all probability the Government knew full well that the project would not get off the ground? Will the Treasurer and the Premier now make a public apology to the people of Lithgow, who are understandably disillusioned and upset at the loss of a major employment and investment opportunity?

The Hon. M. R. EGAN: There was nothing that either the Premier or I, or indeed the Deputy Leader of the Government in this place, would have liked better than to see an aluminium smelter constructed at Lithgow. As I have pointed out to the House on a number of occasions, and as the Premier has pointed out on a number of occasions, the Government offered a very attractive, sensible package of assistance to the proponents of the Lithgow smelter. The package included not only various payroll tax concessions of some \$6.5 million but also an exemption from the electricity distributor levy for the duration of the project.

We made it clear from the start—indeed, I made it clear on probably half a dozen occasions in this House—that the electricity contract had to be on commercial terms. It is as simple as that. Otherwise, the electricity consumers of New South Wales—every large and small business and every household in this State—would have been subsidising those electricity prices. While I am not at liberty to reveal either the offer which the generators made to the smelter proponents or what the Lithgow aluminium smelter proponents were seeking in terms of electricity prices, I can say that the subsidy they were seeking would have amounted to about \$40 million a year. Interestingly, only recently a National Party member said:

The subsidies and the cheap electricity that they would have to be offered would end up falling back onto the taxpayers.

Who said that? It was none other than the honourable member for Orange, writing his regular column of reasoned, informed comment in the *Central Western Daily* on Monday 5 February.

AQUACULTURE INDUSTRY

The Hon. P. T. PRIMROSE: My question is directed to the Minister for Fisheries. Will the Minister advise the House about the state of the aquaculture industry in New South Wales?

The Hon. E. M. OBEID: Aquaculture is a growth industry in New South Wales, and it is strongly supported and promoted by the Carr Government. Last year the Government provided \$3 million for the aquaculture initiative to help promote aquaculture in our State. I am pleased to announce that the latest aquaculture production figures clearly indicate that the industry is looking very healthy. In the last financial year New South Wales aquaculture production set a new record, with \$44 million worth of fish being produced. In fact, the value of New South Wales aquaculture increased by more than \$3.5 million in the last financial year. That represents an increase of close to 10 per cent.

At the same time, land-based aquaculture production increased by almost \$1 million from the previous year—an increase of close to 7 per cent. One of the most significant increases in this sector has been silver perch production. In the last financial year production increased by \$700,000, or 77,000 kilograms. That is 77 more tonnes of New South Wales silver perch being bought and eaten by local consumers. Hatchery production also increased by about \$800,000. This is due to two significant factors. Firstly, there has been an increasing demand for juvenile fish to meet growing demand from the New South Wales Government's successful dollar-for-dollar recreational fish stocking scheme. Secondly, there has been strong demand from the aquaculture farmers growing species such as the high-priced Murray cod. Aquaculture-grown barramundi showed strong growth, increasing by \$76,000—

The Hon. Dr B. P. V. Pezzutti: Highly prized Murray cod.

The Hon. E. M. OBEID: I said "high-priced". Murray cod is a high-value, highly priced fish. I am also pleased to hear that after some tough years, oyster production—the traditional backbone of New South Wales aquaculture—has once again increased. Last financial year oyster production grew by \$2.65 million, a 9 per cent increase. Not only is New South Wales aquaculture one of our most exciting growth industries but investor confidence is increasing. This is particularly important in regional areas, where it creates jobs and supports local businesses. In the first six months of this financial year the New South Wales Government approved aquaculture permits for businesses that will inject \$2.7 million in capital expenditure into land-based aquaculture.

The Hon. M. J. Gallacher: Have you got permission from Milton to answer this? Have you checked Milton for this answer? We've signed off on this. He is keeping an eye on Eddie. He is undermining him in Swansea.

The Hon. M. R. Egan: He's not coming into this place.

The Hon. M. J. Gallacher: He couldn't handle the workload.

The Hon. E. M. OBEID: We are talking about a very important regional industry and members of the Opposition should be listening attentively, because maybe for once they will take some positive news from this House to the regions of New South Wales. But they are not interested enough to listen and learn.

The Hon. G. S. Pearce: What about your colleague who is reading the paper? Why doesn't he listen to you?

The Hon. E. M. OBEID: My colleague is doing very well—and the honourable member should not verbal him in this House. My colleagues on this side of the crossbenches do want to hear about very important aquaculture issues. It is a magnificent industry. It is a growth industry in regional New South Wales, where jobs are most needed. The Leader of the Opposition should listen to this, because it is very important that he learn how to formulate some policies. It is anticipated that the Government approval of aquaculture permits for businesses will create 41 full-time jobs in rural areas such as Nabiac, Falls Creek near Jervis Bay, Eraring, Lower Belford near Cessnock, Bellingen, Corowa, Tweed, Young, Broken Hill and Griffith.

These aquaculture businesses could potentially return about \$1.4 million annually. I am advised that an additional nine projects could be approved within 12 months. This could see \$65 million spent in their capital construction and could create 365 new jobs in regional areas. I am pleased to announce that the Agriculture Production Report was released today. Copies of the report are available from New South Wales Fisheries offices and on the New South Wales Fisheries web site.

TEACHERS CHILD PROTECTION TRAINING

The Hon. HELEN SHAM-HO: My question without notice is directed to the Special Minister of State, representing the Minister for Education and Training. I refer the Minister to a report in the *Sydney Morning Herald* of 6 February. Is it a fact that New South Wales teachers have been given only one hour's training in child protection by the Department of Education and Training? If so, can the Minister explain why teachers have not been given more extensive training in identifying a child at risk, given that teachers, like childcare workers, doctors and police, face a \$22,000 fine if they fail to report a reasonable suspicion of child abuse? Can the Minister advise what action the department will take to ensure that New South Wales teachers are able to make accurate assessments of children at risk?

The Hon. J. J. DELLA BOSCA: I thank the Hon. Helen Sham-Ho for her question, which obviously deals with a very important matter. I will refer it to my colleague the Minister for Education and Training and endeavour to obtain a prompt answer for the honourable member.

LITHGOW ALUMINIUM SMELTER

The Hon. JENNIFER GARDINER: My question is addressed to the Treasurer. Will the Treasurer advise the House of the value of the inducement package that the State Government offered the proponents of the Lithgow Aluminium Smelter? At what stage did the Treasurer become aware that the smelter project had been lost to Lithgow? What strategies will the Government now implement to ensure that Lithgow is not disadvantaged by the loss of this project?

The Hon. M. R. EGAN: As I said earlier, I wish members would listen when I answer questions, because I give them all the details and then they ask for the details all over again. The Government not only undertook to facilitate all the necessary infrastructure and approvals that a project such as that would require but also offered payroll tax concessions of \$6.5 million and an exemption from the electricity distributor levy, which, on the basis of the Lithgow Aluminium Smelter's projections of power usage, would have amounted to about \$40 million each and every year.

NEW MARKET EXPANSION PROGRAM FOR REGIONAL ENTERPRISES

The Hon. A. B. KELLY: My question without notice is addressed to the Treasurer, and Minister for State Development. Will the Treasurer provide the House with details of the latest Government programs designed to help business?

The Hon. M. R. EGAN: I thank the Hon. A. B. Kelly for his question. As Chairman of the Standing Committee on State Development he of course has a great knowledge of and interest in business in regional areas. I am pleased to inform the House of a new State Government program which aims to create some 300 new jobs and \$15 million in sales for regional enterprises over the next three years. The \$1.8 million New Market Expansion Program for Regional Enterprises was recently launched by my colleague the Minister for Regional Development, Mr Harry Woods. Announced in the May budget, the program is designed to assist companies with practical solutions for breaking into new domestic and export markets.

Each year 100 companies can apply for a one-off grant of up to \$5,000 to assist in new marketing initiatives, product development, and participation in domestic and international trade exhibitions. I would have thought that 100 firms a year being given very real assistance constitutes a very worthwhile project. The State Government understands the difficulties that some regional businesses and organisations face in seeking new market opportunities. This program provides hands-on assistance to help overcome these difficulties. Tumbarumba Blueberry Producers, on the south-western slopes, was the first company to take part in the program. It is using the government assistance to help trial and market-test new packaging which extends the shelf life of its blueberries. If successful, the company can expect to attract a higher price and obviously a larger market for its new product.

Assistance is also being provided to The Flavours of the Harvest Food and Wine Festival Association to target the Canberra food industry, which is a significant market for regional produce from the hilltops in the Young region. The association will develop materials to market its produce specifically to Canberra industry representatives at the festival, which will be held in mid February next year. Another company, the Hilltop Vineyard Association, which was formed in 1982, has also received support under the program. It will produce sophisticated promotional material to sell a wine region to new markets. The program has also funded a series of travelling experts to talk to regional companies about the latest business information. Media personality Tim Shaw, for example, has been the first travelling expert, having visited Wagga Wagga and Dubbo. I congratulate the New Market Business Expansion program—

The Hon. D. J. Gay: He is your brother-in-law.

The Hon. M. R. EGAN: No, he is not.

The Hon. D. J. Gay: Yes, he is.

The Hon. M. R. EGAN: No, he is not. You are showing your ignorance. He is not my brother-in-law.

The Hon. D. J. Gay: Is this a different "Tim Shaw"?

The Hon. M. R. EGAN: No. It is the same Tim Shaw, but the Deputy Leader of the Opposition just does not know relationships. I once explained to the Deputy Leader of the Opposition what a first cousin once removed is and he looked so flummoxed that I could not believe he had the intelligence to even win National Party preselection for this Parliament. Later, privately, I will tell the Deputy Leader of the Opposition what a brother-in-law is and I will also tell him what is a first cousin once removed, a second cousin once removed and a third cousin twice removed. I congratulate the New Market Business Expansion Program and I encourage regional businesses to apply for grants that can help them break into new markets.

ETHNIC AFFAIRS COMMISSION ONLINE INFORMATION CONTRACT

The Hon. Dr P. WONG: My question without notice is to the Treasurer, who represents the Premier and Minister for Citizenship. My question refers to the granting of a contract by the Ethnic Affairs Commission for the development of an online information capability. Is it true that this contract is being carried out by a firm that is co-owned and co-managed by Ms Jarka Sipka, a former Ethnic Affairs Commissioner? Is it true that Ms Sipka was still a commissioner at the time the contract was awarded? Is it true that Ms Sipka used her access to the chair of the commission to lobby for the granting of this contract to the firm in which she had an interest? How did the chair of the commission, Mr Kerkyasharian, ensure that public sector principles of probity were adhered to in awarding the contract?

The Hon. M. R. EGAN: I thank the Hon. Dr P. Wong for his question but I urge him, as I have on previous occasions, not to cast aspersions on people unless he is very, very sure of his facts. He came into this Chamber not so long ago—just before Christmas—peddling some story to do with students at Macquarie University. I think he was being set up by Ms Lee Rhiannon, because he made a real fool of himself. Within three hours of raising that issue in this Parliament, he was well and truly put down by the university's vice-chancellor, and he was acutely embarrassed. I suspect he may be heading for embarrassment again, but I will certainly refer the honourable member's question to my colleague the Premier and obtain a response.

Ms Lee Rhiannon: The students won in the courts.

The Hon. M. R. EGAN: What is the Ms Lee Rhiannon barking and whingeing about on the backbenches?

Ms Lee Rhiannon: The students won in the courts.

The Hon. M. R. EGAN: The Greens will take over from the Democrats as a force in Australian politics. That is certainly the evidence from the Queensland and Western Australian elections. I am not surprised at the Democrats collapsing. We have heard the Hon. Arthur "GST" Chesterfield-Evans make speech after speech after speech advocating and defending the GST, yet last week he commented in the media that the reason the Democrats are collapsing is because they are too closely associated with the GST. I told honourable members that the Hon. Dr A. Chesterfield-Evans gave the most appalling interview on the *Stateline* program sometime last year that I have ever seen any politician do. I have a tape of it although I am not quite sure where it is. I invited all honourable members to a viewing of it last year. I will try to find the tape or obtain another copy of it and invite all honourable members to view it.

The Hon. Dr A. Chesterfield-Evans was defending the GST but, quite apart from being wrongheaded, he was just completely and utterly incompetent and inept in that interview. I notice that he now supports the flaky Natasha Stott Despoja to take over the leadership from Meg Lees. All I can say is, "Good luck!" Unfortunately for the Greens, I very much doubt that the success that they have had in other parts of Australia will be repeated in New South Wales because the only genuine "green" in this House—and when I say "green", I mean a member of the Greens party—is the Hon. I. Cohen, who is a fair dinkum Green. Ms Lee Rhiannon is just a red in a Greens disguise. I will have a bit more to say about that on a future occasion when I bring documentation to the House.

LITHGOW ALUMINIUM SMELTER

The Hon. D. F. MOPPETT: My question is addressed to the Treasurer, Minister for State Development, and Vice-President of the Executive Council. Specifically, will he answer at what stage or at what point of time he became aware that the Lithgow aluminium project had been lost to New South Wales and was going to be constructed in Queensland? In view of the extensive election promises that were made to the people of Lithgow, what strategies will the Government implement to ensure that Lithgow is not disadvantaged by the loss of that project as well as the silicon smelter? Will he now consider, for example, decentralising government departments to Lithgow and to other areas that need help in the country?

The Hon. M. R. EGAN: That is a very good question from the Hon. D. F. Moppett, who has a genuine interest in rural and regional New South Wales. If all members of the National Party had his commitment to rural and regional New South Wales—not only his commitment but also his intelligent approach to the problems of rural and regional New South Wales—they would not be facing extinction and annihilation. I inform him that I became aware of the Queensland announcement—the honourable member said that the project has been lost to Queensland?

The Hon. D. F. Moppett: No, lost to New South Wales.

The Hon. M. R. EGAN: We will wait to see what eventuates in Queensland. I was informed that an announcement was being made by the Queensland Government and by Aldoga, which is a new name to me. I had known about the Lithgow aluminium proponents previously as Austpac Aluminium and the Lithgow Aluminium Smelter Pty Ltd. I learned about the announcement either on the morning of the announcement or the night before. Only a day or two before the announcement I received a letter from the consortium stating that they would continue to have discussions with this Government. I can assure the honourable member that this Government does everything it possibly can to attract investment and jobs for Lithgow. Need I mention the brand new hospital? Need I mention the relocation of the police assistance line to Lithgow? Of course there is also the Doral silicon smelter, which the Government is very determined to see go to Lithgow. The Government is still working very, very strongly to ensure that that happens.

COMMONWEALTH GRANTS COMMISSION

The Hon. JANELLE SAFFIN: My question without notice is to the Treasurer, Minister for State Development, and Vice-President of the Executive Council. Will he inform the House of the impact on New South Wales families of the Commonwealth's distribution of grants to the States?

The Hon. M. R. EGAN: I thank the Hon. Janelle Saffin for her question and I very genuinely thank all honourable members of the House for the attention that I am at long last getting. I was feeling very left out of things yesterday. I was feeling hurt, but today I feel as though I have risen in the estimation of honourable members and that I am getting the attention that is not only my due but which I very much enjoy.

The Hon. D. J. Gay: You were such a whinger when you did not get it.

The Hon. M. R. EGAN: That is right. It goes to show that the squeaky wheel gets the most attention! I would very much like to draw the attention of the Hon. Dr P. Wong and all other honourable members of the House to what I am about to say. This is a matter that I confidently believe will have not just the bipartisan support of the House but the multipartisan support of the House. I do not think that one honourable member of the House will disagree with what I am about to say.

The Hon. J. F. Ryan: It must be time for the vertical fiscal imbalance lecture again.

The Hon. M. R. EGAN: That is right. Today the Commonwealth Grants Commission took \$93 million from New South Wales, it took \$48.9 million from Victoria, and it has taken \$38.5 million from Western Australia. It has shipped all that money off to Queensland, South Australia and Tasmania.

The Hon J. F. Ryan: It happens with all Federal governments.

The Hon. M. R. EGAN: I readily admit that it is a problem with Federal governments of both political colours. The people of New South Wales and Victoria have been very badly served in the State-Commonwealth financial arrangements that governments of both political colours at the national level have imposed. It is a matter on which every member of the New South Wales Parliament should speak as one, and speak up as one. Amounts of \$96 million from New South Wales and \$50 million from Victoria will go to States such as Queensland, South Australia and Tasmania. I do not particularly mind the larger and more wealthy States providing financial assistance to the genuine mendicant States of South Australia and Tasmania but I do strongly object to taxpayers' money in New South Wales and Victoria being siphoned off, courtesy of successive Commonwealth governments and the Commonwealth Grants Commission, to Queensland, which is a strongly growing State. Queensland has negative net debt because Victoria and New South Wales have been subsidising it for more than 50 years.

Reverend the Hon. F. J. Nile: And it has got the smelter.

The Hon. M. R. EGAN: That is right. Queensland also has the lowest tax rates because New South Wales and Victoria subsidises it. New South Wales has 33.8 per cent of the nation's population. New South Wales contributes more than 35 per cent of Commonwealth Government revenue but does not get back 35 per cent. New South Wales does not get back a third share commensurate with its population. It gets back only 30 per cent of Commonwealth grants to the States. That equates to a subsidy of \$550 from every New South Wales household to the mendicant States. It is time that we abolished the Commonwealth Grants Commission completely and set in place arrangements whereby New South Wales, Victoria, Queensland and Western Australia each receive an equal per capita share. In other words an equal share per person. Then we can put into place, in co-operation with the Commonwealth Government, some measures to assist South Australia and Tasmania.

[Interruption]

This rabble over here has to learn that if they are to make any impact at all they should only make one interjection at a time, because one interjection can sometimes hit its mark. The sort of collective noise that we hear from this rabble has no impact at all.

The PRESIDENT: Order! I remind honourable members that interjections are disorderly at all times.

MEDICAL EXPERIMENTATION

The Hon. P. J. BREEN: My question is to the Treasurer, representing the Minister for Health. Given recent findings that the Guardianship Tribunal has allowed experiments on mentally ill and critically ill people in its care, revelations from the Adoptions Inquiry showing a confirmed case of a child in the department's care being used for medical experimentation, and evidence that New South Wales orphans have been used for numerous experiments, including trials of vaccines for herpes, whooping cough, influenza and smallpox, will the Minister order an immediate inquiry into the medical experimentation on people in the care of the State?

The Hon. M. R. EGAN: Obviously I am not aware of the matter raised by the Hon. P. J. Breen but I will refer his question to my colleague the Minister for Health and obtain a response as soon as I can.

MUSEUM OF CONTEMPORARY ART

The Hon. J. M. SAMIOS: My question is to the Treasurer, representing the Minister for the Arts. Is the Treasurer aware that the Premier stated that while the Museum of Contemporary Art [MCA] building at Circular Quay "was not by any means a great piece of architecture, Sydneysiders were comfortable with it, much like a time-worn boot" and "the Lord Mayor and his advisers need to be very careful about suggesting demolition"? Is the Treasurer also aware that architect Mr Philip Cox said that the "MCA was an inept and dreary bureaucratic building of no real architectural excellence and was spoiling opportunities to make west Circular Quay the finest water space in the world"? In view of public concern about the future of the MCA will the Premier advise the people of Sydney of his clear intentions concerning the demolition of the building?

The Hon. M. R. EGAN: I thought the Premier made his views clearly known on this issue. The Premier is absolutely opposed to the demolition of the old Maritime Services building, which now houses the Museum of Contemporary Art.

The Hon J. F. Ryan: We'll see.

The Hon. M. R. EGAN: The Premier is absolutely adamant about that. Certainly I am absolutely opposed to its demolition or destruction for the construction of a new building, but I do not like the building. In fact, my views are even more extreme on this issue than the Premier's. It is a Stalinist, fascist building and, as I have told this House before, it was an absolute travesty that that building was built in the 1950s, the same decade in which we began construction of the absolutely magnificent contemporary Opera House on the other side of Circular Quay. I do not know how any government allowed the Maritime Services building to be built.

The Hon. J. F. Ryan: What about the toaster?

The Hon. M. R. EGAN: I have always been a great supporter of the toaster, and what a stunning rebuke the toaster is to all of its critics. The Hon. J. H. Jobling is nodding in agreement. What a stunning set of colonnades at Circular Quay that make Bologna, which is famous for its colonnades, look second-rate. This city is improving almost day by day. I have indicated on previous occasions that if I had my druthers the MCA building would be demolished—not for the building of a new building but for the creation of Cable and Holmes park. Certainly I would not want it demolished for a new building. As to the MCA, I have to admit that I am in no way an expert on modern art. I do not have either the Premier's knowledge or taste in these matters. However, I can inform the House of a matter of great interest: that my portrait is being painted and will be entered in this year's Archibald Prize.

LASERVISION

The Hon. AMANDA FAZIO: My question without notice is to the Treasurer. Would the Treasurer update the House on the latest success stories from the Government's Australian Technology Showcase?

The Hon. M. R. EGAN: The Sydney 2000 Olympics have helped produce another two New South Wales business success stories. The New South Wales company Laservision, a star of the Olympic nightly entertainment at Darling Harbour, has recently been awarded for its outstanding entertainment web sites by the Web Marketing Association [WMA]. WMA is an independent organisation founded with the exclusive purpose of evaluating and recognising the standard of excellence on the worldwide web for corporate web sites. Laservision has won the web site award for its newly redesigned site www.laservision.com.au that allows site visitors to experience the stunning laser vision entertainment technology.

[Interruption]

I am not up with these things, so I always have some difficulty with them. That allows site visitors to experience the stunning Laservision entertainment technology. According to Mr John Eustace, marketing manager for Laservision, support provided by the Government's post-Olympic business marketing program, through the Australian Technology Showcase, was a major factor in the company's web site award. This award was won amongst intense international competition in the company of web sites designed by global entertainment giants MGM, Warner Brothers and Planet Hollywood. Laservision pioneered the laser display industry in Australia during the early eighties. Today they are an international supplier to a diverse range of major theme and entertainment projects in Indonesia, Thailand, India, Singapore, China, Korea, Australia, New Zealand, the United States and the Pacific Islands.

In yet another win for New South Wales technology, voice recording system provider Electrodata has received a major order from the Sydney operation of State Street, the leading international financial institution. Electrodata is the only voice logging manufacturer in the Southern Hemisphere and the Asian region. Its history in recording technology and manufacture spans more than 30 years. Electrodata will provide State Street's city office centre with special voice recording equipment for its PABX system. State Street chose Electrodata's technology because it is superior to more expensive technology of imported competitors and could handle 100 per cent of the company's PABX activity.

Electrodata is also an active member of the Australian Technology Showcase. It is one of the 250 New South Wales enterprises that have generated over \$180 million in new exports and sales since the start of the Australian Technology Showcase program. The achievements of Laservision and Electrodata are great wins for New South Wales technology, New South Wales innovation and the Australian Technology Showcase. Supporting clever New South Wales companies like these is a key part of the Government's post-Olympic international business marketing program, which is helping to build new enterprises and generate new jobs in this State.

STATE OF THE ENVIRONMENT REPORT

The Hon. Dr A. CHESTERFIELD-EVANS: I direct a question to the Special Minister of State, representing the Minister for the Environment. Why is it that the State of the Environment Report was made available to the media but not to members of Parliament until three days later? Was it a one-off error that this report was not available for a response? If so, when can we expect an apology? Or is this an extension of the Government's policy of restricting information to restrict criticism of its actions? Will this censorship become the new norm?

The Hon. M. R. Egan: You just did not know where to get it. Everything has got to be handed to you. You can never find your way around anything.

The Hon. Dr A. Chesterfield-Evans: It was not on the web and was not available from the department.

The Hon. J. J. DELLA BOSCA: I think the question, in some respects, has been answered by the Leader of the Government by way of interjection. But I will get a formal answer to the honourable member's question from the Minister for the Environment.

The Hon. M. R. EGAN: Members who have further questions will have to wait until tomorrow. I look forward with anticipation to their questions tomorrow.

Questions without notice concluded.

TABLING OF PAPERS

The Hon. M. R. EGAN: I table the statistical return for the by-election in the electoral district of Campbelltown, held on Saturday 3 February 2001, under the Parliamentary Electorates and Elections Act 1912. I want to remark that the Liberal Party did not even have the guts to run a candidate.

The Hon. D. J. Gay: They did.

The Hon. M. R. EGAN: They what?

The Hon. D. J. Gay: Charlie Lynn was there.

The Hon. M. R. EGAN: Oh, they ran an independent Liberal candidate! Charlie Lynn's face was on the how-to-vote card authorised by Charlie Lynn. But, guess what? They gave their preferences to One Nation. The Leader of the Opposition's strategic adviser gave preferences to One Nation. What an appalling thing to do. You should be ashamed of yourself. It is with great pleasure that I table these statistical returns. I would ask every member to peruse the return as a matter of urgency and note the very significant swing that Labor obtained in a by-election.

The Hon. D. J. Gay: Madam President, I wish to respond briefly to the ministerial statement and note that the swing that the Labor Party—

The Hon. M. R. Egan: Point of order: There was no ministerial statement.

The PRESIDENT: Order! The Deputy Leader of the Opposition will resume his seat while I hear the point of order.

The Hon. M. R. Egan: I merely tabled the document and made some sotto voce comments.

The Hon. D. J. Gay: The Treasurer's comments were akin to a ministerial statement on the document. In that circumstance, the Opposition is entitled to respond sotto voce.

The PRESIDENT: Order! The Minister was out of order, as is the Deputy Leader of the Opposition.

The Hon. D. J. Gay: Will the Treasurer's comments be struck from the record?

The Hon. M. R. Egan: Of course not. They were important comments.

The PRESIDENT: They were out of order.

The Hon. D. J. Gay: So they cannot stand in *Hansard*.

The PRESIDENT: They were out of order.

CRIMINAL PROCEDURE AMENDMENT (PRE-TRIAL DISCLOSURE) BILL

Message

The PRESIDENT: I report the receipt of the following message from the Legislative Assembly:

Madam PRESIDENT

The Legislative Assembly has considered the Legislative Council's message and schedule dated 7 December 2000 requesting the concurrence of the Legislative Assembly with the amendments to the Criminal Procedure Amendment (Pre-trial Disclosure) Bill, and informs the Legislative Council that the Legislative Assembly disagrees with the proposed amendment No 1, and proposed amendment No 2 because:

The effect of the amendment is to undermine the principles of pre-trial disclosure requirements that are the fundamental basis of the bill.

That amendment in effect makes the entire process impotent and cannot be supported by the Government.

Legislative Assembly
28 February 2001

JOHN MURRAY
Speaker

Consideration of message deferred.

RESIDENTIAL PARK RENTS GOODS AND SERVICES TAX

Debate resumed from an earlier hour.

The Hon. D. T. HARWIN [5.08 p.m.]: When the debate was interrupted for question time I was dealing with an issue that seems to be eluding all Government members who have spoken in this debate. That, of course, is the issue of input credits. The concessional 5.5 per cent GST rate levied upon residents of caravan parks was introduced in order to allow proprietors of caravan parks to claim input credits for GST paid in the running and maintenance of their parks. This proposition seems to elude the Hon. I. W. West and the Hon. Jan Burnswoods. It was not evident from their speeches that they understood the proposition.

Had the Federal Government not introduced the concessional GST rate for caravan park residents, park owners would not have been able to claim input credits and would have had to pass on the full impact of the GST levied on expenses incurred in the running of their parks. In fact, if, after the next Federal election we are unfortunate enough to have a Beazley Labor Government, and it removes concessional GST from caravan park residents, long-term caravan park residents would be no better off, in some circumstances they would actually be worse off, because caravan park operators would not have the benefit of input credits. This is an important point, and it needs to be understood by this House when considering this motion.

Contrary to what Government members would have us believe, the Federal Government has implemented a number of measures to ensure that long-term caravan park residents are not treated unfairly by caravan park owners as a result of this concessional GST being put on their rents. First, there will be oversight by the Australian Competition and Consumer Commission [ACCC] to ensure that relocatable home park operators do not exploit their residents on pricing. That option is there for anyone who believes that his or her park operator is not doing the right thing. The ACCC is there to ensure that the right thing is being done.

Second, the Federal Government has extensively consulted with the Camping and Relocatable Home Industry Association and representatives from tenants associations to ensure that the option that park operators have of using input taxing is clearly understood by them, and that that is factored into the rents that they charge. Third, a relocatable home park consultative committee, comprising representatives from the Australian Taxation Office, tenants organisations and the relevant industry association, has been established to work through GST issues for the industry. That is the third initiative that the Federal Government has taken to ensure that the regime that has been brought in relating to GST on caravan park rents and on-site fees is well understood and is working, and that the benefits are able to be passed on to people living in caravan parks.

But it must be understood that the Federal Government has done one other thing. When the GST was introduced on 1 July 2000, the maximum rate of rent assistance available to low income earners was increased from 7 per cent to 10 per cent. It was a funding increase of \$33 million which the Government put into the community to ensure that the introduction of the GST was able to be put in place with no disadvantage to low income earners who live in caravan parks and other rental properties. So the Federal Government understands that caravan park residents will have to come to terms with this new approach relating to their weekly incomes. I think the Federal Government's response is a reasonable response.

By contrast, what we have had from the State Government is utter cynicism. In fact, the Special Minister of State admitted that nobody believed his Federal leader's assertions that rolling back the GST or taking the concessional rent off GST—part of the rollback—would make things simpler. Honourable members would remember his infamous lunch with Maxine McKew of the *Bulletin*. I will not read the whole quote because it contains a word which is best not placed on the record. The Special Minister of State said, "People think ... it's complicated enough already. Why make it more so?" He also said, "I think the problem we've got with the GST is that it's going to be a bit of a Y2K. Big shock horror. Lots of grizzling, but then people saying, 'Oh, so what.'" He is right on the money. That is certainly what people in the community tell me.

The Special Minister of State believes that the GST should be applied across the board. Would that be fair to long-term residents of caravan parks? In the interests of fairness and equity the Federal Government has chosen not to take that approach. However, if the Special Minister of State had his way, caravan park residents would be paying 10 per cent GST on their rents and their food. How would that be better for caravan park residents? The Federal Government has taken a much fairer approach and left the GST off food and only levied a concessional rate of 5.5 per cent on rents, which should not rise by this full amount because of input credit benefits for park owners. I return to the issue that I was talking about before question time, that is, the absolute hypocrisy of Government members when debating this motion. We have heard the case that they put up—that the concessional GST should be taken off caravan park residents. But we know for a fact that, even though they have at their disposal all the GST revenue to distribute—

The Hon. D. J. Gay: Egan said it was a windfall.

The Hon. D. T. HARWIN: As the Deputy Leader of the Opposition said, it was a windfall, in addition to the windfall that we learned about only this week—\$1 billion worth of other taxes that this Government has received. In light of this knowledge and in light of the fact that the Government has \$1 billion, I am prepared to give Government members the benefit of the doubt. In fact, I give them an opportunity to express a view on the same amendment that the Opposition moved in the lower House last June. I move:

That the question be amended by omitting all words after "this House" and inserting instead "recognise that, as 100 per cent of the GST revenue is distributed to State governments, the New South Wales Government commit to refunding the full 5.5 per cent to caravan park residents."

The Hon. R. H. COLLESS [5.16 p.m.]: I speak against the pitiful motion moved by the Hon. Jan Burnswoods. It shows a complete lack of understanding about the changes that have occurred in Australia this financial year and it is obviously only a feeble attempt by the New South Wales Labor Party to discredit the Federal Government. As part of the tax reform package that came into effect from 1 July 2000 the Federal Government made changes to the Australian taxation system as well as implementing a compensation package

for income support recipients in Australia. Under a new tax system boarding houses and caravan parks fit within the definition of commercial residential premises. Generally, these premises, for example, hotels and motels, provide short-term accommodation and charge the full GST. However, boarding houses and caravan parks provide long-term as well as short-term accommodation.

Caravan park and boarding house operators have the choice of charging long-term residents a concessional rate of GST, or treating them the same way as people who rent out private residences. The Leader of the Opposition raised this point, as did the Hon D. T. Harwin. This second option is called the input tax method, and results in no GST being paid on site fees and rents—a point that speakers on the Government side have obviously overlooked or simply do not understand. This decision by the Federal Government is purely about giving caravan park and boarding house operators a choice of administrative methods that best suit the mix of short-term and long-term accommodation in their premises.

Without these choices permanent park and boarding house residents would be disadvantaged as they would be treated in the same way as holiday makers and would have to pay the full rate—10 per cent—of GST. The simple solution of completely removing the GST from caravan parks and boarding houses would also remove the right of the park or boarding house operator to qualify as a business for the purpose of reclaiming GST rebates. That, in turn, would significantly increase the cost of operating a business and, as a result, accommodation rates would increase.

The net loser in this scenario is the retiree, the low income earner, and the person who chooses to live in a caravan park or a boarding house. The Australian Labor Party [ALP] is supposedly the champion of the low income earner and the battler—something about which the Hon. I. W. West tried to convince us. So why does it not give this money back to caravan park residents? I challenge the ALP and Government members in this House to support the move to reimburse any GST collected from those people.

The National Party was successfully lobbying for the GST compensation package, which saw the maximum rate of rent assistance increase by 10 per cent from 1 July 2000. In addition, pensions, benefits and allowances were increased by 4 per cent. All eligible caravan and boarding house residents will have received extra rental assistance since then. Those previously on the maximum rate of rental assistance will have received an increase of up to 10 per cent depending on the amount of rent paid. Others will have received an increase in rental assistance of 75¢ in the dollar for every dollar increase in their rent up to the new maximum rates. Increasing the maximum rate of rental assistance by 10 per cent provides a large buffer for those receiving less than the maximum rate by raising the ceiling for any future rent increases.

Several initiatives have been implemented by the Coalition Government to help to provide caravan park operators and residents with a greater understanding of how the GST legislation applies, with the Australian Taxation Office conducting information sessions. These information sessions have included representatives from the Australian Competition and Consumer Commission [ACCC] and from Centrelink. On 19 June 2000 the National Party Leader and Deputy Prime Minister announced that the Federal Government would put in place specific monitoring arrangements. These included the establishment of a caravan and home park consultative group to work through the GST issues for operators and residents. The Federal Treasurer also announced on 22 June 2000 that audit programs of the pricing structures of boarding houses and caravan parks would be conducted in 2000-2001 by the ACCC. The first meeting of the consultative group was held on 23 November 2000, with a further meeting to be held once the data for caravan parks from the price survey had been analysed by the ACCC.

As honourable members can see, and despite the Labor Party's misinformation in the community, the National Party has not walked away from the caravan park residents. This motion is similar to ill-informed debate presented yesterday by the Hon. I. M. Macdonald and is directed at undermining the progress being made on a whole range of issues by the Federal Government. The New South Wales State Government should be focusing on issues that the people of New South Wales are concerned about and issues it can do something about, rather than pontificating about Federal issues it knows nothing about and has absolutely no power to do anything about.

The real issues for the people of rural and regional New South Wales are education, health, hospitals, policing, roads, native vegetation, national parks and the draconian activities of the New South Wales Scientific Committee. Why are not Government members in this House bringing forward private members bills to address these issues, or are they simply not aware of the concern in the community that surrounds these issues? The challenge remains with the Government members in this House to support this amendment to give the money that is collected from boarding houses, site fees and rents back to the people, because they have it in their hands.

The Hon. R. S. L. JONES [5.23 p.m.]: I support the motion of the Hon. Jan Burnswoods, mainly on behalf of the 6,649 people who live permanently in caravan parks in the area where I live in the Richmond electorate. It is clear to me that these people, many of whom are my neighbours, have been discriminated against by imposition of the GST. I am disappointed that the Democrats caved in over the GST in the way they did. They should have held firm on the GST in many areas, including residential park site fees, books and many others. There is now a leadership challenge among the Democrats because of the cave-in by the conservatives in that party. I hope the leadership challenge is successful and that Natasha Stott Despoja will be the new leader, backed up by people such as the Hon. Dr A. Chesterfield-Evans. That would be very good for the Democrats, and they can go back to their roots.

It does seem to be somewhat anomalous that we are discussing in State Parliament a Federal issue on which we can have no impact whatsoever. The only impact I suppose we can have is to give the money back to caravan park dwellers, but I do not imagine that will happen. There is no doubt that many people live permanently in caravan parks. They are the battlers in our society, and we need to look after them much more than we are doing. The battlers in the area where I live and throughout New South Wales are having a rough time, from both the State and Federal governments. We should do a lot more for them. The Prime Minister should listen to the concerns of these residents, particularly in the Richmond area, and he has not done that. I believe he will pay the penalty when the electorate turns to Labor at the next Federal election, as I am sure it will.

The Hon. C. J. S. LYNN [5.25 p.m.]: I speak against this motion. The Leader of the Opposition has pointed out that Labor has come off a three-month holiday and the best it can do is waste a day and a half, yesterday and today, on issues that are not State issues. It is almost like a scene from *One Flew over the Cuckoo's Nest*—give the lefties a run, it will not mean anything in the long term, it does not matter. These issues could have been addressed last year if we had sat last year.

The Hon. M. R. Egan: We did sit last year.

The Hon. C. J. S. LYNN: We did not sit enough to address it. The Government shut it down. The Government was not interested last year.

The Hon. Jan Burnswoods: Are you the one who gave preferences to One Nation in the Campbelltown by-election?

The Hon. M. R. Egan: Why did you give preferences to One Nation in the Campbelltown by-election? Why did you do that?

The Hon. C. J. S. LYNN: That is just another Labor lie. I was not involved in the Campbelltown by-election. I was in Papua-New Guinea for the entire duration of the Campbelltown by-election.

The Hon. Jan Burnswoods: Your photo was on the how-to-vote cards.

The Hon. C. J. S. LYNN: In the past 12 months there had been two famous sightings in Campbelltown. There were two reported sightings of Elvis Presley and one reported sighting of Michael Knight. We know the sightings of Elvis Presley may have been true, but we know—

The Hon. Jan Burnswoods: Why was your photo on the how-to-vote cards?

The Hon. C. J. S. LYNN: If they had had your photo on them, the voters would have left the electorate. Anyway, the honourable member should stop her squawking and sit down. She started this debate, now she can suffer. Let us reflect on Labor's position on the GST. It started way back in 1985 when Paul Keating thought it was a good idea to have a GST, but he was rolled by the unions, rolled by the Luddites. In 1998 the Federal election was won by the Prime Minister, John Howard, when he honestly went to the electorate and promised them a package of tax reform that the electorate accepted. They voted for it. They knew exactly what it was, because they knew it was for the benefit of Australia. The Luddites of the Left on the other side just cannot accept the decision of the Australian people. The Treasurer said, as reported in *Hansard* on 17 November 1998:

... we managed to get the agreement of the Commonwealth and all bar one of the States to an arrangement whereby the Commonwealth will now ensure that no State loses out during the transitional period.

Bob Hogg, one of the Labor heavyweights said, in the *Age* of 24 March 1999:

Beazley needs to ... declare support for the government's GST, providing legislative measures are introduced that give ongoing compensation to low income earners and pensioners.

The Hon. D. T. Harwin referred to a statement made by the Treasurer in the *Sunday Telegraph* of 4 April 1999, when he said:

The will of the people ... is not schizophrenic. For democracy to be effective, people must make a choice. They can't vote yes, no and maybe at the one time.

Well, they did not: they voted yes. Premier Bob Carr finally told Beazley to get on with it after all his bleating. Indeed, on 10 April 1999 the Premier joked that he would send the architect of his recent election victory, the Special Minister of State, to Canberra to convince the Senate to pass the package. On 31 May 1999 the Premier said:

I and the other Premiers will have to negotiate an amendment to the original agreement. He said while he had historically opposed the GST, "I have to deal with realities."

The Premier then became a roadrunner; he was the first Premier to sign the tax reform agreement on 24 June 1999, because he knew the benefits of this great tax reform package. As Peter Costello said, the New South Wales Premier was "like a roadrunner racing to the table to get his signature on the document lest it be taken away". The other Premiers quickly followed Bob Carr's lead, signing the agreement over the following week. In a letter of 7 March to the honourable member for Port Macquarie, Harry Woods said:

In addition to the above gains, local government also stands to be a major beneficiary in funding arrangements following the introduction of the proposed goods and services tax.

Those statements alone expose the absolute hypocrisy of the left-wing rump of this Government, having a run in the sun with this issue while it thinks of real policy developments to put before the Parliament. Earlier the Hon. Jan Burnswoods said that the Prime Minister had not spoken the truth about the implementation of the GST. I think the Prime Minister was very truthful; he went to an election with it. He put the GST to the people of Australia and they voted for it. What did Bob Carr put to the people of New South Wales in 1995? He said that there would be no new taxes and no increased taxes. What have we had since then? The Labor Government has introduced a bed tax, dog and cat licences, a septic tank tax, a land tax on homes, a payroll tax on superannuation, national park entrance fees, a parking levy, an electricity tax, a sports betting tax, stamp duty on intellectual property, a freshwater fishing tax and a coastal fishing tax.

That is not bad for a Leader of the Opposition who said that there would be no new taxes and no tax increases if he were elected to government. What has increased since the Labor Government was elected? The poker machine tax, the health insurance levy, the general insurance duty, court fees, motor vehicle registration fees, driver licence fees, water rates, waste disposal charges, development fees, hospital charges, workers compensation premiums and stamp duty have increased. Land tax has gone up from 1.5 per cent to 1.85 per cent. Taxi fares, national park entrance fees and distance education fees have increased. Public transport fees and secrecy-freedom of information charges have gone up. A stamp duty has been imposed post GST.

The Premier's credibility in terms of economic management of this State has been absolutely blown out of the water by new taxes and tax increases. Indeed, taxes increased by a massive 45 per cent during the first four years of the Carr Labor Government. Who do those tax increases impact on? They impact on the battlers who the Labor Government purports to represent—those who live in caravan parks and so on. Many of those people were probably small businesspeople who went bust during the Keating regime when interest rates for small business were as high as 20 per cent and 21 per cent. We all remember that as part of the recession we had to have, which was every inch Labor's way of running the economy. I turn now to the crux of what Labor really thinks about the GST and the economic management of this country.

In an article in the *Bulletin*—the Hon. D. T. Harwin referred to the same article—the journalist Maxine McKew referred to differences between the Special Minister of State and Gary Gray in terms of their approach in the run-up to the election. In explaining those differences, the Minister said that the origin of his differences with Gary Gray, which everybody gets wrong, is that they had a lot of arguments about the GST. Gary refused to accept that the people of New South Wales—that is, 40 per cent of the economy—have a much greater tendency to accept economic change. New South Wales had never had the crash that occurred in Victoria under a Labor government, and it had never had the locking up of the system which happened in Queensland under a Labor government. The Minister did not refer to Western Australia Inc.

Research showed—and current research is showing it again—that when it comes to the GST the people of New South Wales are supremely disinterested. It is a case of "What is the big deal?". The Minister then referred to Howard's victory and the bland things Kim had said. He said that Howard's victory was in persuading people that the GST was good for the country. Not for one moment did the Minister back away from the logic of where his 1998 arguments led. He said:

See, I think the problem is that this GST thing is going to be a bit of a Y2K, big shock horror, a lot of grizzling, and then "so what".

In terms of what people think about the rollback, the Minister said that it is complicated enough already—why make it more complicated? No-one would believe that it could be made simpler for small business; the only thing is to give more exemptions, but that makes it more messy. That is what Labor wants to do. It wants to make the GST more messy so that people suffer more and get more confused about it. Labor is not interested in making the GST simple or fair. In the *Bulletin* article the Minister said:

Actually, the fairest thing to do would be to reimpose it on food.

However, Labor had to ambush the tax reform the best way it could and try to complicate it. The author assumed that the Minister has decided to send an early message to Kim Beazley: Get real and develop a progressive tax policy fast or go down in history as the bloke who nearly won two elections. The Minister's advice to Beazley on handling the rollback issue—already something that is causing heat for the Leader of the Opposition—is to define and confine it. The interview with Maxine McKew in the *Bulletin* helps to expose the absolute hypocrisy of this Labor Government in raising this issue, over which it has absolutely no control. In fact, the Government does have some control over the issue. If it accepts the Opposition's amendment, it can provide relief to these people, because it is awash with money from the GST and it has the power to provide rebates or support to the disadvantaged in this State.

I turn to some of the facts about the impact of the new tax system on long-term commercial residential leases. As part of the tax reform package that came into effect on 1 July 2000, the Federal Government made changes to the Australian taxation system, as well as implementing a compensation package for income support recipients in Australia. Under a new tax system, boarding houses and caravan parks fit within the definition of "commercial residential premises". Generally, these premises—for example, hotels and motels—provide short-term accommodation and charge the full goods and services tax. However, boarding houses and caravan parks provide long-term accommodation as well as short-term accommodation.

Caravan park and boarding house operators have the choice of charging long-term residents a concessional rate of GST or treating them in the same way as people who rent out private residences. This second option is called the input tax method and results in no GST on site fees or rents. This decision by the Federal Government is surely about giving caravan park and boarding house operators a choice of administrative method that best suits the mix of long-term and short-term accommodation in their premises. Without these choices, permanent park and boarding house residents would be disadvantaged, as they would be treated the same as holidaymakers who pay the full rate of GST.

As part of the GST compensation package, the maximum rate of rental assistance increased by 10 per cent from 1 July 2000. In addition, pensions, benefits and allowances were increased by 4 per cent. All eligible caravan and boarding house residents will have received extra rental assistance. Those previously on the maximum rate of rental assistance will have received an increase of up to 10 per cent, depending upon the amount of rent paid. Others will have received an increase in rental assistance of 75¢ for every dollar increase in their rent up to the new maximum rates. Increasing the maximum rate of the rent assistance by 10 per cent provides a large buffer for those receiving less than the maximum rate by raising the ceiling for any future rent increases.

In response to the Federal Treasurer's press statement of 22 June 2000 the Australian Taxation Office conducted national information sessions for caravan park operators and residents. These information sessions included representatives from the Australian Competition and Consumer Commission [ACCC] and Centrelink. The sessions concentrated on areas with a significant presence of caravan park operators and residents, with the aim of providing a greater understanding of how the GST legislation applies. On 22 June 2000 the Federal Treasurer also announced that an audit program of the pricing structures of boarding houses and caravan parks would be conducted in 2000-01 by the ACCC. In relation to this review of pricing structures, which also includes relocatable homes, the ACCC has developed a price survey that was distributed to a targeted sample on 22-23 November 2000. An analysis of the review data for caravan and relocatable home parks is expected to be completed this month, with examination of the boarding house information likely to take slightly longer.

On 19 June 2000 the Deputy Prime Minister announced that the Federal Government would put in place specific monitoring arrangements. This included the establishment of a caravan and home park consultative group to work through GST issues for operators and residents. The first meeting of the consultative group was held on 23 November 2000, with a further meeting to be held once the data for caravan parks from the price survey had been analysed by the ACCC. There is no doubt that Labor has complicated the implementation of the GST for cynical, political purposes. It has refused to accept the verdict of the Australian people in 1998, and it still refuses to accept it. The State Labor Government has an opportunity to do something about the matter. For example, it has received a windfall from the M4-M5 cashback con.

The Government promised to lift the tolls on those motorways; it then broke that promise and lied to the people of New South Wales. It came up with a cashback scheme—or cashback con—which has not been taken up. The Government knew that the cashback scheme would not be taken up, and I think it has about a \$70 million surplus alone from that. The Government had a gambling windfall. Its income from gambling is the highest ever, and the highest in this country. The Government also had a GST windfall. The Government has the resources. If it were fair dinkum about helping battlers in caravan parks, it would be willing to assess their needs and to pass on the benefits of this windfall and share it with ordinary Australian battlers, rather than just with its mates.

This issue may have been topical last year; it is now out of date. It should not even be debated today. It is a Federal issue, which is another reason why it should not be debated today. It simply shows that the Government has run out of steam, it is arrogant and it has absolutely nothing to present to the Parliament at the moment, so it is giving the lefties a run. I believe that the Government has now had its run. It has given us the opportunity to put the record straight, for which we thank it, and we hope that it will get down to the fair dinkum business of running this State.

The Hon. Dr A. CHESTERFIELD-EVANS [5.43 p.m.]: To put it as mildly as I can, I am very disappointed that the Government is wasting the time of this House on Federal issues. Many genuine motions are moved in this House by the crossbenchers and even backbenchers in the major parties, the old parties, that could deal with issues in this State or issues that would otherwise not have an airing in any forum in Australia if they were not raised in this House. We have an entire Parliament in Canberra to discuss such issues. The Hon. Jan Burnswoods is simply grandstanding to make a political point. She is wasting the time of this House. She is undermining the upper House so that the Government can have the winner-takes-all situation which would suit it in the lower House, where the Government receives 43 per cent of the primary vote and 100 per cent of the power. The lower House is a rubber stamp and it calls that democracy.

In fact, the Government has 43 per cent of the primary vote in the lower House only because of the single-member electorate system. When people are able to vote for whomever they want, the Government has 37 per cent of the primary vote and considers that it should have 100 per cent of the power. On the basis of that 37 per cent primary vote popularity it inflicts this sort of arrogance on the people of New South Wales. It is an absolute disgrace. I ask honourable members to note how poorly informed the Hon. Jan Burnswoods was—

The Hon. Jan Burnswoods: What was the size of your vote, Arthur?

The Hon. Dr A. CHESTERFIELD-EVANS: My vote was more than 4 per cent. Yours is 37 per cent—and yet you presume to have 100 per cent of the power.

The Hon. D. J. Gay: What was her personal vote? Who voted for her?

The Hon. Dr A. CHESTERFIELD-EVANS: My personal vote was the highest in the State. What was your personal vote, we might ask? I am afraid that members on the crossbenches are basically known by some of the old parties as a lot of faceless people, but that is by the by. The point about the humbug that this motion suggests is that it has a real concern for residents. The Democrats have been very concerned for residents of caravan parks and have tried to do what they could to help the situation in the negotiations on the GST. During the GST debate the Federal Government, the Liberals, wanted to have a 5.5 per cent GST and they were reluctant to release the modelling on which the 5.5 per cent was based. It was released nationally by Laurie Oakes, and that showed that the 5.5 per cent option left boarding house residents and caravan park residents worse off. The expectation was that under the GST the commercial accommodation was expected to increase by 6 or 7 per cent. However, the more appropriate comparison for long-term caravan park and boarding house residents was with residential rental premises, which were forecast by the Government to rise by 2 to 3 per cent under the GST.

Based on expected residential rental rises, the Democrats concluded that a 2.75 per cent tax rate would be a much fairer and more appropriate outcome for caravan park and boarding house residents. The Democrats recognised that caravan park and boarding house residents were among the poorest members of our society, and we did not want to place this vulnerable group at risk because of higher rent increases. Although the issue has been monitored by the Australian Competition and Consumer Commission, the Democrats felt that it did not address the fundamental issue that the actual tax rate was set too high by the Government and needed to be changed. It was suggested amongst the Democrats that we should have GST for the first three weeks, which would have applied to holiday lettings on the basis that holiday-makers should pay like anybody else taking accommodation, but that the GST should not apply to long-term residents. However, this was felt to be too complex, and that is why a GST was to be applied to caravan park rents.

In order to deal with this, the models were considered. The Government suggested a model of 5.5 per cent. The Democrats suggested a model with a 2.75 per cent tax increase, which would mean that inputs would have added up to a 1.25 per cent increase for residents. The Australian Labor Party [ALP], however, wanted tax inputs only, and the economic modelling of that through EconTech showed that this would have been a 3.6 per cent increase in rents for residents. However, the ALP would not support the Democrats' amendment for 2.75 per cent, even though the modelling showed that it was a better way of doing it with a better outcome than Labor's input taxing. After not having supported what the model showed was best for the residents, Labor is now shedding crocodile tears and criticising the Democrats.

The Australian Labor Party probably had no model. The striking fact about the ALP throughout the goods and services tax debate is that it did not have any policies at all. The policy of members of the ALP was that they were not in favour of the GST but if anyone had asked them, "What are you going to do to change the tax system?", they would not have had a clue—the silence would have been deafening. Members of the ALP want to rise to power after the next election in a policy-free zone while happily taking the revenue and promising to tinker at the edges with a ridiculous rollback, which is nothing more than a silly phrase. It may be suggested that the vote of the ALP has increased on a two-party preferred basis but its primary vote has not increased very much. In fact, the vote for non-major parties keeps increasing because the ALP does not have any serious policies.

To obtain a fair deal, the Democrats pressured Prime Minister Howard to increase the rent assistance package. The Democrats achieved a 3 per cent increase in 1999 and a 3 per cent increase from 1 July 2000 associated with the GST. That was an increase in rent support of 4.2 per cent overall in an effort to counteract the 5.5 per cent rates that apply. The full extent of rent assistance was not expected to be accepted because of the offsets that would have made a difference to the inputs obtained from the caravan park owners. The Democrats did their best to negotiate the best deal for long-term residents of caravan parks whereas Labor would not accept the model and would not support the amendment. Labor presented caravan park residents with less of a deal than they could otherwise have had. Now Labor members are engaging in humbug by moving this motion which is an absolute disgrace. It shows the little credibility that members of the Labor Party have. If they are big on rhetoric, they are very, very small on tax.

I could go into greater detail about the Democrats' position on taxation but the document entitled *A Fair Tax System Delivered* is available for anyone who is interested, together with an analysis of the Democrats' input on the GST—in marked contrast to the simplistic rhetoric that the ALP would have people believe. The voting record of the ALP in Canberra is informative and shows how often the ALP has supported the Howard Government. Of a total of 114 divisions in the Senate during the 2000 Federal parliamentary sitting, the ALP voted with the Coalition 61 times and the Democrats voted with the Coalition 25 times.

The ALP supported the Defence Legislation Amendment (Aid to Civilian Authorities) Bill which allows the Army to squash union strikes if the Government thinks that they are a threat to the economy. The ALP also supported the education funding bill which will provide more money to private schools at the expense of public education. The ALP also supported the Renewable Energy (Electricity) Bill—known as the burn-the-forests bill—and the freezing of junior wage rates. Such is the commitment of members of the Australian Labor Party! Yet they claim that the Democrats are selling out whereas they are not. It might be interesting in passing to note Pauline Hanson's contribution.

The Hon. D. F. Moppett: That will not take long—and that was when she was there.

The Hon. Dr A. CHESTERFIELD-EVANS: Of the 114 divisions in the Senate, One Nation did not cast a vote on 49 occasions. This may reflect the fact that One Nation either did not have a policy, could not

make a decision, or simply was not represented in the Chamber. The details are not recorded in the figures but it might be noted that 49 times out of 114 divisions, One Nation did not vote at all. These are not my figures; they are supplied by the statistics unit of the Senate Table Office. The ALP is lazy in developing policy and will basically carry on with existing economic policies, including a continuation of the GST, while permitting extremely minor changes. Members of the ALP will be rubbing their hands together after having been given election on a plate and not having done policy work that is actually needed.

This motion and the speeches that have been made during this debate have not been researched but, rather, obtain the usual rhetoric which overlooks facts which I have endeavoured to bring to the attention of this House. I will take the matter a little further and examine a paper—"Briefing Paper 14/2000"—by a respected researcher in the Parliamentary Library, John Wilkinson. The paper's conclusions refer to the effect of the GST on New South Wales—something with which the Treasurer likes to lambaste some honourable members during question time when those honourable members do not have the opportunity to respond. The Treasurer will now have the opportunity to listen to some facts. The report states:

... NSW seems likely to gain from the way in which the GST has been introduced. At the beginning, the State appears to lose - in respect of the shares of GST revenue gained by the other jurisdictions—

of course, that is the effect of distributions made by the Commonwealth Grants Commission—

over the years however, as the level of overall GST income steadily rises, NSW should eventually gain. Furthermore the business community, at least according to their own declarations, have seen individual state taxes as an impediment to commerce and, therefore, the consequent phasing out of those taxes should lead to a further increase in business activity. As the state with the greatest amount of business activity, New South Wales should, again, benefit.

That is part of a neutral report provided by the Parliamentary Library. One hopes that the library will not be abolished for producing a neutral report that is not exactly what the Government wanted, the Government having a new policy of muzzling anybody who produces anything that might be used as criticism. We have to hope that the Government will give a guarantee that it will not abolish the library for producing realistic documents showing what the effect of the GST will be on New South Wales. With that hope, we should use the information while it is available and praise the library for providing neutral information.

We have heard incredible Labor hypocrisy about rollback which is a policy that will never be implemented. Members of the ALP will basically be happy to receive the revenue and do very little in return. The position I take on the amendment is that it is not realistic in terms of its complexity. The State's 5.5 per cent is modified by other factors. I do not believe that it is realistic to simply take 5 per cent at a State level and give it back. I think that the economic restructuring countenanced by the amendment is more complex than that—much as I would like to help people who live in caravan parks.

Debate adjourned on motion by Ms Lee Rhiannon.

BILLS UNPROCLAIMED

The Hon. I. M. Macdonald tabled a list detailing all legislation unproclaimed 90 calendar days after assent as at 27 February 2001.

SPECIAL ADJOURNMENT

Motion by the Hon. I. M. Macdonald agreed to:

That the House at its rising today do adjourn until Thursday 1 March at 2.30. p.m.

ADJOURNMENT

The Hon. I. M. MACDONALD (Parliamentary Secretary) [5.59 p.m.]: I move:

That this House do now adjourn.

ECONOMIC INEQUALITY

The Hon. P. T. PRIMROSE [5.59 p.m.]: An article in the *Australian Financial Review* in October 1998 argued that a map of Australia depicting the distribution of income and employment would show "a nation

fracturing along class, residential and ethnic lines". In 1990 the National Centre for Social and Economic Modelling calculated that the richest 10 per cent of Australian families received 23 per cent of the national income while the poorest 10 per cent received less than 3 per cent of the national income. The top 10 per cent owned 52 per cent of the nation's wealth in the early 1990s and today this concentration has risen to almost 57 per cent. This has been largely at the expense of middle income families. While much has been made by the likes of Prime Minister Howard of the growing share ownership in Australia, we are hardly a classless shareholder democracy. Even after the Telstra float, the richest 10 per cent of Australians still own 90 per cent of shares held by private investors and only 14 per cent of the population own any shares directly.

This income inequality is having many consequences beyond the most obvious political outpouring through the rise of the politics of complaint and One Nation. For instance, the joint Adelaide University-Commonwealth Government publication the *Social Health Atlas of Australia* reports a growing divide between the wellbeing of the richest and poorest Australians which reflects the growing income divide. The widest gulf exists in relation to heart disease, lung cancer and respiratory diseases. As Carmen Lawrence has argued, the lessons from the evidence are blatant: decisions that increase inequality in our society are likely not only to create a sense of unfairness and injustice but also to make one sick.

At the same time that neo-liberal economics has called for the further loosening of economic controls and the resultant increase in inequality, demands for greater social control have intensified. Lowi calls this the dirty little secret of market capitalism, that it has nothing to say about what happens when the so-called loosening of economic controls creates growing social problems and inequality. Economic rationalism undermines the traditional social institutions that it has relied on in the past—the family being the key example. Where labour market regulation is the most successful in reducing wages and conditions, where unions are least involved in protecting workers' rights, those are the areas where divorce and family breakdown is the highest. In the United States of America one of the largest states in that country is the state of incarceration. Gaoling its citizens has become the preferred mode of dealing with the poor and marginalised. It is little wonder that this phenomenon has been labelled the internal cold war.

The neo-liberals continue to argue against progressive taxation in favour of smashing trade unions, and oppose any attempt to interfere with the outcomes thrown up by the market deity. Exponents of the third way also demand that Australians adapt to the realities of globalised capitalism, but suggest that what we really need to do is revise our ideas about what constitutes inequality. Exponents argue that we should stop worrying about economic inequality, which is assumed to be inevitable, and start focusing instead on notions of social inclusion and exclusion, the latter requiring only mild government intervention to equalise opportunities and reduce the differences in individual starting positions. However, the reality is that the current form of global capitalism is not an immutable fact of nature. Again Carmen Lawrence argued that while the market liberals won the intellectual argument in the 1980s and 1990s, the failure of their prescriptions now demands a rethink.

The tide is turning. We know that so-called free markets are not self-regulating and need active management. We need an agreed framework of global regulation—of capital markets, trade, labour standards and environmental conservation. Even the World Bank has now acknowledged that there cannot be sustainable economic development in the absence of an effective modern state. We need to reassert the potency of government and governance. We should begin to impose some order on the global marketplace through measures such as transaction taxes on foreign exchange to reduce the speed of equity flows.

Employment must be reinstated as a goal for central banks and governments. Governments such as that of John Howard have sought to remove the protections that were developed for workers on lower wages who are less well-educated and vulnerable. We know that those who can bargain collectively through the unions are in a relatively better position than those who cannot, so attacking and undermining trade unions is not a good recipe for promoting equality. Labour rights have to be recognised as a core component within trade. Tax and wage policies should have the reduction of inequality as a key objective.

AUSTRALIAN LEBANESE COMMUNITY

The Hon. PATRICIA FORSYTHE [6.03 p.m.]: I will commence this year's sittings as I did last year: by acknowledging the Australian Lebanese community in its efforts to promote and celebrate Australia Day and its acknowledgment of the efforts of a number of outstanding Australians of Lebanese heritage. This year I attended two functions, both of which had the backing of the Australia Day Council. On Thursday 25 January, together with my colleague the honourable member for Pittwater, John Brogden, I attended the United Australian Lebanese movement's third Australia Day celebration, at the Holroyd Centre. Eight outstanding

citizens were honoured with awards recognising their contributions to Australia. I will briefly refer to their outstanding careers. Dr Trevor Batrouney, a fourth-generation Australian, was described as an author, researcher, immigration expert and past research director of the Institute of Family Studies. Mr John Symond, who needs little introduction, is the well-known founder of Aussie Home Loans, the largest non-bank lender in Australia.

Since arriving in Australia in 1964 Sister Madeleine De La Croix has made a major contribution to the welfare of the Lebanese community in Sydney, through both the St Maroun's School, Dulwich Hill, and in her support of older citizens through the establishment by the sisters of a nursing home. Mrs Nada Roude was the founder of the Muslim Women's community support group and has been an adviser to governments on Arabic communities. Mr Hazem El Masri is best known as a member of the Bulldogs rugby league team but has done much to establish and promote sport within the young Lebanese community and is an important role model.

Mr Tony Khattar, a business identity, is well known for the successful reception centres that he runs and has used his success to contribute to many charities, including the Children's Hospital. Mr Joe Joseph has made a huge contribution to supporting many charities but is best known in the sporting world for his skills at therapeutic massage. Mr Karim Kistrwani has done much to forge links with the Australian community, such as promoting links to Australians who have fought in Lebanon. He was also a major contributor to the Westmead Children's Hospital.

On Saturday 27 January I attended the Parramatta Town Hall with the honourable member for Ku-ring-gai, Barry O'Farrell, and the Hon. Dr P. Wong, amongst other guests. On that occasion eight citizens were given Australia Day awards from the United Australian Lebanese Assembly Limited. Mr Ali Abdo received the young Australian of the year. He represented Australia at the Sydney 2000 Olympics in Greco-Roman wrestling. The senior citizen of the year was 86-year-old Mr Joe Yared, who has lived in Australia since 1924 and has worked for more than 60 years as a court translator. Other awards were given to Mr Tony Maroun, who, besides being the founder of the Lexatonia tile company, which employs more than 50 people, has given enormous support to youth sporting groups. Mrs Kathy Metri was acknowledged for her business career in the construction industry, where she has run a company for more than 30 years. Marie Myssy has worked at SBS as a senior journalist, broadcaster and researcher with the Arabic language program.

Magistrate Robert Abood, President of the Magistrates Institute of New South Wales, was acknowledged. Detective Senior Constable Gerard Keith Allison, who has held numerous senior police roles, especially in southern Sydney, and Detective Senior Constable Joseph Maree were acknowledged and have worked extensively in the southern Sydney area and provide positive role models within the community. I congratulate the Australian Lebanese Community on its support of Australia Day and I congratulate the recipients on their awards. I do this on the eve of welcoming an outstanding Australian of Lebanese heritage, Dr Maree Bashir, as Governor of New South Wales: A wonderful choice.

GOVERNMENT LAND DEVELOPMENT

The Hon. Dr A. CHESTERFIELD-EVANS [6.07 p.m.]: I point out the hypocrisy of the Carr Government in making headland speeches about the environment and urban development but facilitating the sell-off and destruction of much of the natural environment, particularly in urban areas. While the Premier speaks about the need for more architects, the effect of land tax is that land cannot be retained because the cost of it is too high. The land has to be sold because people cannot pay the land tax, and effectively land is developed. Land tax also undermines zoning through the changes to the Environmental Planning and Assessment Act or what is known as the developers court. If a council tries to change a zoning it can be undone by the court.

The combination of land tax that leads to development and developers winning in court so consistently means that in fact there is hardly any planning in New South Wales. Because of the lack of planning and the ability to increase densities along railway lines, for example, open areas are developed. I will refer to a number of open areas that demonstrate that. The ADI site at St Marys was operated by the Department of Defence to manufacture munitions. The Federal Government wants to sell that off in a joint venture with Lend Lease—basically to buy bombers and increase our defence expenditure.

The last piece of Cumberland woodland in western Sydney has a natural population of kangaroos and emus and could form the basis of an urban park and create tourist revenue to western Sydney along the Dunheved railway line. That will not happen because of the development of low and medium density housing

that sprawls out over the landscape. Rather than preserve the site, the Department of Urban Affairs and Planning has approved a plan that leaves some wooded areas but gives away the rest. The kangaroos will have to be relocated, and any opportunity to develop an urban park will be totally lost. Indeed, some of the flood-prone areas, according to residents, where flooding has been worse in the past two years than it has been over the past 50 years—will be filled in.

Another area of interest is the Sandon Point development at Thirroul. It is the last corridor of land between the Illawarra escarpment and the ocean. This is an extremely important area for birds, with some 130 different bird species having been observed there. It is one of the few areas that have rushes and nesting areas. The area was owned by Sydney Water, which eventually sold it to developers. The corporatisation of Sydney Water led to its flogging off land to developers. If the plans go through as suggested, there will be almost no riparian areas, which will become roads that somehow will be used for flood mitigation. The influx of domestic animals such as cats and dogs into the tiny area of remaining rushes will mean that the birds will die out for lack of breeding habitat. That is a controversial issue in the Wollongong area. The mayor put to me, "What solutions can you offer within the existing framework of current zonings, the overturning of which would be impossible?"

Ellerman Park at Round Corner, Dural, is a six-acre site that was acquired by the Department of Education and Training in the 1960s to be the site of a public school. Some two-thirds of the site contains a small but significant forest of the endangered turpentine ironbark, which is the finest example of the rare forest community, according to the National Parks and Wildlife Service. Nevertheless, it is threatened. However, it is still owned by a government department and it could be saved if this Government had the will to do so. The idea that each government department acts singly to maximise its resources by selling off surplus assets, rather than taking a holistic view, is sad indeed, and is indicative of the Government's lack of planning.

SPEEDO AUSTRALIA PTY LTD RETRENCHMENTS

The Hon. I. W. WEST [6.12 p.m.]: I wish to speak about the 65 Speedo workers who were retrenched from their workplace at Windsor last Friday. Of those 65 workers, 60 are women, and many of them are single mothers. At the very least, those workers will need retraining. I note that one of the very first things that the Howard Government did was scrap the Labour Adjustment program in 1996. The reason given by Speedo for discontinuing its Australian operations is that it is no longer economically feasible to continue mass manufacturing in Australia.

The union representing the workers, the Textile Clothing and Footwear Union, sat down with Speedo management yesterday before the Industrial Relations Commission. The union has asked that the company find other options to contracting out its remaining Australian operations. The issue remains unresolved. The union has made the point to Speedo that contracting out its operations will not adequately enforce an appropriate Australian labour standard, a standard which the community would expect of what is supposedly an Australian icon.

Speedo cannot guarantee that its contracts will not be subcontracted out and that the work will be given to outworkers. The Speedo company will contract out the work, it is understood, for \$2.90 per garment. That work normally is done at the Windsor factory. That contractor will take a cut, then subcontract out the work, until eventually an outworker will make the Speedo garments. Those Speedo garments typically will retail for more than \$50 each. Outworkers are usually migrant women who work from home. You can bet that they will not be getting award rates, superannuation, workers compensation, sick leave or other legal and moral entitlements. They will be exploited by Speedo to make profits.

The union is waiting to hear from the company about the withdrawal of its notice to workers. The current indications are that Speedo will not withdraw its notices. This is not the way to negotiate on a supposed level playing field. We hear so much about the level playing field. Let us get the playing field somewhere near level here in Australia. If Speedo is serious about having a proper Australian standard, it ought to play its part in creating a level playing field here in New South Wales. By keeping its Windsor factory open, Speedo can guarantee that a proper Australian standard will be enforced. The media comments of Speedo's Managing Director, Rob Davies, indicate the problems facing communities and the work force in the brave new world of free market competition. Mr Davies' media comments are unclear and contradictory. On the one hand, Mr Davies said of the move to China and contracting out operations here:

These people are not my employees ... I don't know how much they will be paid.

Yet, on the other hand, Mr Davies said:

There won't be any Speedo sweatshops anywhere in the world. We monitor these factories on a very regular basis, and if they don't conform to our standards we don't use them.

Honourable members will make up their own minds about those statements. So we know that the company has made a decision to leave Australia because operating here is not economically feasible. Yet Mr Davies appears to not know what the labour costs of Speedo's new work force in China are, nor the actual practices that occurred here in Australia. At the same time Mr Davies, no doubt due to a fear that the company would be associated with the use of cheap labour, is quick to assert that Speedo has factory standards which the company monitors. We know that competition involves winners and losers. To quote Bob Ellis in last Friday's *Sydney Morning Herald*:

As I understand it, competition is what you have before a victory or before a defeat. Competition is only a stage.

Bob Ellis continued:

But, once you decide to compete, if defeated you are out of the game—out of clothing, footwear, cars, radios, fridges, Arnott's biscuits, Cottey's jam, Compass Airways—and you never get back! As I understand it, if you wish to compete with slaves, you must become slaves yourselves, because on a level playing field this is the only way to win.

Speedos Managing Director said last Friday:

We realise it's a very difficult time and it's a decision we wish we didn't have to make.

I say on behalf of the community and the work force of Speedo: You do not have to make this decision, Mr Davies and Speedo. Have another look at the situation and think again.

CANADA BAY COUNCIL

The Hon. D. J. GAY (Deputy Leader of the Opposition) [6.17 p.m.]: I would like to share with the House tonight the feelings of a long-time Concord resident concerning the forced amalgamation of the Concord and Drummoyne councils to form what has become known as the "ill-begotten City of Canada Bay". Honourable members would be well aware of the anti-Canada Bay sentiments that have blossomed since the formation of the council. This is an amalgamation that no-one apart from the Labor Party and the Minister for Local Government and his mate Peter Woods wanted. The community sent a clear message that they did not want the amalgamation to proceed, yet the Minister went ahead anyway.

Honourable members may also be aware that the council meetings have received a great deal of publicity—purely because of the fact that not a great deal is being achieved at Canada Bay. I have received many letters, faxes, emails and telephone calls about Canada Bay, but one series of letters has stood out. Those letters came to me from a woman who has been a long-term resident of the area. I would like to share with the House some of the contents of those letters from this lady, whom I met for the first time when I attended a Canada Bay council meeting the other night. I quote from a copy of a letter that the lady sent to the Minister for Local Government:

Why did you publicly state that there will be no forced amalgamations, and then lie and force the merger anyway? Why are you allowed to blatantly disregard the wishes of the residents of Concord and Drummoyne? Where is democracy, and how do you define it?

My constituent went on to say:

If Concord and Drummoyne Councils were in the black and functioning efficiently, why force a merger on them? ... Who was the one person who stated that there should be a merger? Who are you covering up for? We need this decision reversed before millions of ratepayers' dollars are wasted.

This letter is incredibly detailed. This constituent posed a series of questions to the Minister and asked for clear answers. I will keep in touch with this lady to see whether the Minister bothers to reply to her. He has a habit of not replying to correspondence. I suspect that, at the very least, this woman will be waiting for some time for an answer. The letter concludes:

The matter has reached a crisis point, and will not go away. Alarm bells are ringing in other councils, and this Government should realise the gravity of the situation. We are the guinea pigs, but unfortunately for you, the process has not gone according to your plan. You evidently did not expect such a huge backlash from the residents. It is not too late to redeem yourself—do the right thing. Reverse the decision—you have the power.

The sentiments expressed in that letter are repeated every day in correspondence to my office. If ever there was a lesson in arrogance to be learned by the Government it would be the arrogance displayed by Harry Woods on behalf of Peter Woods—the mate of the Labor Party. I have called on the Minister to look carefully at initiating a constitutional referendum to enable residents of Concord and Drummoyne to decide once and for all what sort of representation they want. It is my understanding that councillors who were elected reflecting the views of the people will adhere to a decision of the people. The people have indicated that they do not want an amalgamation of councils. Those councillors will accept any decision by the Minister to go back to the people. I sincerely hope that the Government recognises the sentiments expressed by the communities at Concord and Drummoyne. The city of Canada Bay was forced on those communities. This Minister's actions have shown what chaos prevails when he ignores democracy.

ONE NATION RE-EMERGENCE

The Hon. HELEN SHAM-HO [6.22 p.m.]: Since the recent State elections in Western Australia and Queensland, a great deal of media attention has focused on the re-emergence of Pauline Hanson's One Nation party. Honourable members would be aware that I have actively opposed the racist and misinformed politics of this minor party for the past five years—a party that has been shown to divide this country. It is disappointing that preference deals and opportunistic compromises have been made between One Nation and other parties, such as the Queensland Nationals. However, once again, I have not been alone in speaking out against One Nation's racist agenda and some of its ridiculous policy statements, like ending immigration.

A number of members of Parliament have indicated that they find the very idea of negotiations with One Nation simply unconscionable. National Party frontbencher Senator Ron Boswell is one member of Parliament who has publicly repudiated One Nation. Consciously placing his own seat on the line, Senator Boswell has refused to exchange preference votes with Pauline Hanson's One Nation party in the next Federal election. I admire Senator Boswell and I applaud his leadership on this issue. I believe that that leadership imposes a moral and ethical duty on parliamentarians to confront racist and socially destructive forces within society. I only wish that there were more politicians in this country of such honour and integrity who are willing to stand on their principles and speak out against divisive politics at whatever cost.

For me, the re-emergence of the One Nation party highlights the fundamental challenge currently facing Australian politics. That is the need for a greater multicultural and diverse voice in Australian politics. The participation of Australians from a non-English speaking background is vital to the democratic governance of this country. To be a truly representative democracy it is imperative that we have a broad cross-section of community involved in public life. In particular I believe that we need to increase the political participation of indigenous and Asian Australians in government decision-making, since the indigenous and Asian people have been repeatedly targeted by One Nation's racist agenda. I believe that these Australian members of Parliament can act as a powerful countervailing force against One Nation.

In 1988, when I was the first Asian-born member to be elected to Parliament in Australia, very few migrants were involved in the political process. Today quite a good number of people from Asian descent are in elected positions, ranging from local government to Federal Government. Prominent Chinese-born members of Parliament include Mr Deputy-President, the Hon. H. S. Tsang. They also include Senator Tse Bin Tchen of Victoria, former Queensland Senator Bill O'Chee, and the Hon. Dr Richard Lim of the Northern Territory, who is the first Australian Government Minister of Asian background. I take this opportunity to congratulate Richard on his achievement. He is now the Minister for Local Government, Housing and Central Australia.

We also have a number of Chinese Australians in local government politics, including my husband, Councillor Robert Ho, on Sydney City Council. These dedicated and capable politicians are not merely tokens; they were elected to represent their respective constituents on the basis of their aptitude and merits and not just their ethnicity. Most of the migrants who come to Australia are not familiar with political systems, how to become involved in politics, or what politics in Australia involves. I have made many efforts to encourage the participation of migrants in the political process, particularly Chinese Australians. Most recently I was invited to attend a Chinese community function in Brisbane that was hosted by Liberal Party candidate David Lin.

At that function, which I attended in my capacity as the first Chinese-born elected member in Australia, I shared my experience in politics with the Brisbane Chinese community. I delivered my speech in three languages: English, Mandarin and Cantonese. Senator Tse Bin Tchen and the Hon. Dr Richard Lim attended the function, along with another Liberal candidate of Chinese descent, Stephen Huang. I am sorry that neither David Lin nor Stephen Huang were successful in the election. I believe that their political participation sends a powerful message to the community: that Australia is a multicultural society in which equal opportunity is available to all.

I am pleased to note that Labor candidate Michael Choi won the seat of Capalaba. Unfortunately I was not aware that he was running for a seat until he was elected; otherwise I would have done my utmost to assist him. I offer him my congratulations. In conclusion, I encourage all honourable members to continue to unite to oppose the newly reregistered One Nation party. I believe that our duty as parliamentarians is to bring together the Australian people, not divide them. Only then can we have a truly harmonious and equitable multicultural society. I hope that major parties will not exchange preferences with the One Nation party.

SANDON POINT RESIDENTIAL DEVELOPMENT

Ms LEE RHIANNON [6.27 p.m.]: Overdevelopment, inappropriate development and the consequent loss of native vegetation and animal habitat are probably the greatest environmental problems facing New South Wales today. One example of this development is a 62-hectare site at Sandon Point, on the coastal strip east of the Illawarra railway—an area that I have had an opportunity to visit recently. A developer called Stockland and a former New South Wales Premier, Mr Greiner, who is a member of the board, are proposing a huge residential development there. The enormous development, which comprises 428 lots, will destroy the site's environmental values. This development is most inappropriate for a number of reasons, the first being its Aboriginal heritage. In 1998 a skeleton was discovered at that site. Skeletons of this type have been found in only three places in Australia. At present a tent embassy is located at that site.

On the two occasions that I visited the site I found an increasing number of tents and a well-informed community that is passionately concerned about what is happening in the area. The view of members of that community is that if the Government or the local council will not save the area they will stay there and save it. Communities in Thirroul, Bulli and surrounding suburbs have mounted this fantastic opposition to the development of the site. They have staged two protests. Last year there was a meeting of 500 people, and recently there was a meeting of 1,000 people. Their passion on this matter is very strong. Unless Wollongong council acts, the only way this area can be saved is if the Minister for Urban Affairs and Planning calls in this development and refuses consent. That is something that the Minister must do.

[Time for debate expired.]

Motion agreed to.

House adjourned at 6.29 p.m. until Thursday 1 March at 2.30 p.m.
