LEGISLATIVE COUNCIL

Tuesday 4 June 2002

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The President (The Hon. Dr Meredith Burgmann) took the chair at 2.30 p.m.

The President offered the Prayers.

The PRESIDENT: I acknowledge we are meeting on Eora land.

ASSENT TO BILLS

Assent to the following bills reported:

AGL Corporate Conversion Bill
Coal Industry Amendment (Validation) Bill
Criminal Procedure Amendment (Sexual Assault Communications Privilege) Bill
Environmental Protection Legislation Amendment Bill
Gaming Machines Amendment Bill
Home Building Amendment (Insurance) Bill
Racing Legislation Amendment (Bookmakers) Bill

CIVIL LIABILITY BILL

CRIMES (ADMINISTRATION OF SENTENCES) AMENDMENT BILL

SUMMARY OFFENCES AMENDMENT (PLACES OF DETENTION) BILL

Bills received.

Leave granted for procedural matters to be dealt with on one motion without formality.

Motion by the Hon. John Della Bosca agreed to:

That these bills be read a first time and printed, standing orders be suspended on contingent notice for remaining stages and the second readings of the bills be set down as orders of the day for a later hour of the sitting.

Bills read a first time.

FOREST AGREEMENTS AND INTEGRATED FORESTRY OPERATIONS APPROVALS

The President announced, pursuant to the Forestry and National Park Estate Act 1998, that she had received the annual report of New South Wales Forest Agreements and Integrated Forestry Operations Approvals for Upper North East, Lower North East and Eden regions for the period March 1999 to June 2000.

The President announced that she had authorised that the report be made public.

BUSINESS OF THE HOUSE

Questions Without Notice

Motion by the Hon. John Della Bosca agreed to:

That questions commence at 3.00 p.m. on Tuesday 4 June 2002.

GENERAL PURPOSE STANDING COMMITTEES

Motion by the Hon. John Della Bosca agreed to:

That the resolution appointing five General Purpose Standing Committees reflecting Government Ministers' portfolio responsibilities and adopted by this House on 13 May 1999 be amended to reflect the changes to Government Ministers' portfolio responsibilities as follows:

(a) Committee No. 1

Premier, Arts and Citizenship
Treasury, State Development
Education and Training
The Legislature
Special Minister of State, Industrial Relations

(b) Committee No. 2

Health
Community Services, Ageing, Disability Services, Women
Small Business, Tourism
Mineral Resources, Fisheries

(c) Committee No. 3

Police
Attorney General
Fair Trading
Corrective Services
Juvenile Justice

(d) Committee No. 4

Planning, Aboriginal Affairs, Housing
Transport, Roads
Gaming and Racing,
Public Works and Services, Sport and Recreation

(e) Committee No. 5

Information Technology, Energy, Forestry, Western Sydney
Agriculture
Land and Water Conservation
Environment, Emergency Services
Local Government, Regional Development, Rural Affairs

GENERAL PURPOSE STANDING COMMITTEE No. 5

Report: Sydney Water's Biosolids Strategy

Motion by the Hon. Richard Jones agreed to:

1. That the Clerk of the House refer Report No. 13 of General Purpose Standing Committee No. 5 entitled "Sydney Water's Biosolids Strategy", tabled on 29 November 2001, to the Leader of the Government in the House, who must, within six months, report to the House what action, if any, the Government proposes to take in relation to the recommendations of the Committee.

2. (1) If, at the time at which the Government seeks to report to the House, the House is not sitting, a Minister may present the response to the Clerk of the House.

(2) A response presented to the Clerk is:

(a) on presentation, and for all purposes, deemed to have been laid before the House,

(b) to be printed by authority of the Clerk,

(c) for all purposes deemed to be a document published by order or under the authority of the House, and

(d) to be recorded in the Minutes of the Proceedings of the House.

3. The President is to report to the House if the response has not been received within the six month deadline.

GENERAL PURPOSE STANDING COMMITTEE No. 5

Report: Oil Spills in Sydney Harbour

Motion by the Hon. Richard Jones agreed to:

1. That the Clerk of the House refer report No. 10 of General Purpose Standing Committee No. 5 entitled the "Inquiry into Oil Spills in Sydney Harbour", tabled on 29 May 2001, to the Leader of the Government in the House, who must, within six months, report to the House what action, if any, the Government proposes to take in relation to the recommendations of the Committee.

2. (1) If, at the time at which the Government seeks to report to the House, the House is not sitting, a Minister may present the response to the Clerk of the House.

(2) A response presented to the clerk is:

(a) on presentation, and for all purposes, deemed to have been laid before the House,

(b) to be printed by authority of the Clerk,

(c) for all purposes deemed to be a document published by order or under the authority of the House, and

(d) to be recorded in the Minutes of the Proceedings of the House.

3. The President is to report to the House if the response has not been received within the six month deadline.

TABLING OF PAPERS

The Hon. Michael Costa tabled the following reports:

(1) Annual Reports (Departments) Act 1985—Report of Department of Education and Training for year ended 31 December 2001

(2) Annual reports (Statutory Bodies) Act 1984—

(a) Reports for year ended 31 December 2001:

Charles Sturt University
Macquarie University
Southern Cross University
Technical Education Trust Funds
University of Newcastle
University of New England
University of New South Wales
University of Sydney
University of Technology
University of Western Sydney, Volumes 1 and 2
University of Wollongong

(7) Workplace Video Surveillance Act 1998—

(a) Report of Attorney General on surveillance applications for year ended 31 December 2000
(b) Report of Attorney General on surveillance applications for year ended 31 December 2001

Ordered to be printed.

The Hon. Michael Costa also tabled the following papers:

(4) Crown Lands Act 1989—Notice of proposed addition to dedication of land at Wollongong (Gazette 87, 17/5/2002, p 2964)

(5) Children (Care and Protection) Act 1987—Report entitled "Review of Legislation Governing the NSW Child Death Review Team", dated May 2002

(6) Pawnbrokers and Second-hand Dealers Act 1996—Final Report of review of Act by the Department of Fair Trading

(7) State Owned Corporations Act 1989—

(a) Notice of Direction to the Board of Delta Electricity—Coal Contracts with Powercoal Pty Ltd, dated 11 March 2002

(b) Notice of Direction to the Board of Eraring Electricity—Coal Contracts with Powercoal Pty Ltd, dated 11 March 2002

COMMITTEE ON CHILDREN AND YOUNG PEOPLE

Reports

The Hon. Peter Primrose, on behalf of the Chairman, tabled the following reports of the committee's inquiry into the use of prescription drugs and over-the-counter medications in children and young people:

Issues Paper No. 1—Background Issues, dated May 2002

Issues Paper No. 2—Administration of Prescribed Drugs and Over-the-counter Medications to Children and Young People by Non-parental Carers and Self-administration, dated May 2002
Issues Paper No. 3—Children and Young People and the Misuse and Abuse of Prescription Drugs and Over-the-counter Medications, dated May 2002
Issues Paper No. 4—The Use by Children and Young People of Prescription Drugs and Over-the-counter Medications Developed for Adults, dated May 2002
Issues Paper No. 5—The Use of Prescription Drugs as a Mental Health Strategy for Children and Young People, dated May 2002
Issues Paper No. 6—Alternatives to the Use of Prescription Drugs and Over-the-Counter Medications by Children and Young People, dated May 2002

Ordered to be printed.

SYDNEY CATCHMENT AUTHORITY

The Clerk announced, pursuant to the Sydney Water Catchment Management Act 1998, the receipt of the Sydney Catchment Authority statement of financial framework for the year ending 30 June 2002.

Ordered to be printed.

AUDITOR-GENERAL'S REPORT

The Clerk announced, pursuant to the Public Finance and Audit Act 1983, the receipt of the report entitled "Auditor-General's Report 2002—Volume Three", dated May 2002.

Ordered to be printed.

AUDIT OFFICE

The Clerk announced, pursuant to the Public Finance and Audit Act 1983, the receipt of the report entitled: "Performance Audit Report: State Transit Authority and Department of Transport—Bus Maintenance and Bus Contracts", dated May 2002

Ordered to be printed.

SOUTH COAST CHARCOAL PLANT

Return to Order

The Clerk, in accordance with the resolution of the House of Wednesday 8 May 2001, tabled:

(1) Documents relating to the Mogo Charcoal Plant received by him on 6, 23 and 27 May 2002 and 3 June 2002 from the Director-General of the Premier's Department and referred to in paragraph 3 of the resolution of the House.

(2) A return identifying documents received by him on 16 May 2001 from the Director-General of the Premier's Department and referred to in paragraph 6 of the resolution of the House, which are considered privileged and should not be made public or tabled. According to the resolution of the House the Clerk advised that these documents are available for inspection by members of the Council only.

SOUTH COAST CHARCOAL PLANT

Claim of Privilege

The PRESIDENT: I report to the House that on 20 May 2002 the Clerk received from the Hon. Ian Cohen a written dispute as to the validity of a claim of privilege on documents lodged with the Clerk on 16 May 2002 relating to the Mogo charcoal plant. In accordance with the resolution of the House of Wednesday 8 May 2002 Sir Laurence Street, being a retired Supreme Court judge, was appointed as an independent arbiter to evaluate and report as to the validity of the claims of privilege. The Clerk released the disputed documents to Sir Laurence Street, who has now provided his report to the Clerk. The report is available for inspection by members of the Council only.

PETITIONS

Local Government Boundary Changes

Petition praying that the House conduct a public inquiry into the proposed local government boundary changes and ensure that a plebiscite takes place before any boundary changes are made, received from **the Hon. Duncan Gay**.

Gay and Lesbian Mardi Gras

Petition praying that the annual Gay and Lesbian Mardi Gras be reorganised on a State and national level with a view to producing a multicultural ethnic parade to show the diversity of ethnicity, received from **Reverend the Hon. Fred Nile**.

Morpeth Policing

Petition praying that a permanent police presence be returned to Morpeth, received from **the Hon. Michael Gallacher.**

LOCAL GOVERNMENT AMENDMENT (GRAFFITI) BILL

Second Reading

The Hon. EDDIE OBEID (Minister for Mineral Resources, and Minister for Fisheries) [2.52 p.m.]: I move:

That this bill be now read a second time.

I seek leave to have the second reading speech incorporated in *Hansard*.

Leave granted.

The bill is an extension of the existing graffiti provisions in the Local Government Act 1993, which facilitate agreements between councils and owners or occupiers of private land for the timely removal of graffiti. This legislation will enable councils to remove graffiti on property without the agreement of the owner or occupier if the graffiti is visible and accessible from a public place.

The Government is committed to addressing community concerns about the financial and social cost of illegal graffiti. To this end a number of initiatives have been taken through the "NSW Graffiti Solutions program" and work by agencies including the Attorney General's Department and the Department of Local Government.

Among these initiatives is the Local Government Amendment (Graffiti Removal) Act 2001, which commenced on 1 July 2001. It provides a mechanism for the timely and effective removal of graffiti from private property through (voluntary) formal agreements between councils and owners or occupiers. One of the most effective strategies in reducing graffiti is to remove it as quickly as possible (within 48-72 hours) and to persist in removing it.

The legislation has been received favourably by local government and the community.

However, some councils have occasionally found it difficult to obtain agreements in some instances with private property owners, particularly of commercial blocks.

In some cases this is due to the fact that a number of different entities may be partly responsible for the maintenance of building walls and other surfaces. Therefore, it can be difficult and time consuming to obtain consent from all responsible parties.

Consequently the proposed additional powers will allow the removal of graffiti, without having to first obtain the agreement of an owner or occupier. I should stress this is only in cases where the graffiti is visible from a public place and it can be removed from a public place. In these situations the community will benefit from the speedy removal of illegal graffiti which otherwise detracts physically from the area and affects property values, community well being and civic pride.

Under these provisions, council will be able to remove graffiti from property which is particularly susceptible to illegal graffiti and highly visible from public places such as roads, bridges, wharfs, and parks in a timely and efficient manner. This, in conjunction with community support, and other strategies already in place will go further in providing an effective deterrent to graffiti. Moreover it will encourage councils to take an active and participatory role in graffiti prevention. Particularly as local communities often look to councils to assist with their concerns about graffiti.

Following graffiti removal council will be required to notify affected owners or occupiers of its action. This will inform owners or occupiers of the work that has been undertaken to their property and provide an opportunity for them to raise any concerns about damage if applicable.

As council will not need to notify or obtain the owner's or occupier's prior consent, particular care will be required to ensure that the means used to remove the graffiti does not cause damage to the surface bearing the graffiti. While the council should endeavour to leave the affected surface in a similar condition to what it was in prior to the graffiti it will not always be possible. For instance, painted surfaces may prove difficult to restore, as it will not be possible to always match the colour of the surface. In these situations the owner or occupier may wish to repaint the surface once council has removed the graffiti.

This is considered to be reasonable given that the costs associated with removal of the graffiti will be borne by council. Furthermore, council will be liable for any damage caused as a result of activities to remove graffiti, such as damage to the

property that is the subject of the removal activity, and any other property. This is to provide some protection for owners and occupiers given that their consent prior to removal may not have been given.

Where a dispute arises concerning damage caused by the graffiti removal work, the parties may agree to refer the matter to arbitration for resolution. If agreement cannot be reached the parties can refer the matter to the Land and Environment Court for determination.

There is a need to ensure accountability where council is carrying out work on property and is using public funds. Presently council must keep a publicly available register containing details of graffiti removal work it has undertaken under agreements with property owners or occupiers. This requirement will be extended to graffiti removal work performed under the current proposal.

Consequently, there will be available as a matter of public record under section 12 of the Act, itemised expenditure identifying the owner or occupier of the premises where the work was carried out, the nature of the work, and the cost of carrying out the work. Such a register will enable property owners, occupiers and interested members of the public to access information about council activities pertaining to graffiti removal.

Section 67 of the Act imposes conditions on councils for performance of work on private land. As with graffiti removal carried out in accordance with an agreement between council and an owner or occupier, this section will not apply to removal of graffiti under the current proposal. Council will therefore not be required to fix a cost for graffiti removal.

Section 356 of the Act places obligations on councils when providing financial assistance for the purposes of exercising its functions. Under this bill, when council removes graffiti from private property it will pay the costs and therefore the owner or occupier will benefit. Allowing councils to fund the removal of graffiti that is highly visible from public places is also of benefit to the community.

Council will need to have passed a resolution for a program to fund the removal of graffiti under section 356(1) of the Act. Once this has been done, and removal of graffiti is consistent with the program, then the public notice requirement in section 356 will not apply.

In conclusion, graffiti affects people's perceptions of an area, property values, community wellbeing and civic pride. This is particularly so where the graffiti is on property that is highly visible from public places such as roads, wharfs, bridges and parks. Evidence indicates that timely and persistent removal of graffiti is an effective deterrent. The current proposal adds to the strategies adopted by the Government to deal with illegal graffiti and will assist councils in this challenge. In turn communities will benefit.

I am sure the Opposition will endeavour to criticise this bill by raising the question of unfunded mandate.

It should be remembered that these provisions confer an ability on councils to remove graffiti—not an obligation.

The provisions of this bill are therefore consistent with the principle that councils are autonomous organisations that have the ability and capacity to spend their resources in the most appropriate way in which they see fit for their communities.

Because we elect 1,700 councillors in NSW every four years at a cost of $15 million, it is clearly appropriate that councils determine their priorities, otherwise why elect them at all?

This bill simply gives councils a greater power than ever before to remove graffiti should they themselves deem it a priority.

It brings NSW councils into line with municipalities in cities like Los Angeles and Chicago.

The NSW Government is committed to giving every stakeholder in the fight against graffiti the very best weapons to win the war.

This is the next part of that process.

I commend the bill to the House.

The Hon. DUNCAN GAY (Deputy Leader of the Opposition) [2.53 p.m.]: The Opposition will support the Local Government Amendment (Graffiti) Bill. The bill will extend the graffiti removal powers of local councils, enabling them to remove graffiti from private property without the prior consent of the owner or occupier of that property, subject to the defaced property being visible and accessible from a public place. The Opposition commends the Government for finally coming up with these strategies to combat existing and recurring graffiti on private property without the constraining effects of red tape. Illegal graffiti is a significant environmental, social and economic problem that affects everyone because it appears everywhere. Quite frankly, it looks disgusting and it is often of an offensive and obscene nature.

According to the Australian Bureau of Statistics, property offences involving graffiti were placed sixth in the number of most common offences for the five years between 1990 and 1995. Illegal graffiti is estimated to cost the Australian community between $50 million and $100 million per annum. A lot of money is wasted and could be put into community services, such as policing and education. Graffiti seriously devalues both private and public property, and has a detrimental effect on community wellbeing and civic pride.

The Opposition supports the Local Government Amendment (Graffiti) Bill for a number of reasons. We perceive the bill to be effective in relation to extending the powers of local councils to deal with graffiti in

the community without the constraints of unnecessary red tape. The Opposition has previously supported other Government initiatives to ensure the timely and effective removal of graffiti from publicly visible places. One such initiative was the Local Government Amendment (Graffiti Removal) Act 2001, which became effective in July of that year. The Opposition supported that legislation because it provided a mechanism for the removal of graffiti from private property through voluntary formal agreements between councils, owners and occupiers.

However, the Opposition perceived the legislation to be a cure rather than a preventive measure for the occurrence of graffiti within the community. We still believe that there is a need for further research and development in this area for the implementation of proactive rather than reactive programs and controls. If the Government is serious about tackling the problem of graffiti in our communities it should look at the Graffiti Control (Spray Paint Can Display) Bill, introduced by the Opposition last year. The honourable member for The Hills, Michael Richardson, advocated an effective preventive measure for reducing the occurrence of graffiti in the community. That bill required retailers to keep full spray paint cans in locked cages, locked display cabinets or behind the counter. That legislation, which was rejected by the Government, would have been extremely effective in reducing the occurrence of graffiti in the community by restricting access by these graffitists to the tools of their trade. That is just commonsense, but this Government is not interested in it.

The Opposition believes that the provisions of this bill will provide solutions to a number of concerns held by local councils that the Local Government Amendment (Graffiti Removal) Act 2001 failed to address. I shall detail four main concerns to the House. First, councils are not entering into agreement with private building owners until after the graffiti occurs. This reinforces the need for a proactive rather than a reactive solution to graffiti. Second, I refer to the need to expedite the removal of obscene and inflammatory material, particularly when it is of a sexist or racist nature. Third, some owners or occupiers have not been willing or able to remove graffiti from the walls of commercial blocks. Finally, it has been difficult to contact owners or managing agents of residential rental properties to obtain permission to remove graffiti. This delays the removal of graffiti, therefore making that more difficult to do.

The Opposition anticipates that the owners and occupiers of commercial and residential buildings will welcome the proposed additional powers detailed in this bill. The proposed amendments will overcome the problem of graffiti removal being delayed due to the owners or occupiers of private buildings not being easily contacted or identified. The proposed amendments will also address the difficulty experienced by struggling businesses or home owners of not being able to paint over or remove graffiti immediately, in the way that public authorities can, thereby reducing the notoriety value for the perpetrator. Under the proposed amendments, the removal of graffiti from private property will be done at the expense of local councils and also will be done in a timely and effective manner.

The Opposition expects that these measures will largely alleviate the concerns of private building owners. We support the bill as it prohibits council officers from entering a private property to remove graffiti without the consent of the owner or occupier. This essentially minimises the interference with property rights while simultaneously facilitating the removal of graffiti from surfaces that generally are visible from public land and that are very attractive objects for graffiti. The Government has claimed that local councils have essentially asked for the extended power to remove graffiti from publicly accessible and visible surfaces of privately owned buildings without having to notify the owner or occupier before doing so. However, the Opposition believes that with this power comes an additional responsibility. If a local council is to undertake the removal of graffiti at its own instigation, it is mandatory that it be liable for any damage or change to the building structure that arises from the removal of the graffiti.

Pursuant to resolution business interrupted.

QUESTIONS WITHOUT NOTICE

DEPARTMENT OF COMMUNITY SERVICES CENTRAL COAST SERVICES

The Hon. MICHAEL GALLACHER: My question without notice is to the Minister for Juvenile Justice, and Minister Assisting the Premier on Youth. Has the Minister investigated why essential upgrades to services for the Department of Community Services on the Central Coast have not been completed, especially when funding has already been allocated for this purpose and the area has the highest rate of child abuse notifications in the State as well as the highest ratio in New South Wales of children entering care for each child protection notification at 15 per cent?

The Hon. CARMEL TEBBUTT: I will refer the question to the Minister in the other place and undertake to get a response as soon as possible.

KEMPSEY EDUCATION AND MOTIVATION PROGRAM

The Hon. IAN MACDONALD: I ask a question without notice of the Minister for Juvenile Justice. Could the Minister advise the House of the recent initiative to assist the employment of young indigenous people in the Kempsey area?

The Hon. CARMEL TEBBUTT: I am pleased to advise the House of what is happening in the Kempsey area to assist young indigenous people with employment opportunities. I visited Kempsey, on the Mid North Coast in the last month in order to announce the commencement of a new employment-based initiative for indigenous local youths. As honourable members may be aware, the Department of Juvenile Justice for some time has been funding the Kempsey Education and Motivation Program [KEMP], an education and training program for departmental clients that has operated since 1996. The local name for the KEMP organisation is Djigay, which in 2001-02 received $50,000.

Not long after I became Minister I visited the Kempsey area and had the opportunity to see first-hand the work being done by the Djigay group. In fact, I think I reported to the House at the time on the work with the stock car project. I was very impressed by what I saw—not only the commitment of those involved but also their understanding of how to work with young people at risk and make a difference in their lives. So my recent visit was a return to the area to provide greater support for the important work they are doing. I was also fortunate enough to have a ride on a recently completed boat, which was named *A Long Time Coming*, which I think refers to the fact that it took a long time to build. It was built from the ground up by the indigenous young men of Kempsey.

Separate to its more traditional program work, such as supporting students to access and maintain their involvement in mainstream TAFE, support in finding accommodation or accessing other education resources, Djigay also manages five income-generating enterprises. These enterprises are self-sufficient and offer work-based training, sheltered work placement and "real" employment opportunities in a range of occupations. A specific example of an income-generated activity is Djigay holding the contract to manage the canteen at Kempsey TAFE. The Government has now funded Djigay to provide a pilot labour market program for Department of Juvenile Justice clients. Djigay will be provided with a total grant of $75,000 over 18 months to undertake the program.

Providing support to clients exiting a detention centre or completing a supervised order has always been part of the core business of the Department of Juvenile Justice. But, as many honourable members would realise, it is formal and full-time employment that is often the most important additional requirement of our clients in order to assist them in making that significant turn away from a life of offending. This has been recognised by the Government, which has funded the pre-employment skills and training program to the value of $800,000 per annum, a program located in 10 centres across the State.

The program in Kempsey is not dissimilar to an apprenticeship in that the young person is employed in a particular trade, and has the benefit of learning specific skills through on-the-job training, which in turn is enhanced through accredited vocational training. Being employed by Djigay, participants will be able to demonstrate the history of employment to prospective employers, learn practical skills within the work environment and benefit from being part of a culture of work. Young unemployed people often have great difficulty demonstrating that they can hold down a job. Until they get a job, they cannot demonstrate that. This is a vicious cycle. This program seeks to address that problem.

The development of practical skills will be enhanced through the provision by Djigay of location and life skills. The participants will also have the benefit of access to a Djigay mentor, as well as appropriate peer support, which will continue, if the client wishes, for a period of up to 12 months after the young person has exited the program. Department of Juvenile Justice clients will be referred to the program, and when a client leaves the program the vacancy will be filled immediately. I wish to place on record my thanks to Andrew Smith, Fred Kelly and Don Wade from the Djigay team, and also Terry Keighran and Tom Powell from the department for their enthusiasm and support for this important initiative.

MINISTER FOR POLICE MINISTERIAL RESPONSIBILITY

The Hon. DUNCAN GAY: My question is to the Minister for Police. Now that the new Commissioner of Police, Ken Moroney, has been given the task of dealing with perceptions of crime as well as actual crime,

can the Minister inform the House when he, as Minister for Police, will begin accepting ministerial responsibility instead of just giving the perception of ministerial responsibility?

The Hon. MICHAEL COSTA: I actually welcome the question because it gives me the opportunity to place on record the fact that we do have a new police commissioner, Ken Moroney. On 28 May the New South Wales Cabinet endorsed the appointment of Ken Moroney as the nineteenth New South Wales police commissioner. He was sworn in at Mascot police station at 11.00 a.m. on 29 May. Ken Moroney will take charge of one of the largest police forces in the world. He will have at his disposal more resources and more police than any past commissioner has had. That is because of the Government's record police budgets.

Mr Moroney's appointment was recommended by a three-member selection panel chaired by the Director-General of the Premier's Department, Dr Col Gellatly. The appointment will be for two years at Senior Executive Service level 8. As required by section 24 of the Police Service Act, the Police Integrity Commissioner has provided a report as to Mr Moroney's integrity, and the Commander of the New South Wales Police Special Crime and Internal Affairs Command also has provided a report.

Commissioner Moroney has an approach to policing that this Government supports. It is a back-to-basics approach and seeks to build the support of frontline police and the community. Commissioner Moroney is an officer of 37 years experience and he will bring to this job a range of important skills. He has already indicated his intentions in relation to visibility and perceptions through his high-profile Operation Vikings.

The performance indicators, which go to the heart of the question, will be finalised as part of the contract process. The performance indicators will be made public and will be based on the job description that was announced by the Premier in the Legislative Assembly some weeks ago. Requirements of the job include proceeding with the restructure of the police force, streamlining the police complaints and police promotions systems, attracting recruits with life skills to the force, addressing the long-term sickness issue, and improving police accountability to the community. The full range of indicators will be made public shortly.

Because perceptions are important, police accountability community teams [PACTs] are currently being trialled in Miranda and Kings Cross as well as in a number of other areas. The trial will be extended pending an evaluation. A part of the PACTs process will be surveys of community attitudes and perceptions to help our police identify where there are problem areas within local area commands. The Commissioner of Police will have overall responsibility for the implementation of PACTs and, clearly, as part of that process, perceptions and the community's feeling of safety are critical components. PACTs will be an important strategy as we go forward to community-based policing.

PACTs will enable local area commanders to share with their community information about crime hot spots, which are areas that have been earmarked by police intelligence, and problem areas where the community has a feeling of not being safe although the feeling is not backed up by crime intelligence. The areas will be sorted so that police can be rostered according to the visible policing and beat policing program so that the police can deal with community concerns about safety. Perceptions are important: As the Commissioner said, the fear of crime is just as important as crime itself. I welcome Ken Moroney as New South Wales' nineteenth Commissioner of Police. I know he will do a tremendous job.

HUNTER REGION SHIPBUILDING CONTRACTS

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: My question is directed to the Special Minister of State, in the absence of the Minister for State Development. Has the Department of State and Regional Development made any representations to the Commonwealth Government to secure the construction contract for the replacement of the Fremantle class patrol boats at the Australian Defence Industry Carrington Shipyard in Newcastle? Does the Minister acknowledge that this project would assist economic development in the Hunter? What action will he take to ensure that Newcastle will be featured on the short list of tenders in July?

The Hon. Duncan Gay: Did you talk to blondie about this question? She will not like this. It is against the Democrats' policy.

The Hon. JOHN DELLA BOSCA: I thank the Hon. Dr Arthur Chesterfield-Evans for his question and note the interjection made by the Deputy Leader of the Opposition in respect of the question. I am pleased that the Hon. Dr Arthur Chesterfield-Evans is so eager to secure some defence-based industry for New South Wales. I applaud him for that. However, in relation to the specifics of his question, I am unable to help him but I will ask the Leader of the Government to provide him with an answer as soon as practicable.

OPERATION VIKINGS 1

The Hon. RON DYER: My question without notice is to the Minister for Police. Will he advise the House of the latest information regarding last month's Operation Vikings 1?

The Hon. MICHAEL COSTA: I am very pleased to provide information to the House about a very successful operation that was undertaken on 24 and 25 May in Sydney. The operation was important because it signalled the commencement of high-impact policing—which is focused on high visibility—in this State. I am pleased to advise that 550 officers were drawn from both field and support commands to take part in the operation.

The Hon. Michael Gallacher: Operation knee-jerk!

The Hon. MICHAEL COSTA: It was a co-ordinated attack against crime, violence, antisocial behaviour and the possession of concealed weapons. Police officers tell me that 93 people were arrested over the 12-hour period and 100 charges were laid. Hundreds of random breath tests and knife searches were carried out and the move-on powers provided by the Government were used extensively by police officers. It is a fantastic result and I know from talking to the community that that is the type of operation that people want to see more of. People will be seeing more of them.

The Hon. Michael Gallacher: Under us, it will be every day!

The Hon. MICHAEL COSTA: But the Leader of the Opposition just told me it was a knee-jerk operation. Despite the heavy rain, it was a fantastic operation and the police were out in full force to deter the type of criminal activity that the community is concerned about. The operation is a sign of things to come. It was led by the new Commissioner of Police, Ken Moroney, who was assisted by senior operations police, Graham O'Neill and Ron Mason. The operation used a range of local area commands and scores of police from support commands who came out from behind their desks, as the Government promised, and out onto the streets to do front-line, visible policing. It was a real achievement.

Many of those police officers may initially have been reluctant, but the feedback now is that those police officers are looking forward to the next Operation Vikings. I welcome the fact that the New South Wales Commissioner of Police is committed to highly visible policing. Officers from the water police, police and community youth clubs, court and legal services, traffic services and education services were all part of this sweep. As I promised, police officers will be coming out from behind their desks and onto the streets to provide the visibility in policing and create the sense of security that the community wants.

The operation was a magnificent achievement by the Commissioner of Police and his team. The Commissioner has advised me that those types of operations will continue and will comprise two forms, namely, type one operations, which are similar to Operation Vikings, and type two operations, which will be focused on specific areas of crime. These intelligence-gathering and intelligence-based operations will be the basis of a co-ordinated campaign by the Government to ensure that this State has high visibility policing.

The Hon. John Ryan: By the Government, or by the commissioner?

The Hon. MICHAEL COSTA: By the Government and the commissioner, through the police force, to ensure that New South Wales has highly visible policing.

The Hon. John Ryan: I see. You are going to tell the police commissioner what to do.

The Hon. MICHAEL COSTA: I suggest that the Hon. John Ryan should read the Police Service Act. Operation Vikings was supported by the community. Only one person spoke against it—the Leader of the Opposition, John Brogden, who called it a knee-jerk operation. The only person who did not applaud visible policing was the Leader of the Opposition. That shows one thing—that the Opposition in this State has no commitment to highly visible policing and beat policing. It is an Opposition that says one thing and, when it sees in full force what the police have been able to achieve, it does the other, and criticises. It is an Opposition with no policies!

LITHGOW SILICON SMELTER

The Hon. IAN COHEN: I ask the Special Minister of State, representing the Treasurer, and Minister for State Development: Given that in May 1999 the Government had already approved subsidies totalling

$72.5 million to the Lithgow silicon project, including a massive $71 million in electric power subsidies alone, how does the Treasurer justify such a massive subsidy—more than 50 per cent of the projected maximum capital investment of $137 million by the plant's owners? Does he acknowledge that at least $72.5 million is being spent on the project to buy 100 jobs for the town of Lithgow—that is, more than $700,000 per job—whereas the Government's own advisers cautioned of "the need to look closely at the cost/benefit" situation?

The Hon. JOHN DELLA BOSCA: I strongly dispute the honourable member's calculations. I am not sure how he arrived at them. I think the honourable member would know from various public statements that the Government is always prepared to stand by a community such as Lithgow—a priority of which it is proud. The Lithgow community is seeking to ensure a secure future and a job horizon that is appropriate to the skills and needs of people in that area. The honourable member's question contained fairly detailed statistics.

The Hon. B. P. V. Pezzutti: You are the Minister. You should know about it.

The Hon. JOHN DELLA BOSCA: By making that statement the honourable member is demonstrating his ignorance. The Hon. Ian Cohen asked me a question in my capacity as Acting Minister for State Development. It is in that capacity that I am attempting to answer the question. I inform the Hon. Ian Cohen that I do not have the sort of detail that he sought in his question. I will obtain an answer from the Leader of the Government in relation to the amounts of money involved and provide that answer to the honourable member as soon as is practicable.

The Hon. IAN COHEN: I ask a supplementary question. Will the Minister inform honourable members of the full cost of subsidies for the Lithgow silicon project and provide details, given that there are reports that unemployment in Lithgow, at 4.9 per cent, is well below the national average? A number of small companies in Sydney that have been pushed out by spiralling property prices are looking at relocating their businesses in Lithgow.

The Hon. JOHN DELLA BOSCA: I appreciate the honourable member's optimism for Lithgow's economic prospects. I hope that his prognostications are correct. The central point of the honourable member's question was that I should be providing figures that reflect the cost benefits of the project. I said in response to the honourable member's first question that the Leader of the Government and Minister for State Development will provide the honourable member with the figures for which he has asked.

LEMON TREE PASSAGE POLICE STATION UPGRADING

The Hon. PATRICIA FORSYTHE: My question without notice is directed to the Minister for Police. Since being appointed as Minister for Police, what action has the Minister taken to give priority to upgrading the Lemon Tree Passage police station, in line with promises made by the honourable member for Port Stephens that that station was on the short list for redevelopment?

The Hon. MICHAEL COSTA: This honourable member has a track record for asking questions which contain inaccurate information. I will take the honourable member's question on notice and ensure that the honourable member for Port Stephens made such a commitment. It is highly likely that he did not.

CLOTHING OUTWORKERS PROTECTION

The Hon. PETER PRIMROSE: My question without notice is directed to the Minister for Industrial Relations. Will the Minister inform the House about this Government's efforts to help clothing outworkers?

The Hon. JOHN DELLA BOSCA: The honourable member has an ongoing commitment to fair industrial practice, something that is appreciated by me in my capacity as Minister for Industrial Relations. The Behind the Label Program of the New South Wales Government is progressing well, with co-operation from retailers, manufacturers, unions, community groups and outworkers. Behind the Label is a $4 million three-year program to deliver a better deal for clothing outworkers. Australia's 300,000 outworkers, who are among the most vulnerable people in our work force, are paid as little as $2 an hour. This Government, which is committed to ensuring that those workers get a fair go, is supporting a strong, internationally competitive clothing industry.

Last month at Westfield, Burwood, I outlined the program to an audience of leading designers, retailers and manufacturers. Behind the Label, which is backed by Australia's first laws to protect our workers rights, will be rolled out by a dedicated team of industrial relations inspectors and advisers. One of our bilingual inspectors

is in the gallery this afternoon. We are taking assistance to communities, outworkers and their employers. We will work with industry to deliver incentives and to make these changes work for everyone. As more designers, retailers and manufacturers comply with minimum standards a tag will be used to identify ethically made garments. Choosing ethically made clothing and supporting a fairer, safer and better clothing industry will soon be as easy as looking behind the label.

Coles Myer company secretary, Kevin Elkington, is one of a number of industry leaders who have joined the Ethical Clothing Trades Council, which has been established to co-ordinate support for the program. Mr Elkington feels that providing fair and just treatment for outworkers is the right thing to do, both morally and in business terms. Behind the Label also has the backing of the Textile, Clothing and Footwear Union of Australia, the Australian Retailers Association, the Australian Industry Group, Australian Business Ltd and various community organisations. I look forward to outlining the progress of the council's activities as more manufacturers and retailers get involved and as we roll out this program.

HEAT ISLAND EFFECT

The Hon. ALAN CORBETT: My question without notice is directed to the Special Minister of State, representing the Minister for Planning. What steps has the Government taken to reduce the phenomenon known as the heat island effect in major metropolitan areas in New South Wales? Has green roof technology been shown in a Melbourne study to significantly reduce this effect and hence increase air quality and reduce energy consumption? Will the Government sponsor a study or co-operate with the department of meteorology to study the heat island effect in Sydney or in other large metropolitan areas in New South Wales?

The Hon. Dr Brian Pezzutti: I bet you can't answer that one.

The Hon. JOHN DELLA BOSCA: The Hon. Dr Brian Pezzutti second-guessed me. The heat island effect is not a concept with which I am familiar. I assume that it relates to the science of meteorology. The Hon. Alan Corbett asked what seems to me to be an important question. I will undertake to get an answer from the appropriate Minister—either the Minister for Planning or the Minister for the Environment.

TUGGERAH PIONEER DAIRY SITE

The Hon. CHARLIE LYNN: My question without notice is directed to the Minister for Juvenile Justice, and Minister assisting the Minister for the Environment. Is the Minister currently putting in place the final arrangements for the old pioneer dairy site at Tuggerah to be reopened to the Central Coast community more than four years after the Coalition first pledged to place that site in public ownership? If so, will the Minister now give a commitment to the residents of Wyong shire that the site will not be used as an extraction point for coalmining operations at Tuggerah Lakes?

The Hon. CARMEL TEBBUTT: As this is not a matter about which I have any detailed knowledge I will refer the honourable member's question to the Minister for the Environment and undertake to obtain a response as soon as possible.

BROKEN HILL MINERALS EXPLORATION

The Hon. TONY KELLY: My question without notice is directed to the Minister for Mineral Resources. What support is being given to encourage further mineral development in the State's Far West?

The Hon. EDDIE OBEID: The convenor of Country Labor has had a continued interest in regional New South Wales. The great mining centre of Broken Hill has produced over 200 million tonnes of silver, lead and zinc while injecting $70 billion into our economy. We are keen to see this tremendous mining area continue to support the Far West community. The New South Wales Government's strong support for the Broken Hill community is well-known. Recent proposals to develop that area's mineral resources are actively supported by this Government. These proposals give the community every reason to be optimistic. Developing this area's vast mineral resources is good news for the State's Far West. It will create jobs and inject money into the local economy.

Just last week there was more good news for Broken Hill. The New South Wales Government granted the mineral sands company BeMaX Resources development approval for a $70 million mineral separation plant. This single project would have a major impact on families in the Broken Hill area. The proposed BeMaX open

cut mine and separation plant could create more than 300 jobs during its construction. Every year more than $36 million could be injected into local businesses in the Broken Hill area. That is certainly a secure future for local families. This proposed project is yet another step in developing the area's mineral resources. With Perilya Ltd taking control of the former Pasminco mine, Broken Hill's legacy of mining is set to continue for many years to come. The New South Wales Government has committed $60 million to encouraging investment and exploration of our State's minerals industry.

Last month I launched almost $5 million worth of New South Wales Government information on mineral resources to potential worldwide investors. It included new information about Broken Hill's resources, which was gathered last March when the New South Wales Government provided $100,000 for a hyperspectral survey of the area. The survey set new records, being the largest of its type ever flown in Australia. We now have so much information about this area that it would fill 800 CD-ROMs.

Later this month the New South Wales Government will release more geoscience information about Broken Hill. The Government has also spent $35,000 studying the area's potential for local gold and copper. While Broken Hill is known for its silver, lead and zinc ore, we are now looking for copper and gold deposits similar to those around Mt Isa. This new search is because New South Wales Government studies have found rocks similar in age to those in the Mt Isa region, where important copper and gold deposits have been found.

I am pleased to advise the House that further information will be released to industry on CD-ROM later this year. In the nearby Koonenberry areas, rock formations are similar to mines in western Tasmania and Stawell in Victoria. Our support for investment means we are also undertaking joint studies with other scientific agencies. The New South Wales Government is providing $250,000 a year for a joint study with the CSIRO, Australian universities and other governments looking at the area's mineral resources.

The New South Wales Government is actively seeking investment in our far-western mineral resources. We are supporting the continued mining of Broken Hill's traditional silver, lead and zinc mining. We are encouraging development of new mineral deposits such as the Murray Basin's mineral sands, and we are continuing to study the area's potential for exciting new discoveries which will attract further exploration and investment. That is tremendous news for the State's Far West. [*Time expired.*]

The Hon. TONY KELLY: I ask a supplementary question. I ask the Minister to elucidate his answer.

The Hon. EDDIE OBEID: I thank the Hon. Tony Kelly for wanting to know more about what we are doing in the Far West—in contrast to members of the Opposition, who were not even keen to listen. We all know that Broken Hill has contributed a lot to the Australian economy. The Opposition did not even have the courtesy to listen. The Government is committed to further exploration in the Broken Hill area and the Far West. The Deputy Leader of the Opposition has not bothered to ask me a question this session.

The Hon. Dr Brian Pezzutti: Point of order: The question asked the Minister to elucidate his answer, which I presume means to throw some light upon it. The Minister has not answered the question; he is not giving a relevant answer. I ask you to direct that his answer be relevant.

The PRESIDENT: Order! There is no point of order. The Minister may continue if he wishes.

The Hon. Dr Brian Pezzutti: Madam President—

The PRESIDENT: Order! Do not canvass the President's ruling. I have warned the Hon. Dr Brian Pezzutti on many occasions not to use points of order simply to make debating points.

The Hon. EDDIE OBEID: I acknowledge that the Hon. Dr Brian Pezzutti is still awake. If he is awake, he interjects. When he is asleep, we hear him snoring. I thank him for his interest in this issue. My comment was that the Opposition did not even bother to listen to details on a very important issue—that is, how much this Government is spending on trying to locate new mineral resources in the Far West.

POLICE SPECIALIST UNITS

The Hon. MALCOLM JONES: My question without notice is to the Minister for Police. Will reinstating a police commissioner from the old guard and reintroducing special squads also reintroduce the problems that the royal commission sought to address?

The Hon. Greg Pearce: You should get the money back from Ryan, because you are just turning the clock back completely.

The Hon. MICHAEL COSTA: Dennis Denuto is in the House. I missed you over the break. It's good that you're back. You're on the front bench as well—good on you, Dennis. You should be out there helping those plaintiff lawyers, those mates of yours, screw up the civil liability system. It is a good question. As I already pointed out, the commissioner is someone who, unashamedly, has had 37 years of experience in policing. We ought to be pleased about the fact that we have someone with such depth of knowledge of the history of the police force. He certainly has strong connections with the community and with front-line police.

It is pleasing that as part of the crime agency review this commissioner is looking at specialist units. I have already placed on record the Government's support for specialist units. The real issue is whether sufficient protections are in place to ensure that the problems of the past do not recur. The commissioner has indicated that he will provide me with a detailed report on how he intends to go about setting up these crime response teams. Part of that report will be to outline the safeguards and measures that are in place to ensure that the problems of the past do not recur.

As I have said, it is very pleasing that we have a commissioner who is so connected with the community of New South Wales. He knows what the community wants in terms of front-line visible policing and operations such as Operation Viking. That was a very successful operation that all the community supported, except for the Opposition. Those opposite say one thing about beat policing and another about real beat policing when they see it. The Opposition does not want to see police on the street, because it knows it could not deliver what the community wants. This Government, under its new police commissioner, can do that.

The new police commissioner will take important steps in driving down not only crime rates but also the perceptions of crime hot spots. That is an important part of the police commissioner's job. Specialisation is an important component of that. We want to make sure that all levels of crime, from low-level criminal activity through to highly sophisticated organised crime, are dealt with.

The Hon. Michael Gallacher: What about infringement notices?

The Hon. MICHAEL COSTA: I will come to infringement notices in a moment. With specialist units, we will be able to ensure that we have the expertise to deal with those crime categories. In my view it is a positive step. The royal commission did not rule out specialisation. It ruled out an environment of lack of supervision that led to the problems of the past. We are in a different environment. We have the Police Integrity Commission, we have strength in our supervision within the New South Wales police force, and we see, for the first time, honest police—

The Hon. Michael Gallacher: For the first time?

The Hon. MICHAEL COSTA: That is right. For the first time, we see honest police catching crooked cops and having them prosecuted, as is occurring under Operation Florida. It is a markedly different environment to the one that occurred prior to the royal commission. Specialist units will be part of the new policing environment. It is pleasing that the commissioner has responded to the community's concerns. I look forward to his final report, which I am happy to share in detail with the House once it is available. It is an important step in the right direction, which the community will support.

[*Interruption.*]

The PRESIDENT: Order! I ask members who are sitting near the microphones and who are not asking or answering questions to either turn off the microphones or refrain from interjecting.

RAYMOND TERRACE POLICE STATION UPGRADING

The Hon. JOHN JOBLING: My question without notice is to the Minister for Police. Since being appointed to the police ministry, what action has the Minister taken to prioritise the upgrading of Raymond Terrace police station, in line with a promise made by the honourable member for Port Stephens in May last year that "this station was to be built on a site next to the council chambers"? Is it correct that the Government has failed to fund this project for the past six years?

The Hon. MICHAEL COSTA: As I have indicated, I do not take anything that comes from the other side of the House as factual. I am happy to bring back to the House appropriate information at the appropriate time, but I do not know whether that statement was made. The Opposition has a habit of distorting the truth, and I am certainly not going to respond to a potential distortion.

WORKCOVER DISPUTE RESOLUTION

The Hon. HENRY TSANG: My question is to the Special Minister of State, and Minister for Industrial Relations. Will the Minister inform the House about the operation of the New South Wales WorkCover scheme?

The Hon. JOHN DELLA BOSCA: As honourable members will recall, last year this House approved significant changes to the State's workers compensation scheme. Those changes were designed to minimise disputes and delays, and make the injured worker the focus of the system. I can report to the House that WorkCover's strategic analysis branch has been monitoring the effect of the dispute resolution changes. It is early days, but in three months there have been significant improvements—undeniable improvements. Injured workers are receiving their benefits sooner: 75 per cent of claims for weekly benefits have been paid within seven days. An additional 10 per cent have been approved for payment. The median time for the commencement of payment is just four days. This is a significant improvement on the final quarter of the previous scheme, when only half of the claims were paid within a week.

If this performance can be maintained, it will give injured workers the financial support they need and allow treatment and rehabilitation to commence without delay. Disputes and delays are damaging to the worker and costly for the scheme. The initial report also provided data on the new claims assistance service. The new service resolved 90 per cent of the 1,600 cases received. Many of these cases could have resulted in lengthy, pointless and expensive litigation. The report found areas for improvement, noting that some insurance companies were not providing accurate data on provisional liability. I have instructed WorkCover to address this issue with the insurers.

The report also found that the proportion of medical expenses claims paid within 21 days had fallen slightly. The report suggested that this might have been due to normal seasonal decrease in business activity during January. While these are early days, the results so far are certainly encouraging. Workers are being paid sooner and the deficit has fallen by some $200 million. The deficit would have been $757 million more if we had adopted the Liberal and National party option to stay with the previous scheme.

The Hon. Michael Gallacher: And how many cents?

The Hon. JOHN DELLA BOSCA: The Leader of the Opposition would like it brought down to cents but he should live with the fact that the deficit would have been $757 million more if we adopted his response, which was to do nothing. I caution that these are early results. It will take much longer to assess the financial effects of changes. So far, the improvements are clear for injured workers.

LORD HOWE ISLAND CROWN LAND DEVELOPMENT

The Hon. RICHARD JONES: My question is to the Minister Assisting the Minister for the Environment. Why has the Minister allowed the World Heritage old-growth rainforest on Crown Land at 68 Anderson Road next to the broken banyan on Lord Howe Island to be destroyed when other cleared land was available for this development? Was this not the habitat of endangered land snails? Why did the Minister bow to the wishes of the pro-development lobby on the Lord Howe Island Board? Is it a fact that 10 houses were built on Lord Howe Island in the past 12 months, including some on irreplaceable habitat? Will she ask the Minister to overhaul the Lord Howe Island Act 1953 to ensure that this unacceptable destruction of World Heritage rainforest cannot happen again?

The Hon. CARMEL TEBBUTT: I accept that the honourable member has taken a lot of interest in and feels most strongly about this matter, as do a number of people who live on Lord Howe Island. It is an issue about which there has been some community debate. However, a careful look at the facts will demonstrate to the House that the board has followed proper processes. I would correct an issue the honourable member raised, when he said the Minister gave the approval. That is not correct. The consent authority is the Lord Howe Island Board. To go back in time, late in 2000 the Lord Howe Island Board approved an application to subdivide portion 87 for the purpose of creating an additional residential allotment within the defined settlement zone. It is important to note that this portion 87 or, as referred to by the honourable member, 68 Anderson Road, is in the defined settlement zone of Lord Howe Island. The board approved the subdivision under the relevant planning instrument.

This approval was conditional on, amongst other things, the requirement that any proposed new residence be the subject of a separate development application and that any such residence be designed and sited

so as to minimise requirements for the removal of existing vegetation. I am informed that the subdivision proposal has been the subject of two separate actions under the New South Wales Environmental Planning and Assessment Act in the Land and Environment Court. Both actions were dismissed. The board has recently approved an application to construct a new residence and garage on the subdivided area of portion 87. The conditions of this approval include compliance with the screening and revegetation regime imposed by the board, which compliance is to be assured by way of lodgement of a bond by the applicant.

The board acknowledges that some native vegetation will need to be removed as a result of this approval. However, the board does not consider that this will have a significant impact on either the immediate environs or the island's World Heritage values. In addition, the board considers that such localised impact as may be caused on the site will be mitigated through a revegetation program imposed by the board and which provides for replacement of significantly more native vegetation than that which will be removed. In all dealings with this matter the board is satisfied that it has acted fairly and in accordance with the relevant planning and development control legislation, with due process and with due consideration of all the appropriate factors in line with its responsibility as a consent authority.

The Hon. RICHARD JONES: I ask a supplementary question. Is the Minister aware that the revegetation program is only kentia palms and not rainforest trees? So they are not replacing what has been taken away.

The Hon. CARMEL TEBBUTT: Further to the information that I have already provided, the honourable member has now raised issues about land clearing. I am aware there were three instances of removal of native vegetation from portion 87 in the past 12 months. In the first instance, three saplings were removed without permission. The largest of these saplings was approximately three metres in height and eight centimetres in diameter. I understand that, given the small amount of vegetation removed and the record of the person involved, no formal charges were laid and a written caution was issued.

In the remaining instances the board gave approval for the lopping and/or removal of trees. The trees were inspected and permission for removal was subsequently granted in accordance with established procedures for dealing with trees that represent a hazard to property and/or persons. The development consent I previously referred to, recently issued by the board for construction of a residence on the site, will require the removal of approximately 80 native trees of varying sizes. Such localised impact as may be caused on the site will be mitigated through a revegetation program imposed by the board, providing for replacement of significantly more vegetation than will be removed. I reiterate that this development application and subdivision was within the defined settlement zone under the relevant planning instrument for Lord Howe Island.

MINOR OFFENCES ON-THE-SPOT FINES

The Hon. IAN WEST: My question is to the Minister for Police. Will the Minister provide the House with the facts about plans to free police from desk duties?

The Hon. MICHAEL COSTA: It is pleasing to be able to report to the House once again how responsive this Government is to the ideas of front-line police. As honourable members will be aware, the Government has made a virtue of talking to front-line police and ensuring that their ideas about policing form part of policy framework of the New South Wales police. It is pleasing today to report that a plan asked for by police, that is to have infringement notices for non-serious, minor offences, will be put in place by the Government. It will save thousands of hours of time normally spent behind desks by police processing minor crimes. The fines are set at the average fine handed out by the courts except—and I have to correct some media statements of this morning—in relation to larceny, where the value of the goods stolen is less than $500. The fine will be set above the value of the goods stolen, for obvious reasons. So the report in the newspapers today of a $300 fine for stealing and shoplifting offences was not accurate. Infringement notices are an extra option for our police. They can still arrest individuals who are involved in crime or they can issue notices to attend court.

The Hon. Michael Gallacher: How will they interview people—on the side of the road?

The Hon. MICHAEL COSTA: Alternatively, they can issue an infringement notice. I trust the discretion of our police. I am surprised that the Leader of the Opposition does not trust the discretion of the police. I thought that as a former police officer he would understand that our police use discretion at all times when they implement the law. In this particular case I am sure they will be able to use discretion very well. I am advised that one country police officer spent 3½ hours processing someone who had stolen 99¢ worth of sugar

cubes. That is a ridiculous usage of police time. Police officers will now have the option of using infringement notices, and it will be their option. We will have a trial involving 11 local area commands. The State Chamber of Commerce, the Police Association and my advisory council support this trial.

The only people who are opposed to the plan are the Council for Civil Liberties and the Opposition. The unity ticket that is emerging between the Council for Civil Liberties and the Opposition is very interesting. This is not the only measure on which those two have got together. They have got together on a number of other issues to oppose government policy and the ideas of front-line police. What I find most surprising about the Coalition's opposition is the fact that there is confusion within its own ranks. We should not be surprised that there is confusion within the National Party, but I was surprised to hear the Leader of the National Party, George Souris, attack the idea as potentially the decriminalisation of so-called petty crimes. That is the National Party's position.

The National Party backbench member, Russell Turner, took a different view; he would cautiously welcome the plan. Not only that, he made this comment: "The $200 to $300 on-the-spot fine will be far more serious punishment than what those offenders have been receiving in the past." I do not know what is happening in the National Party at the moment, but there is certainly a lot of confusion. Perhaps there is a challenge going on within the National Party, George Souris having supported John Brogden, who has turned out to be a complete failure for the Coalition. Obviously, the leader is under pressure within his party, and now there is open dissension in the National Party. The leader has said one thing, and the backbench member has said something else. I think Russell Turner is closer to front-line police than is the Leader of the National Party.

UNION MEMBERSHIP FEES

The Hon. JOHN RYAN: My question is addressed to the Minister for Industrial Relations, and Minister Assisting the Premier on Public Sector Management. In March this year did the New South Wales Government conclude an agreement with the New South Wales Labor Council over public sector payroll deductions of union membership fees, despite a test case on this issue still being heard before the Industrial Relations Commission at the time? Has the Minister investigated why the Government made such an agreement before the commission handed down its ruling on this matter? Will the Minister outline to the House the financial cost to New South Wales government departments and agencies of collecting membership fees for the trade union movement?

The Hon. JOHN DELLA BOSCA: As the honourable member pointed out, last year the New South Wales Labor Council lodged an application for a test case with the New South Wales Industrial Relations Commission. This claim related to formalising arrangements for the payroll deduction of union dues by employers. The test case hearings were completed on 27 March this year. The test case sought to allow a number of public and private sector awards to be varied to provide for payroll deductions of union membership fees. The New South Wales Government supports the principles of the Labor Council test case. As a result, the Public Sector Management Office has already negotiated a model clause. If the Hon. John Ryan were familiar with industrial practice he would know that that is normal practice for employers in the New South Wales industrial jurisdiction. The model clause was negotiated in consultation with the New South Wales Labor Council, the Department of Education and Training and the Department of Health, which formalises arrangements in relation to the payroll deduction of union dues.

The Hon. Duncan Gay: Can you deduct how much the union has paid to the Labor Party? It's a compulsory donation to the Labor party. It's a disgrace.

The Hon. JOHN DELLA BOSCA: Due to these successful negotiations, the New South Wales Industrial Relations Commission has already varied a number of awards to allow specifically for the deduction of union membership fees. Those are the Public Hospital Nurses (State) Award, the Crown Employees Salaries and Conditions Award and five Department of Education and Training awards. The interjection by the Deputy Leader of the Opposition comes as a surprise, because to my knowledge the New South Wales Teachers Federation has never been an affiliate of the Australian Labor Party. The Industrial Relations Act 1996 provides that union dues are an industrial matter for the purposes of the Act.

I look forward to the outcome of the New South Wales Industrial Relations Commission's findings in relation to union dues clauses in private sector awards. I also note with interest the decision of the full bench of the Australian Industrial Relations of 29 April 2002. The full bench found that union fee deduction clauses in Federal certified agreements pertain to the employment relationship. This would seem to clear the way for

Federal certified agreements to contain union fee deduction clauses. The New South Wales Government believes that the deduction of union membership fees could and should be provided for in public and private sectors through award provisions.

INTERNATIONAL CRIMINAL COURT

Reverend the Hon. FRED NILE: My question without notice is to the Special Minister of State, in his capacity and representing the Premier and the Attorney General. Is it a fact that the United Nations convention to establish an international criminal court is currently being considered for ratification by the Commonwealth Parliament in Canberra? Is it a fact that this convention gives wide powers to the prosecutors of the court to charge individuals with a variety of vague offences, including actions that harm the mental health of a group of persons? Is it a fact that a group of persons in New South Wales, such as aggrieved Aborigines or State wards, could make complaints to and access this new court? Has the New South Wales Government expressed to the Commonwealth Government its reservation and even opposition to the establishment of this new court? This new court could charge citizens of New South Wales and even department directors-general and/or staff if complaints are made to the court concerning the New South Wales Health Department, the Department of Community Services, Aboriginal affairs, et cetera?

The Hon. JOHN DELLA BOSCA: Clearly the honourable member's question deals with matters in the Attorney General's portfolio, and I will ask the Attorney General to provide an answer as soon as practicable.

WYONG SHIRE SOCIAL PLAN

The Hon. Dr BRIAN PEZZUTTI: My question is addressed to the Minister for Police. Is the Minister aware that the recently released social plan for Wyong shire clearly indicates that the area has a number of social problems, including the highest rate of reported child abuse in the State? Therefore, will the Minister explain to the House why, in March this year, he refused to allocate funding from the Confiscated Proceeds of Crime account to the metropolitan Children's Court service, which includes Wyong Children's Court and Woy Woy Children's Court?

The Hon. MICHAEL COSTA: It is interesting to see that the honourable member has been to Wyong. When was the last time he went to Wyong?

The Hon. Dr Brian Pezzutti: I was there about two months ago and I will be there again this weekend.

The Hon. MICHAEL COSTA: I will take the question on notice and get some details.

HOSPITALITY AND FOOD MANUFACTURING INDUSTRIES INDUSTRIAL LAWS COMPLIANCE

The Hon. JOHN HATZISTERGOS: My question without notice is addressed to the Special Minister of State, and Minister for Industrial Relations. Will the Minister inform the House how the Government's industrial relations activities are ensuring long-term compliance with industrial laws by employers in the hospitality and food manufacturing industries?

The Hon. JOHN DELLA BOSCA: I thank the honourable member for his ongoing interest in compliance with industrial laws. The New South Wales Government, through the New South Wales Department of Industrial Relations [DIR], acts decisively to investigate and resolve complaints concerning the non-payment of employment entitlements under New South Wales industrial relations legislation and industrial instruments. Each year more than 4,000 people lodge formal complaints about the non-payment of wages, allowances or leave entitlements. In the first instance the department's inspectors encourage the resolution of complaints directly between the employer and employee concerned. If this private resolution is not successful an investigation is undertaken.

Recently, as part of this process, departmental inspectors recovered almost $40,000 in unpaid entitlements for people employed as cooks, chefs and bakers throughout New South Wales. Most of these payments made up deficiencies in wages and annual leave, with the largest payment of almost $12,000 made to a full-time baker in Lightning Ridge for wages and holiday pay.

Over the past 12 months DIR inspectors and compliance officers settled 15 matters affecting cooks, chefs and bakers. In one matter a cook working full time at a club in Moama received $3,000 in a settlement of

disputes over a grading issue. In other cases, a full-time pastry cook in Edgeworth received more than $4,500 in wages and annual holiday entitlements, while a Dubbo chef received more than $2,500 in unpaid wages. Within the Sydney region a chef at a Darling Harbour restaurant received $570 in unpaid wages. Another chef at a Roseville cafe received $1,400 in holiday pay, and a senior baker in Leichhardt received more than $5,300 in long service leave and annual leave entitlements.

Most employers understand their legal obligations to pay award wages and to provide paid annual leave. However, a number of employers were paying their cooks, chefs and bakers less than the minimum rate of pay. Not only is this unfair to the employees concerned, it is unfair also to those employers who do the right thing and abide by the law paying reasonable wages and enforcing conditions. Employers can face penalties of up to $10,000 for underpayment of employees. Courts can also order employers to repay lost wages, plus interest. Despite the wide range of information provided by the Government through publications, educational campaigns, telephone and Internet service some employers are still ignoring minimum employment standards. Where complaints are received about such employers, inspectors will work to resolve discrepancies as far as possible. This protection is available for all employers, as is evidenced in these recent matters involving chefs, cooks and bakers across New South Wales.

If honourable members have further questions, I suggest they put them on notice.

NEMINGHA SAWMILL

The Hon. JOHN DELLA BOSCA: On 9 April the Hon. John Tingle asked me a question without notice regarding the proposed Nemingha sawmill. My colleague the Minister for Planning, the Hon. Andrew Refshauge, has provided the following response:

> The Department of Planning has issued Director-General's requirements for the preparation of an environmental impact statement for this proposal.
>
> The proponent has been asked to address a wide range of environmental factors including air quality, noise, traffic impacts, flora and fauna, water requirements and potential land use conflicts.
>
> The Department of Planning has informed me that at this point in time, Parry Shire Council will be the consent authority for the development. I must stress however that a development application has not been lodged and the matter appears to be at a preliminary stage.

ASYLUM SEEKERS DETENTION

The Hon. JOHN DELLA BOSCA: On 10 April the Hon. Malcolm Jones asked me a question without notice regarding the detention of asylum seekers. The Minister for Corrective Services has provided the following response:

> No person is held in a correctional centre as a result of being "suspected of criminal activities." A person is only held in a correctional centre after being convicted of a criminal offence, upon being remanded in custody when charged with a criminal offence, or when held in immigration detention.
>
> As of 21 April, seven persons were being held in immigration detention by the Department of Corrective Services. The department’s records do not distinguish asylum seekers from other immigration detainees.
>
> All persons in immigration detention in New South Wales correctional centres are there as a result of orders issued by the Department of Immigration and Multicultural and Indigenous Affairs [DIMIA] under the provisions of the Commonwealth, Migration Act 1958. Such orders have usually been issued because the person subject to the order is considered unsuitable for detention at Villawood Immigration Detention Centre for security or behavioural reasons.
>
> The Government's view is that since immigration detainees are not subject to a term of imprisonment, it is inappropriate that they be detained in a correctional centre unless exceptional circumstances exist and are recognised as exceptional by the Commissioner of Corrective Services.

OUT OF SCHOOL HOURS CARE

The Hon. CARMEL TEBBUTT: On 10 April the Hon. Alan Corbett asked a question without notice regarding out of school hours care service. I have been provided with the following response:

> Steps were being taken by the former Labor Government in New South Wales in regard to the regulation of outside school hours care services under the 1987 legislation. As the honourable member would be aware, the Labor Government was no longer in office after March 1988.

Events took a different turn and in 1993, New South Wales was the first State or Territory in Australia to introduce a voluntary code of practice for out of school hours care services. This code, which was developed by the out of school hours care sector in partnership with government, set a range of standards that provided service operators with good practice guidelines for the operation of out of school hours care services. The code was a forerunner of the development of National Standards that were agreed to by community services Ministers in 1995.

At the present time, the Australian Capital Territory Government is the only State or Territory Government that has regulated outside school hours care services. New South Wales, along with most other States and Territories, is currently considering this matter.

If regulation were to occur, then it would require an amendment to the Children and Young Persons (Care and Protection) Act 1998 to include coverage for these services, and would also need an amendment to enable coverage for the age of children who attend these services.

DEFERRED ANSWERS

The following answers to questions without notice were received by the Clerk during the adjournment of the House:

SOLAR IN SCHOOLS PROGRAM

On 11 April the Hon. Richard Jones asked a question without notice of the Minister for Police, representing the Minister for Education and Training, about the Solar in Schools Program. The following response was provided:

> I am advised by the Deputy Director General, Corporate Services, that the Department of Education and Training is currently working with the sustainable Energy Development Authority to install grid connected demonstration solar systems to a number of schools across New South Wales. An amount of $120,000 has been expended on this project by the department to date. I am advised that grid connected solar systems have been installed in 34 public schools. The generation of energy can vary depending on climate conditions. Electricity production from these 34 schools is estimated to be equivalent to purchasing $6,690 of fossil fuel generated electricity annually.

MITCHELL HIGH SCHOOL STUDENT ASSAULT

On 10 April the Hon. Dr Peter Wong asked a question without notice of the Special Minister of State, representing the Minister for Education and Training, in relation to Mitchell High School. The following response was provided:

> I am advised by the Assistant District Superintendent, Blacktown, that this matter was reported to the police. The status of the police investigation would need to be sought from the Minister for Police.

PROFESSOR TED STEELE AND THE UNIVERSITY OF WOLLONGONG

On 10 April the Hon. Dr Arthur Chesterfield-Evans asked the Treasurer a question without notice regarding the unfair dismissal of Professor Ted Steele. The Attorney General provided the following response:

> As the administration of universities in New South Wales, including their internal tribunals, falls within the jurisdiction of the Minister for Education and Training, questions in this regard should be directed to him. I have referred this question to the Minister for a response.

NEW SOUTH WALES BILL OF RIGHTS

On 10 April the Hon. Peter Breen asked the Treasurer a question without notice in relation to a bill of rights. The following response was provided:

> The Government's response to the report of the Standing Committee on Law and Justice, "A NSW Bill of Rights" is still under consideration. It will be provided as soon as possible.

VIETNAMESE REPEAT OFFENDERS

On 11 April the Hon. Helen Sham-Ho asked the Treasurer, representing the Minister for Corrective Services, a question without notice relating to Vietnamese repeat offenders. The following response was provided:

> The Hon. Richard Amery, Minister for Corrective Services, has advised me to refer the honourable member to his answer to her question on notice No. 120, in which she addressed these issues.

COMMUNITY RELATIONS COMMISSION FORUM

On 11 April the Hon. Dr Peter Wong asked the Treasurer, representing the Premier, a question without notice relating to the Community Relations Commission forum. The following response was provided:

> The Commission, through its web site, has published the resolutions passed at the inaugural forum held in March 2001. Action has been taken on each of those resolutions.
>
> The estimated budget for this year's forum, held on 15 and 16 April, is around $100,000, which included the participation of more than 70 community representatives form rural and regional New South Wales.

The forum organised by the commission is the only initiative in New South Wales which brings together representatives of various ethnic communities from all over New South Wales under one roof.

The work of the Community Relations Commission will be assisted by the views of these communities directly put to it through the forum.

COMMUNITY RELATIONS COMMISSION FORUM

On 9 April the Hon. James Samios asked the Treasurer, representing the Premier, a question without notice relating to the Community Relations Commission forum. The following response was provided:

The community relations forum is now an annual event organised by the Community Relations Commission to enable dialogue between the commission and the community. It was held on 15 and 16 April 2002. The Hon. Morris Iemma, Minister for Public Works and Services, Minister for Sport and Recreation, and Minister Assisting the Premier on Citizenship, officially opened the forum on the morning of 15 April 2002 and officially closed it on 16 April 2002.

The Hon. James Samios attended the opening session of the forum, both in his own right and representing the Leader of the Opposition, Mr John Brogden.

The commission, through its web site, has published the resolutions passed at the inaugural forum. This document is continually updated indicating action taken and progress made against each one of those resolutions.

The web site address is *www.crc.nsw.gov.au*.

LEGAL PROFESSION CONDUCT

On 9 April the Hon. Helen Sham-Ho asked the Treasurer, representing the Attorney-General, a question without notice regarding regulation of the legal profession. The Attorney General provided the following response:

In the past few years the Government has undertaken an extensive review of part 10 of the Legal Profession Act. A review of the procedural aspects of the complaint process was conducted by the Law Reform Commission in 2001 and my department is currently conducting a broader review of the method for processing and investigating complaints against lawyers in New South Wales. In both cases the public were advised of the review and were given an opportunity to provide submissions.

On 9 November 2001, I released an issues paper entitled "A Further Review of Complaints Against Lawyers". This paper invited submissions from any interested person or organisation on the matter. On the same day, I issued a media statement announcing the release of the issues paper and outlining the aims of the review.

The issues paper has been publicly available on my department's Lawlink web-site, *www.lawlink.nsw.gov.au*, since 9 November 2001. Copies could also be obtained by contacting my department on 9228 7777. The issues paper was also sent directly to stakeholders, as well as persons and organisations who made submissions to the Law Reform Commission in their consideration of this matter.

Submissions to the review have now closed. Submissions were received from various parties including community groups, individual consumers, the legal profession, government agencies and consumer groups, including the Association for Legally Abused Citizens. The views of all contributors have been considered in the production of the final report which will be released later this year.

ELECTRICITY INDUSTRY CONTESTABILITY

On 9 April the Deputy Leader of the Opposition asked the Treasurer a question without notice about electricity industry contestability. The Minister for Energy provided the following response:

The Government is satisfied with the introduction of contestability for household energy customers. Early indications for the competitive arrangements are encouraging. The market is young and the Government expects more momentum over the coming year.

The Government has put in place one of the strongest consumer protection frameworks to ensure all consumers are adequately protected while giving people choice.

To date, almost 69,000 customers have taken advantage of new market choices and either switched to new companies or negotiated new contracts with their existing retailer. This figure represents an aggregate number of electricity and gas customers who have:

committed to switching to a different retailer, where the cooling-off period has expired but the customer transfer has not yet taken place;

chosen to switch to a negotiated contract with their existing retailer; and

been registered as customer transfers by the National Electricity Market Management Company and the Gas Market Company:

These figures more accurately reflect the current state of the household market, whereas the figures provided by the National Electricity Market Management Company [NEMMCO] only show electricity customers switching from a first tier retailer to a second tier retailer after a meter reading is made. In fact it is encouraging to see that consumers are not only taking advantage of contestability but are happy with levels of service from their existing retailer as indicated by the majority of the 69,000 customers who have switched to negotiated contracts with their existing retailer. It is encouraging that state-owned retailers in New South Wales are performing so strongly.

The communication campaign undertaken by the Government was aimed at providing customers with information on their ability to choose their retail energy supplier and information on consumer rights and protections that they would enjoy when participating in the retail market. As with any major purchase, the Government has advised consumers they should carefully assess the offers made to them and decide which deal best suits their needs.

The campaign was not designed to encourage customers to change to different retailers but to raise public awareness of the new arrangements and to provide reassurance that there would be no loss of consumer protections or service reliability.

POLICE OFFICER MURDER SENTENCES

On 10 April the Hon Charlie Lynn asked the Minister for Police a question without notice relating to the sentencing of criminals convicted of murdering police officers. The Attorney General provided the following response:

The Government's response to the Opposition's proposal was clearly stated by the Premier in the Legislative Assembly on 9 April 2002.

ST GEORGE AND SUTHERLAND SHIRES POLICING

On 11 April the Hon James Samios asked the Minister for Police a question without notice concerning St George and Sutherland shires policing. The following response was provided:

16 police have undertaken a secondment program to Bankstown LAC. That secondment program concludes in late June 2002 when all of those police will return to their Local Area Command. Those 16 police were seconded from the Local Area Commands at Miranda, Sutherland, St. George and Hurstville as well as from the Georges River Region Target Action Group. This secondment program was supported by the Police Association.

In relation to your statement crime in both the St George and Sutherland areas has reached record levels, I have received advice from each of the Local Area Commands responsible for policing this area that does not support your assertion.

With regard to your comments about Menai residents, I am advised that the situation outlined in a *Sydney Morning Herald* article on 7 April 2002 has been examined by police. Where victims have been able to be identified they have been spoken to and have advised the facts reported have either been distorted or the persons relating them misquoted.

Questions without notice concluded.

GAMING MACHINES AMENDMENT BILL

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

BUDGET ESTIMATES AND RELATED PAPERS

Financial Year 2002-03

Copies of Budget Speech—Budget Paper No. 1, Budget Statement, Budget Paper No. 2, Budget Estimates Volumes 1 and 2—Budget Paper No. 3, and State Asset Acquisition Program—Budget Paper No. 4 tabled.

Ordered to be printed.

The Hon. JOHN DELLA BOSCA (Special Minister of State, Minister for Industrial Relations, Assistant Treasurer, Minister Assisting the Premier on Public Sector Management, and Minister Assisting the Premier for the Central Coast) [4.02 p.m.]: I move:

That the House take note of the Budget Estimates and related papers for the financial year 2002-03.

Just three weeks ago Peter Costello presented the Howard Government's seventh Budget.

Today it is my honour to present the Carr Government's eighth Budget.

Both governments, of course, have to grapple with similar kinds of problems—difficult financial, environmental and social problems in an increasingly complex, fast changing and often uncertain world.

But that is where the similarity ends.

The Costello Budget despairs of the future and tries to frighten people about their future.

Our Budget, like the seven that preceded it, prepares for the future—for its difficulties, its challenges, and its unbounded opportunities.

The success of this nation of ours, two hundred and fourteen years after its bedraggled beginnings as a convict settlement, is surely testimony, not just to the power of redemption, but also to the value of optimism and steady purpose.

The Howard-Costello approach tries to soften us up for a blighted and shrivelled future.

We reject that, and we declare our optimism and our steady and steadfast resolve to make things better, step by step, year after year, decade after decade.

Theirs, of course, is a Liberal-National Party Government with Liberal and National Party blinkers.

Ours is a Labor Government, with contemporary and modern methods and a century old ethos of fairness and social improvement permeating every bone in our bodies.

Their Budget targets for the harshest treatment people who are sick, people who are old, and people who are disabled.

Our Budget tries to help those who need a helping hand.

The Howard-Costello budgets lurch from one extreme to another.

They are profligate with one, mean-spirited with the next.

Our purpose, our optimism and our resolve remains consistent, steady and steadfast.

There is another great difference too and that is in our investment in social and economic infrastructure for our future.

Today, I will be announcing the biggest ever investment by any State Government in new schools, new hospitals, new roads and public transport and other public works and investments.

But with a Budget five times larger than ours, with revenue five times larger than ours, the Federal Government's net capital investment in the coming year is a negative $725 million.

In other words, the Federal Government's stock of assets is depreciating faster than they are adding to it.

It is little wonder they are so bleak about Australia's future.

The difference between the Howard-Costello Budget and ours is the difference between chalk and cheese, or the difference between night and day.

The Budget I present today achieves the trifecta of improved government services, lower taxes and, unlike the Costello Budget, remains in surplus.

It is a budget from a Government that is experienced, optimistic, steady and steadfast.

Getting Ahead

Getting ahead, the importance of saving and preparing for the future, is something almost every Australian family understands and strives for.

Getting ahead is just as important for a State or nation as it is for an individual or family.

Getting ahead has been the central aim of our financial strategy for seven years. And it is already paying big dividends.

Five years ago, fourteen dollars in every hundred we spent was required to service our debts and liabilities.

Now it is down to less than nine dollars in every hundred, which means we have $1.6 billion more each year for better services and lower tax rates.

Our strategy for getting ahead is really quite straightforward. It is to reduce our general government debts and liabilities and increase our assets and investments.

Today I reaffirm the commitment made in our first Budget in 1995 to completely eliminate general government net debt by 2020.

This debt free legacy is a Labor commitment to the next generation.

When we took office in 1995 general government net debt stood at $12 billion or 7.3 per cent of Gross State Product.

It has now been reduced by $7 billion to 2 per cent of GSP.

During the same period our total net financial liabilities in the general government sector have fallen from 19.8 per cent to 8.8 per cent of GSP, and for the total State Sector from 26.6 per cent to 15.1 per cent.

The key to this success was the decision taken very early in our Government's term to tear up the credit card which the previous Coalition Government used to fund their Budgets.

Instead we began to pay our way and each year put something aside for the future.

As a result of this steadfast determination we became the first Government in the State's recorded financial history to achieve two successive surpluses, then three, then four, then five, then six, and now we are aiming for seven.

The estimated budget surplus for 2002-03 is a modest, but healthy $168 million.

I should point out that there are three measures of the Budget result.

One measure is the cash result. It simply tells you by how much the year's operations have added to or reduced your debt.

It is the measure now preferred by the Federal Government, but it is a very limited measure.

Any mug can achieve a cash surplus by either ignoring or deferring payment of their accruing liabilities or by running down their stock of assets. That is, of course, how Mr Costello fudges it.

The other measures are the net lending result and the operating result.

The net lending result, which the Commonwealth calls the fiscal balance, is the measure New South Wales regards as the main result for the general government sector. It tells you how much the year's operations have contributed to an increase or decrease in net financial liabilities.

The operating result, which is akin to a company's profit or loss, tells you whether the year's operations have added to or reduced your net worth.

In 2002-03, New South Wales and Tasmania are likely to be the only Australian governments to budget for a surplus on all three measures.

In other words, New South Wales and Tasmania are the only Australian governments whose general government budget operations for the year are reducing debt, reducing liabilities and increasing net worth.

It is called getting ahead.

EXPENDITURE

I now turn to the Government's expenditures.

Operating Expenses

General Government expenses in the current financial year are expected to be an actual increase of 3.7 per cent over the previous year.

In 2002-03, expenses are estimated to increase by 2.1 per cent over expected actuals in 2001-02 and 5.6 per cent over the 2001-02 Budget estimates.

New Public Works and Investments

A strong public works program not only provides jobs now, but also bolsters our prospects for a strong economy and a strong society into the future.

Between 1949 and 1974, Australia built the great Snowy Mountains Scheme.

Over those 25 years it cost $820 million, or $8.5 billion in current dollars.

Today I announce a $26 billion four-year program for new public works and investments.

In other words, we will be investing three times more over four years than Australia spent on the Snowy Mountains Scheme over 25 years.

No previous State Government has ever undertaken a public works program of this magnitude.

It represents an increase of $5.4 billion, or 26 per cent, on the $20.7 billion spent in the last four years, which of course included all of the expenditure on the Olympic venues and infrastructure.

In 2002-03 alone the total State asset acquisition program will total $6.4 billion—sustaining approximately 96,000 direct and indirect jobs.

This investment represents an increase of $794 million, or 14 per cent on last year's Budget.

In the general government sector, $3 billion is being allocated to non-income earning, but nevertheless vital social and economic infrastructure, such as new schools, new hospitals, new roads and public transport improvements.

I will provide further details of the public works program when dealing with major portfolio areas later in the Budget speech.

Like the Olympic venues and infrastructure, we plan to pay for all these new public works in cash, up-front, without a single cent of debt.

In addition to the general government public works program, our government owned business enterprises will undertake $3.3 billion of new income earning investments, mainly in electricity, transport, water and housing.

These investments will be financed approximately 80 per cent by grants and the businesses' own cash flows and financial assets and 20 per cent from commercial borrowings.

Health and Hospitals

In 2002-03 the Health Budget will receive $554 million more than last year's allocation, bringing total health spending to almost $8.9 billion.

The allocation for the annual expenses of running our 206 general hospitals, our 280 community health centres and 500 early childhood centres will rise by $579 million, from $7.8 billion in 2001-02 to almost $8.4 billion in 2002-03.

This enormous funding increase will enable numerous improvements to recurrent health services, full details of which are provided in the Budget Papers. However, there are a few that I would like to highlight now. These include:

- $35 million new funding for rural health initiatives;
- further funding for an additional 226 mental health beds, in addition to the 150 beds previously announced;
- an additional $16 million for dental health services to provide an additional 85,000 services per year, an additional 4,000 denture services to older people, and new services in rural areas;
- a $2 million, or 40 per cent increase, in funding for podiatry services, enabling an additional 55,000 services per year to be provided to older people; and
- the provision by the Government of medical indemnity insurance for doctors treating public patients in public hospitals.

In addition to the annual expenses of running our health system, we are also massively investing in new health infrastructure.

Over the next four years, we will invest a further $1,938 million on new or refurbished hospital and health facilities, with $504 million being allocated in 2002-03.

Earlier this year, on morning radio, the member for North Shore, generously praised the Government. She said: "Royal North Shore is the only teaching hospital in New South Wales not to have had a major upgrade."

High praise indeed! In only seven years, every teaching hospital upgraded bar one. But from here on, there is no more need for any caveat or qualification to her praise.

Today I announce the commencement in 2002-03 of a $452 million, eight-year redevelopment of the Royal North Shore Hospital, including $45 million of current works in progress, with $20 million being allocated in 2002-03.

Work will also start this year:

- on new and upgraded rural hospitals and health services at Bourke, Hay, Kyogle and Henty, with an estimated total cost of $40.8 million;
- on the construction of new obstetrics, paediatrics and emergency service facilities at Hornsby Ku-ring-gai Hospital at an estimated total cost of $16.4 million;
- on redevelopment of Nepean Hospital emergency service facilities at an estimated total cost of $8.6 million;
- on expansion of Liverpool Hospital's emergency/trauma facilities at an estimated total cost of $9.1 million;
- on expansion of Shellharbour Hospital's emergency department at an estimated total cost of $5 million;
- on redevelopment of the Blue Mountains Hospital at an estimated total cost of $6 million;
- on redevelopment of Milton-Ulladulla Hospital at an estimated total cost of $4.4 million; and
- on other major new works with an estimated total cost of $20 million.

Minor miscellaneous works throughout the State will cost $112 million in 2002-03.

Meanwhile, $352 million is being allocated in 2002-03 towards the completion of major works commenced in previous years.

In the next twelve months we will see the completion and opening of many major new or redeveloped facilities including:

- the new St Vincent's Hospital;
- the new Royal Prince Alfred Hospital; and
- the new Kempsey mental health unit.

The $83 million redevelopment of Sutherland Hospital on which we will be spending $31 million in 2002-03, and which will be completed in 2004, has a special interest not only for me but for the Treasurer, who was there when Premier Joe Cahill laid its foundation stone in 1955—long before he got booted out!

He was there also at its opening in 1958 by Health Minister, Bill Sheahan, and he can still remember Mrs Partridge singing *Bless this House*.

The Treasurer also remembers telling Mr Sheahan that one day he would become a Labor Member of Parliament.

Mr Sheahan, of course, was the first of only two politicians to ever pat the Treasurer on the head, and the only one that the Treasurer says he remembers fondly. Honourable members opposite will recall what I am talking about.

It was a Labor Government that built Sutherland Hospital, it was another Labor Government in the early eighties that gave it its first and only major extensions, and now it is another Labor Government completely redeveloping it.

It is a point, I hope, that will not be lost on the honourable member for Miranda, nor for that matter the honourable member for Cronulla in the other place.

Drug Summit

Following the Drug Summit in 1999, the Government allocated $176 million to implement its Drug Action Plan. More than $52 million will be provided for this purpose in 2002-03.

This includes $18 million to expand and improve drug and alcohol treatment and intensive support for addicts, and a further $4.3 million for drug education.

There is also $4.6 million for the Cabramatta anti-drug strategy in 2002-03.

Safer Communities

The Police portfolio will receive an additional $153 million in 2002-03, bringing its total allocation to $1.8 billion.

There will be an increased focus on visible front-line policing and the Government is well on track to increase front-line police numbers by 2,110 by December 2003.

Each and every year we have provided the Police Force with a record budget and record numbers.

Getting crime levels down is an increasingly difficult task both here and around the world.

That is why we have given the police more resources, and why we have given them a range of sensible new powers.

It is also why we have a range of programs to try to divert first offenders, or vulnerable young people, from a life of crime.

The Budget allocates $8.6 million over four years for the Better Futures Program, with $1.3 million in 2002-03 for communities where young people are more vulnerable.

Another $40 million will be allocated over four years for our Community Solutions and Crime Prevention initiatives so that we can provide innovative responses to economic, social and crime problems in local communities.

But while the difficulties facing our police should not be underestimated, nor should their success.

We now have 7,800 people behind bars. It is not an aspect of our society that we should celebrate, but it is testimony to the fact that our police are catching and locking up more criminals than ever before.

The police estimate that over 80 per cent of crime is committed by repeat offenders.

That is why we are asking the Parliament to make it harder for repeat offenders to obtain bail.

In 2002-03, the Department of Corrective Services will receive $83 million more than its allocation in 2001-02 in order to respond to changes to the bail laws, and to a general increase in inmate numbers and in the number of offenders under community supervision.

Changes to the bail laws are estimated to increase the number of repeat offenders held in remand by 800 over the next two years, requiring an additional operating allocation of $17 million in 2002-03, rising to $48 million in 2004-05.

The Budget also allocates $117 million in 2002-03 for new gaols and correctional facilities, including $91 million for major works in progress, and $11 million for the start-up costs of 11 major new projects.

In 2002-03, $8 million will be allocated towards a $24 million project providing 40 new beds in a Mental Health Assessment Unit at the Metropolitan Remand Centre, and a similar 10-bed unit for women at the Mulawa Correctional Centre.

The Hon. Dr Brian Pezzutti: That's disgraceful! What about Long Bay?

The Hon. JOHN DELLA BOSCA: I note the Hon. Dr Brian Pezzutti said that was disgraceful. I am not sure what he is talking about.

The Hon. Eddie Obeid: He usually doesn't know what he's talking about.

The Hon. JOHN DELLA BOSCA: I acknowledge the interjection of the Minister. Safer communities, of course, mean protection not only from crime, but also from fires and floods and other natural disasters.

Time and time again our emergency service personnel, both full-time and volunteer, have shown they are without peer.

The Government is especially proud that our emergency services are the best-resourced, best-trained and best-equipped in Australia.

When we came to office the total allocation for the New South Wales Fire Brigades, the Rural Fire Service and the State Emergency Service was $308 million. This Budget allocates a total of $565 million—an increase of 83 per cent over the last seven years.

For the New South Wales Fire Brigades, the Budget provides $407 million including:

- $18 million for new firefighting appliances and pumpers;
- $13.3 million for new fire stations; and
- $6.1 million for upgrading the brigades' communication and telecommunications networks.

The Rural Fire Service will receive $127 million including:

- $32 million for the purchase of new and used tankers;

- $1.4 million for the purchase of geographical information systems hardware to more accurately plot fire perimeter movements; and

- $4.5 million a year to employ 53 new staff to conduct hazard reduction and fire control activities across the State.

The State Emergency Service will receive almost $30 million in 2002-03 including:

- almost $300,000 for initial Hepatitis B vaccinations of all 9,000 SES volunteers;

- $950,000 for new divisional headquarters in Dubbo and Wollongong;

- $1.3 million for emergency rescue equipment; and

- $2.4 million for new radio systems for the Lachlan, Lower Hunter, Murrumbidgee and Richmond/Tweed Divisions.

Education and Training

I said last year that our new schools were the best in the world and that we would be embarking on a 10-year Schools Improvement Plan to bring our old schools up to new school standards.

But it is not just our new schools that are the world's best.

So too, it seems, are our teachers and students as the recent OECD report shows.

This year's allocation for the education portfolio will total $8.1 billion—an increase of $494 million over last year's and an increase of more than $2.3 billion since we came to office.

Key initiatives this year include:

- nearly $500 million over four years for the further expansion of the State Literacy and Numeracy Plan;

- $88.5 million over the next four years for initiatives to enhance the quality of teachers, and to ensure an adequate supply of teachers in key learning areas;

- $40 million over the next four years for targeted assistance to schools with special problems and needs;

- $10 million over two years for pilot programs, including a pilot on reduced class sizes in designated schools for kindergarten to year 3, to be independently monitored and evaluated;

- $47.5 million over four years for a wider range of placement and support options for disruptive students; and—

The Hon. Duncan Gay: What are you going to do about Walt?

The Hon. JOHN DELLA BOSCA: Talk about disruptive students! The Deputy Leader of the Opposition is, I think, trying to demonstrate the influence of and problems created by disruptive students. His was not a helpful interjection. The key initiatives include also:

- a school maintenance program of approximately $600 million over the next four years, including almost $180 million in 2002-03.

Professor Tony Vinson recently briefed me on the progress of his current inquiry.

He told me about his visit to Chatswood Public School and his wonderment as little children were using their computers and the Internet to prepare and give Power Point presentations—something I regret to say, that the New South Wales Treasurer is still unable to do.

But I am very proud that the enormous investment in our technology-in-schools program is giving our youngsters the technological skills they will need not just for jobs in the new economy, but more and more for any job.

Today I announce that $823 million will be provided over the next four years for technology initiatives in education, including:

- $567 million to continue the Computers in Schools Program, including additional technology support in schools;
- $157 million to provide for the progressive upgrade of bandwidth in schools and TAFE colleges;
- $82 million for e-learning accounts for staff and students in schools and TAFE; and
- $17 million for technology training for teachers.

In addition, a further $140 million over three years will be allocated for capital projects to assist these initiatives, particularly the expansion of network bandwidth.

The total allocation for school capital investments in 2002-03 will reach $300 million, $42 million more than last year's allocation.

Work will continue in this coming year on nearly 60 major projects commenced in previous years, and 41 major new works will be commenced with an estimated total cost of $140 million.

New schools or major new school upgrades will commence in 2002-03 at Alfords Point, Anna Bay, Auburn, Bankstown, Blakehurst, Blue Haven, Boambee, Brisbane Water, Callaghan College, Canley Vale, Clarence Town, Cooma North, Denistone East, Dulwich Hill, Eastwood Heights, Fairfield Heights, Frederickton, Glenbrook, Granville, Helensburgh, Holsworthy, Broadmeadow, Jerrabomberra, Kendall, Lightning Ridge, Marrickville, Merimbula, Milton, Mullumbimby, Seven Hills, Harbord, San Remo, Pennant Hills, Penrith, Sefton, Soldiers Point, Strathfield, Kogarah, Tuggerah Lakes and Tweed Heads South.

A further $72 million will be invested in TAFE capital works.

The Hon. Michael Costa: Brilliant!

The Hon. JOHN DELLA BOSCA: I acknowledge the interjection of the Minister. Those works include $32 million on major works in progress, and $24 million for the commencement of major new or upgraded facilities at Albury, Armidale, Cootamundra, Dapto, Dubbo, Glendale, Gosford, Goulburn, Grafton, Granville, Gymea, Lightning Ridge, Liverpool, Meadowbank, Newcastle, Ryde, Shellharbour, Kogarah, Wagga Wagga, Wetherill Park and Wyong.

Helping People in Need

In 2002-03 the total allocation for the community, aged and disability portfolio will increase by over $90 million to almost $1.9 billion.

Since our election to office this allocation has almost doubled—clear proof that people in need can count on a Labor Government to give them a helping hand.

Major features in 2002-03 include:

- $131 million—a 8.3 per cent increase—for the protection of children from abuse and neglect;
- $186 million—an increase of $20 million or 12 per cent for adoption services and out-of-home and foster care for about 14,000 children and young people;
- $346 million—an increase of $28 million or almost 9 per cent for home and community care services; and
- $443 million, an increase of $28 million or 7 per cent for the disability services program.

A good early start to life is absolutely critical to success in later life. Not every child gets it because, regrettably, not every parent is able, without help, to provide it.

With a variety of practical services, including home visits by nurses, family workers and volunteers, our Families First Program tries to improve parenting skills and help families raise healthy and well-adjusted children.

This year funding for Families First will increase by $6.4 million to $22.9 million—including $18.1 million allocated to the Department of Community Services.

In 2002-03, the Government's $632 million Housing Assistance Program will also be providing housing support to about 500,000 people, 20,000 more than last year.

Transport and Roads

In 2002-03 the total allocation for the Transport and Roads portfolio will approach $5.2 billion—an increase of around 50 per cent since we came to office.

The provision of an efficient road network and safe and reliable public transport is a massive undertaking—almost 21,000 kilometres of road for around four million vehicles, a rail network of 8,700 kilometres, and around 500 million passenger journeys on government services each year.

In the rail and public transport area, funding commitments in 2002-03 will include:

- $186 million for the purchase of an additional 141 millennium train rail cars, and 41 new outer-suburban cars;
- $770 million for train and track maintenance across New South Wales;
- $30 million on new signalling and other safety works;
- $222 million to commence construction of the Epping to Chatswood rail link;
- almost $40 million for easy access upgrades currently in progress at 16 locations, as well as five new locations at Cabramatta, Granville, Guildford, Kings Cross and Miranda;
- $3.6 million for project development of the Cronulla-Sutherland line amplification and of the Bondi turnback for the Illawarra line;
- $24 million for commuter parking and interchange facility upgrades; and
- almost $20 million for the purchase of 65 new buses for Sydney and Newcastle. All new buses will be accessible by wheelchair, increasing the total number of wheelchair accessible buses to 530 out of a total fleet of 1,940.

The Total Roads Program in 2002-03 is $2.6 billion—an increase of 7 per cent on last year's program.

Details of the enormous list of projects in both city and country are contained in Budget Papers 3 and 4. I draw the attention of honourable members to those Budget Papers.

Regional and Country New South Wales

This Budget will help country New South Wales get ahead with record spending on hospitals, roads, schools and police.

Some $3.6 billion will be spent on capital works and road maintenance outside urban areas in the coming year.

Forty-two per cent of the State's population lives outside Sydney. This Budget provides them with 50 per cent of the State's capital works and roads maintenance budget.

This $3.6 billion investment will sustain around 53,000 jobs.

And the 28 per cent of people living outside Sydney, Wollongong, Newcastle and the Central Coast will receive almost 36 per cent, or $2.6 billion of State spending to build and buy new public assets and repair roads.

Some $2.4 billion will be spent on providing health care to country and regional communities, a 75 per cent increase in funding for country and regional health services since this Government took office in 1995.

More than 60 per cent of the road capital and maintenance budget, some $1.3 billion, will be spent in country and regional areas.

Country rail track will receive its largest ever share of the Budget. More than $286 million will be spent to maintain and upgrade track outside Sydney and the Hunter Valley with work at Broken Hill, Coonamble, Casino, Albury, Walgett, Moree and North Star and elsewhere. This is an $80 million increase over last year's allocation.

A further $71.6 million has been provided to support country passenger services.

IT and Biotechnology

Part of getting ahead is making use of the best tools and techniques.

The Government is making an ever-increasing investment in information technology to improve the services we provide and the way we provide them.

Nearly $530 million will be spent this year in the general government sector on IT, an increase of 55 per cent in two years.

Most of this investment will be in schools and TAFE colleges, hospitals and police facilities.

Including government businesses, IT spending in 2002-03 will reach $863 million, a 36 per cent increase over two years.

Getting ahead means seizing opportunities.

With just over 0.3 per cent of the world's population, Australia produces 2.7 per cent of global medical research.

The biotechnology industry in New South Wales is growing by 20 per cent a year.

The challenge is to get our world-class research into the marketplace as new products.

Last year the Government announced the five-year, $64 million Bio First plan to make the industry stronger, more competitive and more export-focused.

This year's Budget provides $14.2 million for Bio First initiatives including $5 million to establish a research and biotechnology precinct at St Vincent's Hospital and $1 million for the Millennium Research Hub at Westmead Hospital.

Australia leads the world in agricultural practice. We want to lead the world in agricultural research.

This year $1.8 million will be spent to establish a $7.3 million Agricultural Genomics Centre at a number of locations in New South Wales. The centre will identify promising genes in wheat, rice, barley, cotton, canola, grain legumes and other crops and protect them through patenting.

We will also spend $600,000 over five years to establish a register of genetic material for use by Australian researchers.

Environment and Natural Resources

I said last year that New South Wales had the greenest government in Australia.

Notwithstanding welcome changes of government in other jurisdictions, I can still justly claim that New South Wales has the greenest government in Australia.

Getting ahead environmentally is just as important for a community as getting ahead financially and socially.

Every government, every generation has an obligation to pass to the next a bigger and brighter jewel.

That is why we are undertaking far-reaching reform on greenhouse, salinity, water and forestry.

The Budget supplies the battle against salinity with a further $23 million under our $198 million, six-year salinity plan.

In addition, in partnership with the Federal Government, we will begin a seven-year reafforestation program worth up to $100 million.

Some $15 million is allocated this year to save the Snowy River from terminal degradation.

The National Parks and Wildlife Service will receive a record $334 million to protect the State's natural and cultural heritage.

The Environment Protection Authority will receive $178 million to crack down on polluters, reduce air and noise emissions and other activities.

Nearly $45 million will be spent to reduce waste and continue the fight against illegal dumping and littering.

New South Wales leads the nation in tackling greenhouse emissions, introducing enforceable greenhouse benchmarks on electricity retailers.

Our plans will reduce greenhouse emissions by giving green energy a larger share of the market and reducing the rate of growth in demand for electricity.

The Insurance Crisis

There can be little doubt that Australia is a very successful society and very successful economy. There are some people, not very intelligent people, who see a strong economy and a strong society as competing, almost mutually exclusive, goals.

The truth is, of course, that it is very difficult, if not impossible to have one without the other.

Our success in recent decades has been due to our willingness to recognise problems and fix them.

Difficult decisions were made, often unpopular and poorly understood at the time, by governments, Federal and State, and on both sides of the political fence, which have transformed the Australian economy into one of the strongest in the world—a low inflation, open, outward looking, competitive, investment winning and job creating economy.

The States generally have played an important role in this transformation, by restoring their budgets and balance sheets to health and undertaking the difficult task of reforming their utilities and the competitive framework in which they operate. Here in New South Wales we have completed major reforms in rail freight, ports, electricity, gas and water. We have also undertaken difficult but essential reforms in motor vehicle third party and workers compensation statutory insurance schemes.

The latest problem to come our way is insurance, the costs of which are threatening our community life and business life.

A modern society and a modern economy cannot function well unless insurance is both available and affordable.

The September 11 attacks on the World Trade Centre and the collapse of HIH have exacerbated the problem, but it is a problem which has been emerging for some time.

It is clear that the Commonwealth Government, which has the constitutional responsibility for insurance regulation, has to revamp its regulatory regime.

But it is also clear that the States have to play their part in the reform of the level of Court awarded damages, ambulance chasing legal behaviour, and the law of negligence.

In recent decades Courts, around the world it seems, have extended the law of negligence to ridiculous extremes that defy commonsense.

As a result, on an almost daily basis, Judges are making, and are often required by legal precedent to make, judgements that are just plain stupid.

As well, the culture of litigation, originating in the United States, is now spreading like a fungus throughout Australia.

The New South Wales Government is prepared to work co-operatively with the other State and Commonwealth governments but we will not be held up or delayed by them.

We have one package of legislation now before the Parliament dealing with damages and legal behaviour and in September we will be introducing legislation that makes fundamental and sensible changes to the law of negligence.

We are determined that business, indeed life generally in New South Wales will be protected from becoming a debilitating nightmare of bankrupting litigation.

Revenue and Taxes

I now turn to the Government's revenues.

Total general government revenues in the current financial year are estimated to rise by a strong 4.4 per cent mainly due to strength in the property market.

In 2002-03 we expect only small revenue growth of 0.5 per cent, reflecting an expected decline of $330 million in contracts and conveyance duty, the full year impact of the abolition of debits duty from 1 January last and further tax cuts from 1 July this year.

According to the most recent data from the Australian Bureau of Statistics, our revenue per person in New South Wales is the third lowest of all States and Territories.

There is also another interesting statistic.

For every dollar New South Wales taxpayers pay to State Treasury, they pay more than five to the Commonwealth Treasury.

Even after Federal grants to the States are taken into account, the State receives only one dollar for every two New South Wales tax dollars received by the Commonwealth.

Yet it is the States, not the Commonwealth, which provide most of the infrastructure and services—the schools, the hospitals, the police, the fire brigades, the roads, the trains and buses, and the community, environmental, recreational and cultural services—on which our citizens and families depend.

In the case of New South Wales this imbalance is made worse by being short-changed in our share of Commonwealth grants to the States.

New South Wales accounts for 34 per cent of the nation's population, contributes 36 per cent of Commonwealth taxation, yet receives only 32 per cent of all Commonwealth grants to the States.

Compared with what we contribute, New South Wales' taxpayers are subsidising other States by some $2.3 billion–enough, for example to slash all of our stamp duties by half.

Compared to an equal per capita share of Commonwealth GST grants, we subsidise the other States by some $1.2 billion each year.

In the coming years, New South Wales is being further slugged by the Commonwealth's decision in March to ship off another $203 million per annum of our taxes to other States, and by a further $43 million in 2002-03, rising to $102 million in 2005-06, as a result of Peter Costello's recent unilateral and dishonest breach of the GST Agreement.

The Government calls on the Opposition, the cross-bench members and every community organisation and business in New South Wales to join our continuing efforts to remedy the injustice to New South Wales taxpayers.

I turn now to our tax changes for 2002-03.

No other Government in New South Wales has achieved two surpluses, let alone seven.

And no other government in New South Wales has ever reduced taxes in five successive budgets.

The tax changes for 2002-03 include:

- the complete abolition of payroll tax on the wages of apprentices from 1 July;
- the reduction of payroll tax from 6.2 per cent to 6 per cent on 1 July;
- the broadening of the payroll tax base so that fringe benefits and eligible termination payments will be treated in exactly the same way as the income of ordinary wage and salary earners; and
- from 1 August the halving of the stamp duty rate on all general insurance, including public liability insurance, from 10 per cent to 5 per cent, giving New South Wales by far the lowest insurance stamp duty rates in Australia.

The net cost of these measures is $215 million in a full year.

Taxation is the price we pay for civilisation, but the Carr Government is determined to make sure it is not too high a price.

That is why we are the first Government in anyone's memory—perhaps the first Australian Government ever—to reduce tax rates in five successive budgets.

And these cuts to tax rates now amount to a cumulative $1.4 billion a year—$1.4 billion a year put back into taxpayers' pockets.

There is an interesting table on page 3-10 of Budget Paper No 2. I urge all members—especially honourable members opposite who are interjecting—to read it, because it has a very interesting pattern—under Liberal and National Governments, tax rates up and way up, under Labor, down and way down.

There is another interesting graph on page five of the Overview in Budget Paper No 2. Under the Liberals and Nationals, deficit after huge deficit. Under Labor, surplus after surplus.

Only a very inexperienced leader would appoint as his shadow Treasurer a former finance Minister who presided over the second biggest deficit in the State's history and one of the biggest tax hikes in the State's history—a shadow Treasurer, by the way, who has not learnt from his Luna Park fiasco and only two weeks ago was still urging that taxpayers should guarantee the commercial borrowings of a private company.

The Hon. Duncan Gay: Point of order—

The Hon. Peter Primrose: We will remember this.

The Hon. Duncan Gay: You had better. Mr Deputy-President, this budget speech, which the Treasurer has prepared for this House, makes comment about a member of the Opposition in another place. Such comments may only be made by way of substantive motion. It is totally inappropriate to include such comment in a budget speech.

The DEPUTY-PRESIDENT (The Hon. Tony Kelly): Order! There is no point of order. The Special Minister may proceed.

The Hon. JOHN DELLA BOSCA: No Budget can meet every need or every demand. We will never reach the point where governments or societies have run out of things to do or things to improve.

I think that is what Chifley meant by "the light on the hill".

What we can do though is keep on trying and keep on improving, step by step, year by year, steady and steadfast all the way.

Like the seven budgets before it, this is another big bold Labor Budget.

It is a Budget that helps New South Wales get ahead, a Budget that puts wind in our sails.

And like all fair dinkum Labor budgets, it is socially responsive and financially responsible.

I look forward to returning next year.

Debate adjourned on motion by Mr Primrose.

EXAMINATION OF BUDGET ESTIMATES

Financial Year 2002-03

The Hon. JOHN DELLA BOSCA (Special Minister of State, Minister for Industrial Relations, Assistant Treasurer, Minister Assisting the Premier on Public Sector Management, and Minister Assisting the Premier for the Central Coast) [5.02 p.m.]: I move:

1. That the Budget Estimates and related documents presenting the amounts to be appropriated from the Consolidated Fund be referred to the General Purpose Standing Committees for inquiry and report.

2. That the Committees consider the Budget Estimates in accordance with the allocation of portfolios to the Committees.

3. For the purposes of this inquiry any member of the House may attend a meeting of a Committee in relation to the Budget Estimates and question witnesses, participate in the deliberations of the Committee at such meeting and make a dissenting statement relating to the Budget Estimates, but may not vote or be counted for the purpose of any quorum.

4. The Committees must hear evidence on the Budget Estimates in public.

5. Not more than three Committees are to hear evidence on the Budget Estimates simultaneously.

6. When a Committee hears evidence on the Budget Estimates, the Chair is to call on items of expenditure in the order decided on and declare the proposed expenditure open for examination.

7. The Committees may ask for explanations from Ministers in the House, or officers of departments, statutory bodies or corporations, relating to the items of proposed expenditure.

8. The report of a Committee on the Budget Estimates may propose the further consideration of any items.

9. A daily Hansard record of the hearings of a Committee on the Budget Estimates is to be published as soon as practicable after each day's proceedings.

10. The Committees have leave to sit during the sittings or any adjournment of the House.

11. The Committees present a final report to the House by Thursday 5 September 2002.

Reverend the Hon. FRED NILE [5.02 p.m.]: I move:

That the question be amended by inserting after paragraph 10:

11. That initial hearings of the Committees be according to a schedule prepared and circulated by the Leader of the Government.

12. The Committees may hold supplementary hearings as required.

The Government has circulated a draft schedule. Many honourable members have checked the dates and times. They are concerned to ensure that the Legislative Council's committees procedure has some certainty. If my amendment is not agreed to there will be a great deal of uncertainty about the work of committees. I am chairman of General Purpose Standing Committee No. 1, which is dealing with two references—namely, the closure of government schools and workers compensation. I find that it is becoming more and more difficult to have members attend meetings. In fact, we often have difficulty getting a quorum for the committee's meetings.

There is a need for certainty in relation to Legislative Council procedures. I suggest that the original schedule should be adhered to with some amendments, if desired. If the Opposition wishes to continue with the

proposal for extensive hearings in July and August the committees will be able to reconvene on the dates that have been proposed. A number of estimates committees already do that—they conduct an initial hearing with the Minister for two hours and then various departmental heads return for further examination of the estimates before the committee. From memory, General Purpose Standing Committee No. 5, chaired by the Hon. Richard Jones, has followed that procedure.

The Hon. Richard Jones: Yes, several times.

Reverend the Hon. FRED NILE: In addition, General Purpose Standing Committee No. 4, chaired by the Hon. Jennifer Gardiner, has followed that procedure. However, other committees have not found it necessary to do so. My amendment will not prevent committees from reconvening as required because committees have inherent powers to do so. They can hold supplementary hearings and the dates would be similar to those foreshadowed in the notice of motion of the Hon. John Jobling. General purpose standing committees may agree to follow that pattern. I am seeking to provide some certainty for the procedures adopted by the Legislative Council.

My proposal is for honourable members to meet on the dates and at the times that have been set down. It should be remembered that honourable members have reserved the proposed dates and that the arrangements affect other commitments. My intention in proposing the motion is to provide certainty to the procedures adopted by the Legislative Council. I hope that the crossbenchers, who have not have a great deal of time to consider all the factors that I have mentioned, will support my amendment. If the Hon. John Jobling proceeds to move the motion standing in his name, I ask that it be regarded as a supplementary measure which may be adopted by the committees if they wish.

The Hon. JOHN JOBLING [5.05 p.m.]: I noted with interest the reasons given by Reverend the Hon. Fred Nile in support of his amendment, but I was disappointed in the argument he advanced. The effect of passing Reverend the Hon. Fred Nile's motion will be to completely negate my notice of motion No. 13. If Reverend the Hon. Fred Nile is unaware of the effect, he should consult the Clerks because, in the event that the amendment is agreed to and the amended motion is passed, the motion standing in my name will not be able to proceed. My proposed motion seeks to move the estimates committees from an adversarial role to an information-gathering role. I have no problem with the form of the motion before the House. I suggest that the House pass it in its current form and reject the amendment moved by Reverend the Hon. Fred Nile.

I suggest that honourable members consider adopting the style that operates in the Senate. I have a copy of the Senate's estimates schedule for this year and I highlight, in particular, the program for last week. If necessary, I will be happy to table it. On Tuesday 28 May there were four Senate estimate committee hearings. If Reverend the Hon. Fred Nile's motion is agreed to, the budget estimates timetable would be extraordinarily restricted. In my view, the timetable meets the needs of the Ministers rather than the needs of the Legislative Council. This is demonstrated by the portfolio examination matrix which provides that on Thursday 20 June—the first day of the estimates committee hearings—three portfolios will be examined between 5.30 p.m. and 7.30 p.m. and three other portfolios will be examined between 8.00 p.m. and 10.00 p.m.

At this stage, a maximum of two hours is allocated for portfolios of such magnitude as Police, Environment and Emergency Services, and Treasury and State Development. The only full day of hearings is Friday 31 June, when three estimates committees will conduct hearings between 9.30 a.m. and 11.30 a.m., 1.00 p.m. and 3.00 p.m., and 4.00 p.m. and 6.00 p.m. Each estimates committee hearing is a two-hour segment and the effect of the amendment moved by Reverend the Hon. Fred Nile is that the examination by the Legislative Council of the estimates will be confined to that restriction. I note that on Tuesday 25 June three estimates committees will conduct hearings throughout the dinner recess on a sitting day between 6.00 p.m. and 8.00 p.m. On Wednesday 26 June three other estimates committees will conduct hearings between 6.00 p.m. and 8.00 p.m. I contend, with respect, that the amendment moved by Reverend the Hon. Fred Nile does not give us many options. If the Legislative Assembly chooses to sit on those evenings when estimates committees are meeting for two hours a Minister might be unable to attend.

The Hon. Duncan Gay: There is a lot of legislation in this House.

The Hon. JOHN JOBLING: As the Deputy Leader of the Opposition said, there is a lot of legislation in this House. The amendment moved by Reverend the Hon. Fred Nile would not enable the adoption of the Senate estimates committee system. If Ministers are fully informed by their bureaucracies they should not be fearful of any issue at question time. Reverend the Hon. Fred Nile referred to additional estimates committee

hearings, but that proposal would have to receive the approval of the Government. This House, as opposed to the Government, should establish the structure of these estimates committees. The proposed time for questions is so restrictive and narrow it will not enable members to develop a reasonable line of questioning. I am sure that all honourable members will spend a great deal of time preparing questions and many members of the bureaucracy will be required to attend estimates committee hearings. The amendment moved by Reverend the Hon. Fred Nile will prevent Opposition, crossbench and Government members from examining in detail all segments of the budget papers.

I again draw to the attention of honourable members the estimates committee program that is prepared by the Senate, which lists every portfolio about which honourable members are seeking information. If honourable members are not seeking information about certain portfolios the bureaucrats involved in those portfolios are not required to attend estimates committee hearings. The Senate's estimate committee program ensures the speedy passage of the Federal Government's budget bills. Estimates committees should not delay the passage of those bills and the budget will still be passed, as it always has been passed. Under section 5B of the Constitution Act a budget bill might not be passed if new taxes have been introduced—an issue that may or not be challenged. However, section 5A of the Constitution Act specifies that budget bills are required to be passed. If we are to have estimates committees they must be properly structured.

Senate estimates committee hearings commence at 9.00 a.m. and continue until 12.30 p.m. They then reconvene at 2.00 p.m. or 2.30 p.m. and continue until 5.00 p.m. Senate estimates committees can continue their hearings from 7.00 p.m. until 11.00 p.m., if required. The Senate estimates committee process is transparent and members are able to seek whatever information they require. They request information relating to bills, draft bills, annual reports and the performance of departments and agencies in a particular portfolio. Committees can also deal with any matters that were referred to and which were not dealt with by a previous estimates committee. Additional estimates are also referred to Senate estimates committees for consideration, examination and report. Committee members can seek explanations from those Ministers who choose to be present.

Under my proposal it will not be necessary for Ministers to attend estimates committee hearings. Ministers' busy schedules should not be interrupted and nor should they have to make themselves available on a day that is not convenient to them. Information relating to items of proposed expenditure can be sought from Ministers from the Legislative Council and the Legislative Assembly or from officers within their departments. I believe that the motion moved by the Special Minister of State is deficient, restrictive and unfair. Members should be able to seek information about anything that a government department is doing—something that is not happening at present. As I said earlier, if honourable members have an opportunity to ask those sorts of questions it could reduce the number of bureaucrats who are required to attend estimates committee hearings.

If my proposed motion were implemented shadow Ministers and crossbench members would hand questions relating to any portfolio to the Clerk of the Parliaments. Those questions would then be forwarded to the relevant Minister or bureaucrat and they would supply the necessary information before the commencement of the estimates committee hearing. The briefing material provided to Senate estimates committees prior to the commencement of those hearings is not dissimilar to material that is provided to members of our estimates committees and hearings are then scheduled for an appropriate time. The amendment moved by Reverend the Hon. Fred Nile will not enable a proper consideration of various estimates. Under my proposal, estimates committee would be able to consult relevant Ministers before setting appropriate hearing dates. Estimates committees would sit in July, August and possibly September.

Some people are concerned about the sitting dates proposed in my notice of motion. Once the motion moved by the Special Minister of State is passed we will have to determine appropriate sitting dates for those committees. Estimates committees would be much more effective if committee members had more time within which to work. Under my proposal they would have that additional time. I support the motion moved by the Special Minister of State, but I cannot support the amendment moved by Reverend the Hon. Fred Nile to retain the two-hour restriction. Under the amendment moved by Reverend the Hon. Fred Nile members will not have an opportunity to gather the information that they require.

The Hon. JOHN RYAN [5.18 p.m.]: Honourable members must consider whether estimates committees will be a farce or whether they will achieve what they are meant to achieve. Earlier Reverend the Hon. Fred Nile argued that his amendment would make the estimates committee process more predictable. The motion proposed by the Hon. John Jobling was on the notice paper before the Government published the schedule to which Reverend the Hon. Fred Nile referred. The Hon. John Jobling placed his notice of motion on the notice paper almost immediately after the motion relating to budget estimates appeared on the notice paper.

The version of estimates committees for which we have been preparing is the version referred to in the motion of the Hon. John Jobling, which has nothing to do with the Government's schedule. The Government believes that all honourable members have reserved in their diaries the dates that it has set aside for estimates committees. I have not reserved those dates in my diary because so far as I am concerned the Government's motion is an attempt to pre-empt the motion proposed by the Hon. John Jobling.

Reverend the Hon. Fred Nile: The normal procedure.

The Hon. JOHN RYAN: Reverend the Hon. Fred Nile referred to the fact that that is normal procedure. If it is his intention to vote with the Government on this motion, that is fine. However, I am concerned about the fact that estimates committees are increasingly becoming a farce. Members have only two hours with each Minister to deal with portfolios that sometimes involve the expenditure of billions of dollars. Within that time they also have to consider dozens of pages of annual reports and budget estimates. There is simply not enough time to do all that. The Government knows it, and that is why it is seeking to constrain the budget estimates committee hearings to just two hours.

I could take members through dozens of pages of *Hansard* of budget estimates committee hearings to demonstrate all the nifty tricks used by the Government to make sure that the smallest amount of those two hours is used for asking questions. For example, the Minister might attempt to change the rules, he might decide to make an opening statement or he might arrive late. Then he introduces the plethora of public servants that accompanies him. Finally, in the last hour and a half, it is decided that an equal amount of time must be allocated for the various parts of the portfolio. For example, if the Minister is responsible for Fair Trading, Corrective Services and Sport, as occurred last year, in the precious hour and a half left we have to spend an equal amount of time examining a $5 million section of the budget and a $500 million section of the budget—such as a portfolio as important as Corrective Services. By the time the Government, the Opposition and the crossbenchers are given equal opportunity to ask questions, most members are able to ask only two or three questions each. It is utterly impossible to have any sort of sequence to the questions.

If budget estimates committee hearings are to mean something, they need to be planned in advance so that the appropriate people are asked to attend before the committee, we are able to provide to the Government beforehand some sort of scope of the questioning we are to have, and the hearings are carried out within a reasonable period. To be perfectly honest, some aspects of the budget do not require two hours investigation. For example, let us compare the portfolio of the Special Minister of State with the portfolios of the Attorney General, Minister for the Environment, Minister for Emergency Services, and Minister Assisting the Premier on the Arts. Clearly, those portfolios are not equal in terms of their capacity to be examined by the budget estimates committee. That is not to suggest that the portfolios are not equal in importance. But most of the activities administered by the Special Minister of State are off budget; they are not part of the discussion of budget estimates. We will spend two hours discussing the colour of paint with the Special Minister of State, and yet another Minister will come before the committee with intensely important issues to be looked at but it is not possible for us to go through all the issues because we have only two hours and the Minister can attend only when he or she is available.

Reverend the Hon. Fred Nile has put to the House that if we go through this farce of wasting a week, with two hours with each Minister, we will have the opportunity to hold supplementary hearings. What Reverend the Hon. Fred Nile does not say is that before a supplementary hearing can take place there must be agreement that the committee needs to spend even more time investigating the portfolio. I think the vote of one crossbencher makes that impossible. The House needs to get serious about budget estimates committee hearings. The most important thing any government does is spend money. We spend months upon months examining legislation that sometimes affects very few people. Political parties are elected to spend money. And the expenditure of moneys is what matters to the people of New South Wales with respect to the outcomes of government departments. In most instances it is not the legislation they administer but the money they spend that matters. The Government wants us to spend as little time as possible examining that important aspect and to spend heaps of time examining trivia. The Opposition believes that we ought to spend more time examining what governments do. The most powerful thing governments do is allocate scarce resources.

We should not be diverted by the Government's attempt at spin doctoring. Honourable members can be assured that the schedule circulated by the Government has been looked over by people such as Walt Secord to ensure that all the portfolios that might have an area of media interest are well and truly buried after the 6 o'clock news and that they will be scheduled at a time when members have the least amount of time to devote to them. I do not know whether honourable members recall what it is usually like during the frenetic week of the

budget estimates committee hearings. Members spend their time walking around with large reams of paper containing questions, trying to come to grips with one portfolio after another, without having sufficient time to comprehend the answers they receive. Quite often members do not even have the opportunity to comprehend the information they are given—indeed, invariably they need to return to the committee hearing to ask further questions.

The only reason Government members are crying crocodile tears about this is that they would rather be out in marginal seats selling the Government's message. I understand that that is what they want to do. But the job of this House is to scrutinise what the Government does, and to ensure that the people of New South Wales understand what is going on and that community groups understand where they are getting benefit for the funding they receive. Increasingly, the budget papers give us less information about what a government does. The budget papers show a bulk allocation of funding with dozens of zeroes after it, and the only way members can find out what the allocation is for is by asking questions. Increasingly, annual reports become public relations documents, and the only way in which members of Parliament can get the information they need is through budget estimates committee hearings. It is extremely important that we pass the motion as proposed by the Hon. John Jobling. The Government's motion is simply an attempt by the Government to control the budget estimates process and to make it buckle to the will of its spin doctors, and to ensure that we do not find out anything we need to know to carry out our task as parliamentarians.

The Hon. Dr BRIAN PEZZUTTI [5.27 p.m.]: I chair General Purpose Standing Committee No. 2, which examines two portfolios that account for 35 per cent of the budget. One of those portfolios, Health, used to account for 26 per cent of the budget but it now accounts for only 23 or 24 per cent. Nevertheless, it is a substantial amount. During last year's estimates hearings the Minister for Health—whom the committee voted as the worst Minister to appear before it—deliberately delayed and shooftied, and did not answer any of the questions—

The Hon. John Della Bosca: What does "shooftied" mean?

The Hon. Dr BRIAN PEZZUTTI: You should come and see the Minister not perform. As Reverend the Hon. Fred Nile would know, if he was anywhere near that committee or the committee on the Department of Community Services, last year we asked a whole series of questions early, to get certain matters out of the way so that we could concentrate on a couple of areas of interest. To her credit, Minister Lo Po' was simply not able to provide the answers—I think her department was dysfunctional. But Minister Knowles deliberately did not provide the answers until the day after the estimates committee hearing. Then he took about three months to provide answers to supplementary questions—and those answers were one-liners. So Reverend the Hon. Fred Nile wants to have that farce repeated. I have no idea what budget estimates committee Reverend the Hon. Fred Nile chairs.

Reverend the Hon. Fred Nile: General Purpose Standing Committee No. 1, on Education.

The Hon. Dr BRIAN PEZZUTTI: Reverend the Hon. Fred Nile chairs the budget estimates committee on Education. The biggest issue in Education is what the Government is or is not spending on the refurbishment of government schools.

[*Interruption*]

They have been chasing that funding since Virginia Chadwick was a member of the Opposition. If Reverend the Hon. Fred Nile thinks we can get through the questions that need to be asked in two hours—

Reverend the Hon. Fred Nile: I was talking about the initial hearing, followed by supplementary hearings.

The Hon. Dr BRIAN PEZZUTTI: This is the same old game we played last time. Behind all this, Reverend the Hon. Fred Nile is saying, "I have two references; I have enough to do. I have no time for this stuff. Let us have our inquiry." Reverend the Hon. Fred Nile needs to know that the inquiry I am undertaking is a select committee inquiry, which is going to occupy a lot of time. It is probably the most important committee I have served on—

The Hon. Amanda Fazio: You'll be away for the whole of July anyway. So why do you want the estimates held in July?

The DEPUTY-PRESIDENT (The Hon. Tony Kelly): Order! The Hon. Dr Brian Pezzutti has the call.

The Hon. Dr BRIAN PEZZUTTI: Honourable members will know that from 24 June until 25 July I will be in East Timor serving with the Army, because our troops over there need anaesthetists. We need anaesthetists in East Timor as we do in country New South Wales. The honourable member should get back in her box, sit down and shut up. If we accept the amendment by the Hon. John Jobling, I will be here to chair General Purpose Standing Committee No. 2 on 26 July. Reverend the Hon. Fred Nile should not be concerned that I will not be able to do my duty in those hearings. It is perfectly clear that honourable members do not understand what being in this House is all about. This is a House of review. Our job in Parliament is not a nine-to-five, three-day-a-week job. Our job is to review the work of Parliament. Committee hearings quite properly are a function of the Senate and the Legislative Council in New South Wales.

The Hon. Ian Macdonald: We have a million committees. What are you talking about?

The Hon. Dr BRIAN PEZZUTTI: That is a function of the upper House. We should not think ill of serving here nine to five Monday to Friday, and even after hours if we have to.

The Hon. Jan Burnswoods: When was the last time you were here on a Friday?

The Hon. Dr BRIAN PEZZUTTI: The honourable member is the most unfortunate creature in this House. I spend more time here than she does, and I live in the country. It is wearing out my marriage, and that is why I will not be around after 2003. The honourable member is a disgrace.

The Hon. Duncan Gay: She is not worth replying to.

The Hon. Dr BRIAN PEZZUTTI: I think that is probably right. This House needs to use its time doing what it is meant to do, that is, inquiring and being effective. The Standing Committee on State Development, chaired by the Hon. Tony Kelly, is looking at genetically modified foods; at the local government amalgamations and road development fiasco, referred by the House; at small town survival, referred by the Minister; and at agriculture. Those references are taking up an awful lot of time. I am also a member of General Purpose Standing Committee No. 2, which is looking at value for money and quality of service in regional base hospitals to ensure that the people of Port Macquarie get a fair go. The Hon. John Tingle is highly supportive of that reference. Those committees do not simply hold hearings within these parliamentary precincts, they also travel within country New South Wales to take evidence.

The Hon. Amanda Fazio: How onerous!

The Hon. Dr BRIAN PEZZUTTI: It is sometimes difficult to find enough Government members to make a quorum.

The Hon. Jan Burnswoods: What is Robert Oakeshott saying about your day at Port Macquarie now? You did the inquiry to help him. What is he saying about it now?

The Hon. Dr BRIAN PEZZUTTI: We did the inquiry because the issue, when raised, was judged by this House to be appropriate for an inquiry. The chairman of a committee cannot choose its inquiries. A committee ends up with inquiries that the House thrusts upon it. We also have joint committees with the other House, and we dance to the tune of the other House. The Health Care Complaints committee meets here every week and has hearings as well.

The Hon. Amanda Fazio: My my, what a busy man.

The Hon. Dr BRIAN PEZZUTTI: I am just one member. Everybody in this House bears the same number of committee responsibilities. We are here to do that job and nothing else. We are not here to run campaigns for the lower House. We are here to work for the people of New South Wales—to work out through the estimates committee process where the money goes, or how we can improve the mental health process for many unfortunate people in New South Wales. I want to go to the Health estimates committee and find out what the Minister is doing with the new 800 remand beds to assist mental health in prisons. I want to ask what he is going to do about the 30 per cent of people who go into remand centres suffering from a mental illness. I want to know what he is going to do to augment and support Corrections Health under the Health Department budget. Where is the much-vaunted new facility outside the walls of Long Bay for the treatment of people with mental illness who are assessed as forensic? I can tell honourable members what answers we will get when we ask the Minister for Health in the estimates committee hearing—one-liners or a whole lot of verbiage.

The Hon. Ian Macdonald: Check that at the inquiry.

The Hon. Dr BRIAN PEZZUTTI: We are going to.

The Hon. Ian Macdonald: There is a select committee.

The Hon. Dr BRIAN PEZZUTTI: There is a select committee, and I chair it. The select committee received 267 submissions. Just to read those submissions, to digest them and work out who we are going to see and the appropriate questions to ask them is a big undertaking. I am not frightened of having proper estimates hearings. That is what we need to do. The Hon. Jan Burnswoods is a person I do not want to serve with on estimates committee hearings. The most disruptive experience one can possibly imagine is the presence of the Hon. Jan Burnswoods at an estimates committee hearing. I think Reverend the Hon. Fred Nile would agree with that.

Reverend the Hon. Fred Nile: Don't verbal me.

The Hon. Dr BRIAN PEZZUTTI: Do you agree or not? I will take that as agreement. The amendment of Reverend the Hon. Fred Nile would truncate and make a continuing farce of the process. We need to learn from last year. General Purpose Standing Committee No. 2 said last year that it was happy with Ministers Nori and Obeid, who were open and accountable to the committee and answered questions in a timely fashion and as fully as they could. The committee was satisfied with the answers it got from them. It was not the same with Minister Lo Po'. Although she was open to and supportive of the committee, the answers her bureaucrats provided to her were inappropriate and misleading. With the Department of Health it was like a shadow behind a curtain. The illumination upon probably the most important single budget item was like the light from a candle. Therefore, we need to expand the process. We should look at prisoner health, mental health generally, in-patient care and community-based care.

Reverend the Hon. Fred Nile: That would be dealt with in supplementary hearings.

The Hon. Dr BRIAN PEZZUTTI: We had supplementary hearings last year but they were not as valuable as they could have been, because the Minister did not answer the first questions. Reverend the Hon. Fred Nile knows that supplementary hearings were meant to be supplementary once we got the first answers. We never got answers from the Minister at the first hearing. That is why we had a problem and why the supplementary hearings did not work so well. At the committee hearing attended by Minister Lo Po' I was distressed that we had to examine the Department of Ageing and Disability and then Community Services—two quite different portfolios—as well as the Department for Women. It was difficult to decide whether we would set aside 20 minutes for the Department for Women, as important as it is, or use that time for abused children, which we decided to do. We were then accused of not showing an interest in women's issues. A big concern of mine is to have decent hearings. If we were to accept the notice of motion of the Hon. John Jobling, the hearings would be conducted without too much disruption to ministerial staff or to Parliament. It is about time we used this Chamber more for committee hearings in general. This Chamber is already set up for recording equipment, for Hansard, and for people to watch proceedings without having to first go through security.

Reverend the Hon. Fred Nile: It is used. The hearings are on the schedule.

The Hon. Dr BRIAN PEZZUTTI: A number of committee meetings I held were scheduled to take place in this Chamber, but the President declined our request to use this Chamber for them.

Reverend the Hon. Fred Nile: After the estimates committees.

The Hon. Dr BRIAN PEZZUTTI: All right. We ran out of time and I was given a series of days on which I could hold hearings but only when the Parliament could provide me with a venue.

Reverend the Hon. Fred Nile: Five committees are sitting in this Chamber for their hearings.

The Hon. Dr BRIAN PEZZUTTI: If Reverend the Hon. Fred Nile would listen, I was just saying that we should use the Chamber more often because it is already set up for recording, for Hansard and for the reception of people in the gallery.

The Hon. John Della Bosca: We know all that.

The Hon. Dr BRIAN PEZZUTTI: But the President does not. That is what I am trying to point out to honourable members. With those concluding remarks, I do not support the amendment moved by Reverend the Hon. Fred Nile. I think we should extend and expand on where we have gone with estimates hearings. If honourable members are worried about their work load, then it is time they might retire.

The Hon. HELEN SHAM-HO [5.40 p.m.]: I want to participate in this debate because I think we are talking a lot of nonsense, in a sense. I support the amendment moved by Reverend the Hon. Fred Nile, which states:

> 11. That initial hearings of the Committees be according to a schedule prepared and circulated by the Leader of the Government.
>
> 12. The Committees may hold supplementary hearings as required.

I support the spirit of the motion, which is to expand estimates hearings. I have no problem with that because it is Senate practice. Senate practice is good practice, and we should follow something that is good. When I compare Reverend the Hon. Fred Nile's amendment with contingent notice of motion No. 13 I find that the amendment is not so restrictive as the Hon. John Jobling's proposal. The amendment provides for a schedule of hearings agreed to by the Government. The Government has agreed to a schedule and the Ministers will appear before the committees. That is how it should be. Ministers should attend estimates committees if possible, leaving aside the debate about bureaucrats appearing before the committees so that the time of Ministers is not wasted.

The amendment provides for the committees to hold supplementary hearings. The Hon. John Jobling's notice of motion also provides for supplementary hearings and includes a schedule of the days and times of initial and supplementary hearings. The only difference perhaps is that the motion we are debating allows the committees to sit at the same time as the House is sitting. The Hon. Dr Brian Pezzutti referred to that. I agree with that in principle because when Parliament is sitting it is difficult to concentrate on the estimates inquiries because one is preoccupied with legislation. However, in this case the hearings have already been scheduled, and Ministers have discretion to talk for two hours on a matter. I do not mind that, because when the general purpose standing committees were initially established they were given the power to hold supplementary hearings.

The Hon. John Ryan: That only happens as an exception.

The Hon. HELEN SHAM-HO: The estimates committees have set a precedent because we have supplementary hearings.

The Hon. John Ryan: Two or three times—that is all.

The Hon. HELEN SHAM-HO: Maybe two or three times, but in fact the committees have the power to hold supplementary hearings at any time. That is the point. Although I am supporting Reverend the Hon. Fred Nile's amendment, which is similar to the Hon. John Jobling's proposal—

The Hon. John Jobling: It's not even the least bit similar.

The Hon. HELEN SHAM-HO: They are the same in terms of expanding the estimates hearings, because the committees will still hold initial hearings and supplementary hearings. I cannot see much difference, except that the Hon. John Jobling's contingent notice of motion is more restrictive because it contains a schedule of when the committees should hold hearings. It would also give the committees discretion in terms of supplementary hearings; it does not provide specific times and dates for supplementary hearings, as does the motion we are debating. I do not see why the committees should be controlled by this timetable. The committees should be their own animals and control their own timetables.

Often the committee members confer to find the most convenient time to hold hearings so that the bureaucrats can attend. Hopefully, all committee members can also attend at that time. As has been said, some members are overseas at present and others are unavailable. In any case, the amendment moved by Reverend the Hon. Fred Nile covers supplementary hearings, similar to the Hon. John Jobling's proposal relating to supplementary hearings. I support the amendment because I think that at least the Government, as an elected Government, should control the timetable. The Opposition should not control the timetable.

The Hon. Dr PETER WONG [5.46. p.m.]: I support the amendment moved by Reverend the Hon. Fred Nile.

The Hon. John Jobling: Oh, surprise!

The Hon. Dr PETER WONG: It is quite a surprise. I have been thinking about this matter, and I think Reverend the Hon. Fred Nile is right. In every year I have sat on an estimates committee the two hours allocated seemed to be adequate. Indeed, often the Opposition members ran out of questions. That is absolutely true. Furthermore, not once has an Opposition member asked the committee to hold supplementary hearings. Have Opposition members ever asked for supplementary hearings? Never, because they seemed to think two hours is adequate. Only now are they complaining. Why do they complain now?

The DEPUTY-PRESIDENT (The Hon. John Hatzistergos): Order! It is impossible for Hansard to transcribe proceedings with members squabbling and talking over one another. If members wish to chatter, they should leave the Chamber, otherwise they should listen in silence to the member who has the call.

The Hon. Dr PETER WONG: I give an undertaking that I will support Opposition members if they want supplementary hearings, if they give me legitimate reasons. I am happy to come back for supplementary hearings, and I think the committee chairmen would do likewise. I think the Hon. Helen Sham-Ho is right. In many ways the proposal in the amendment is a better way to proceed. First, the Ministers and bureaucrats can attend the initial hearings. If there are any other questions and committee members want to hold two or three more hearings I am happy to attend.

The Hon. RICHARD JONES [5.48 p.m.]: Mr Deputy-President—

The Hon. John Ryan: Here is one of the few chairs who holds supplementary hearings.

The Hon. RICHARD JONES: On that point, General Purpose Standing Committee No. 5 has held a number of supplementary hearings—sometimes two or three, one after the other.

The Hon. John Ryan: But the Government has made sure you do not cover any good portfolios now.

The Hon. RICHARD JONES: I chose these particular portfolios because they are the ones I want to cover. Honourable members on both sides of this argument are right. The Government has provided us with a schedule of when the Ministers will be appearing. We know that the estimates hearings have been something of a farce the past few times, and it is very frustrating for both committee members and the chairs of the committees.

On many occasions the Ministers have played with us when appearing before the committees. They have definitely treated us with contempt. We have been able to hold, and will still be able to hold, supplementary hearings, whichever motion is passed. Down the track we will move towards the way Senate hearings are held, as proposed by the Hon. John Jobling, which is the best way for committees to work. The Hon. Helen Sham-Ho seemed to indicate that we were sort of locked into a schedule, but we are not. The notice of motion of the Hon. John Jobling allows committees to determine a date of hearing, after consultation with the Minister, or without the Minister. The Minister does not have to appear. The lower House Ministers do not appear at many Senate hearings and the same could happen in this Parliament.

We had much better hearings when Ministers did not appear at our supplementary hearings because we could ask questions of the director-generals, staffers and bureaucrats. Ministers often obfuscate. When a Minister did not appear he often heard material in the media that he did not want to hear, so it would have been better for him to appear. I was due to go overseas but I am happy to cancel it, although I may not be going, but if the dates set are not convenient, other dates could be chosen in the couple of months up to 5 September. Reverend the Hon. Fred Nile suggested that we keep with the proposed schedule with two hours for the Ministers, although I do not know what we will get out of that. If the amendment of Reverend the Hon. Fred Nile is agreed to we have to make sure that our committees have additional hearings, as proposed in the amending motion.

We should get our money's worth out of the Ministers and if we do not we should make sure we hold additional hearings with the Ministers, director-generals or whomever needs to be called for as long as we need in order to set the tone for next year. Several of us will not be here next year but it may well be that hearings will be held along the lines of Senate estimates, which apparently works very well. We could hold hearings up to midnight if we wanted to. Senate hearings continue for a long time and according to the media some very penetrating questions are asked to which answers are given, whereas in the media we very rarely hear about our

questions and answers in estimates. The best way to go is as proposed by the Hon. John Jobling, although I understand that the amendment of Reverend the Hon. Fred Nile wants to have it both ways. We should proceed like the Senate with free-ranging hearings on particular issues for as long as we want to obtain all the information we want.

The Hon. JOHN DELLA BOSCA (Special Minister of State, Minister for Industrial Relations, Assistant Treasurer, Minister Assisting the Premier on Public Sector Management, and Minister Assisting the Premier for the Central Coast) [5.52 p.m.]: The Government is not prepared to accept the proposal of the Hon. John Jobling. The Government will support the amendment proposed by Reverend the Hon. Fred Nile. I will not take up too much time in replying. We have heard a lot of cant and rhetoric from the Opposition in regard to this matter. It seems to me that the difference between the propositions of the Hon. John Jobling and Reverend the Hon. Fred Nile boils down to two points.

We have a world turned upside down here where the Opposition is trying to insist to this Parliament and Government on its timetable and how it wants to run the estimates process and perusal of the budget process. The amendment of Reverend the Hon. Fred Nile successfully seeks to ensure that the committees, as a delegated body of this Parliament, will be the body to make those decisions about timetables for supplementary hearings et cetera. The only point at which the case of the Hon. John Jobling's amendment—

The Hon. John Ryan: How many supplementary hearings will the Government vote for?

The Hon. JOHN DELLA BOSCA: I am about to say that although we have our disagreements I trust crossbench members. They will always make up the balance of reason in the estimates committee process. They can make the decision with appropriate Government and Opposition members as to whether supplementary hearings are needed. It is a world turned upside down: the Opposition wants to be the Government but it does not trust the crossbench, the traditional enemy of the Government.

Question—That the amendment be agreed to—put.

The House divided.

Ayes, 19

Mr Breen	Mr Macdonald	Mr Tsang
Ms Burnswoods	Reverend Nile	Mr West
Mr Cohen	Mr Obeid	Dr Wong
Mr Costa	Mr Oldfield	
Mr Della Bosca	Ms Rhiannon	*Tellers,*
Mr Dyer	Ms Saffin	Ms Fazio
Mr Hatzistergos	Mrs Sham-Ho	Mr Primrose

Noes, 15

Dr Chesterfield-Evans	Mr Harwin	Mr Tingle
Mr Colless	Mr M. I. Jones	*Tellers,*
Mr Corbett	Mr R. S. L. Jones	
Mrs Forsythe	Mr Lynn	
Mr Gallacher	Dr Pezzutti	Mr Jobling
Mr Gay	Mr Ryan	Mr Pearce

Pairs

Dr Burgmann	Miss Gardiner
Mr Egan	Mr Moppett
Ms Tebbutt	Mr Samios

Question resolved in the affirmative.

Amendment agreed to.

Motion as amended agreed to.

LOCAL GOVERNMENT AMENDMENT (GRAFFITI) BILL

Second Reading

Debate resumed from an earlier hour.

The Hon. DUNCAN GAY (Deputy Leader of the Opposition) [6.02 p.m.]: The Opposition commends clause 67B (4) because it provides assurance from the Government that the owners or occupiers will receive written notification of the work that has been done. This provides the owners and occupiers with an opportunity to raise any matter with council concerning the work. Furthermore, if a dispute arises over a damages claim, it may be referred to arbitration. If the discrepancy still exists, the matter may be referred to the Land and Environment Court. The Opposition also supports the maintenance of a register of the graffiti removal work.

Proposed section 67C provides that the register will set out specific and important information regarding where, what, when and by whom the graffiti work was being carried out and, of course, the estimated and actual cost of the work. This will enable property owners, occupiers and members of the public to access information regarding council activities concerning the removal of graffiti by the local council. The Opposition agrees that the most effective measure for combating graffiti is its timely and persistent removal. However, the Opposition is also concerned about with whom these added responsibilities lie—local government.

As the shadow Minister for Local Government it is my responsibility to detail to the House the concerns expressed by councils. They relate to the Government attempting to put pressure on local councils by raising the public's expectations of councils' responsibilities with respect to the removal of graffiti from private property. The Opposition perceives the graffiti removal functions and responsibilities of local councils to be indicative of the continual shift of responsibilities from State Government to local government. While this is not a problem in itself, it becomes challenging when local councils are expected to foot the bill for the cost of the removal of graffiti and are not provided with additional equipment and financial resources to do so.

Division 4 deals with graffiti removal works. Proposed section 67B provides that the council carrying out the graffiti removal work without the agreement of the owner or occupier is to bear the cost. However, with the unimpressive track record of the Carr Government in shifting the responsibilities of State Government to local government, the future of this funding is dubious, to say the least. Without adequate resources, local council cannot hope to prevent the incidence of graffiti in the community. What is local government left with? It has little or no additional funding for additional responsibilities, and ratepayers are left with an expectation that the council will maintain its commitment to remove all publicly visible graffiti from privately owned buildings.

While the Opposition does not oppose the bill, we ask the Government to give the assurances to local government—I am pleased to note that the Government's advisers are paying attention—that it will continue to consider the continual provision of funding to councils for the removal of graffiti from both public and private buildings and infrastructure. I look forward to a response to that matter from the Minister in his reply. The Opposition welcomes the content of the bill as an important step in providing an opportunity for the timely removal of graffiti from privately owned land—a procedure which at one stage required the approval or consent of the owner or occupier. The Opposition agrees with the Government that a highly effective deterrent is the persistent and timely removal of graffiti within the community.

We all know that if graffiti is not removed within a certain time—that is, between 48 and 72 hours—it is virtually impossible to remove. The Opposition commends the Government for extending the power of local councils to effectively remove graffiti from private residences without the constraining and delaying effects of unnecessary administrative processes. Graffiti has an extremely detrimental effect on people's perception of an area, on property values, community wellbeing and civic pride. Illegal graffiti is a clear indication that the communities of New South Wales are in a state of decay. This is particularly evident from graffiti that is clearly visible on roads and bridges, and on walls and fences of privately owned commercial and residential buildings.

In conclusion, the Opposition seeks a guarantee from the Government that it will remain committed to funding the graffiti-removal efforts of local councils. The State Government has already slugged local councils with a raft of additional functions and responsibilities without providing adequate funding. The burden of unfunded mandate is growing for all councils in New South Wales. If greater responsibilities for graffiti removal is to be added to this ever-growing list, it is imperative that the State Government provide local councils with the necessary resources to carry out that removal. Although the Opposition supports the bill, we ask the Government to give an assurance that it will continue to research and develop preventive and innovative programs to reduce the incidence of illegal graffiti. In that context, I refer to an earlier suggestion that people be prevented from having access to cans of paint, through theft or otherwise, from shops.

I received a letter from a retail organisation which suggested that I support this bill. I quite properly wrote to that organisation, thanked it for its letter which told me to support the bill—which I was going to do—and said, "If you are fair dinkum you will approach in another way some of the issues relating to this bill." We need innovative programs to reduce the occurrence of illegal graffiti in our community. Such programs, in conjunction with this bill, would be a significant step towards eliminating graffiti in New South Wales communities. I congratulate the Government on introducing this bill. I look forward to a response from the Minister about whether local government will receive the necessary funding to implement the measures in this bill.

The Hon. RICHARD JONES [6.11 p.m.]: I support the Local Government Amendment (Graffiti) Bill. Two or three years ago I formulated legislation to prohibit the sale of spray cans to minors, but that proposal was stamped on by people who came to see me and who objected to my discriminating against minors. So I quietly withdrew that proposal. However, that sort of legislation is in place in the United States of America. According to briefing paper 8/02 entitled "Dealing with Graffiti in New South Wales", produced by Rachel Callinan, the sale of spray cans to minors has been banned in New York, California and Chicago. Rachel Callinan covers a number of issues in this paper, one of which reveals that an effective means of preventing graffiti is to clean it off as quickly as possible.

Graffiti tags are just an expression of the ego of those committing this offence. People try to keep their tags in public places for as long as possible and they boast to their friends about the location of those tags. Internet sites which contain tags and graffiti—a number of those sites have been closed—also enable people to boast about their achievements. Graffiti enables people to make their mark in public. If it is removed quickly, people will achieve far less satisfaction from creating it. If graffiti is removed within 24 hours, they will achieve very little satisfaction. The briefing paper to which I referred earlier cites a successful program run by the Blacktown City Council community pride movement, which has been working with the Volunteer Graffiti Removal Program. A graffiti helpline has been established.

The Volunteer Graffiti Removal Program provides residents with paint or graffiti remover, brushes, gloves, safety glasses and a bucket. That program has been more successful in removing graffiti than previous remedies such as security guards, graffiti blasters and video surveillance. If the community is involved and graffiti is removed quickly, it provides much less of an incentive. California has in place an interesting program. If minors are found guilty of causing graffiti, they are responsible for keeping certain buildings clear of graffiti for up to a year. If their friends place graffiti on that building, they have to keep removing that graffiti—a salutary program for those offenders, which apparently works.

The combination of community involvement with the swift removal of graffiti—and perhaps even ensuring that some offenders are responsible for keeping graffiti off buildings—would go some way towards curtailing this nasty practice, which originated in New York. Graffiti certainly has an awful effect on neighbourhoods. When I am in the city I reside in Manly. There is a wall opposite my house on which there is always graffiti. There was graffiti on my house which I immediately removed. No more graffiti has been placed on my house. However, more and more graffiti is being placed on the wall opposite my house. I hope that that wall is one of the early targets of this legislation.

I asked the Minister's adviser what would happen if people wanted graffiti or graffiti art on their properties. I was told by the Minister that, should they wish to retain graffiti or aerosol art on a building that is both visible and accessible from a public place, they must notify council that they approve of the graffiti or aerosol art on their property and that they do not want it removed. If people have properties in the inner city which have on them graffiti or aerosol art and they do not want that art removed, they must notify council and it will not be removed—as long as it is presumably deemed to be art. The Minister said:

> It should be noted that while the difference between art and vandalism is subjective, in most cases, the council employees who engage in graffiti management are generally adept at discerning the difference between vandalism and aerosol art.

I would hope so. There is no doubt that bad graffiti art reduces the value of a property. I support the legislation, which I hope has some effect.

The Hon. IAN COHEN [6.16. p.m.]: The Greens have some concerns about the message that the Local Government Amendment (Graffiti) Bill will send to local councils. The object of the bill is to enable councils to carry out graffiti removal work on private property without the agreement of the owner or occupier if the graffiti is visible from a public place. Proposed section 67B (3) specifies that council is to bear the cost of

graffiti removal work. The bill creates an expectation that councils will remove graffiti from private property using taxpayers' money. The bill that was introduced last year allowed for agreements to be drawn up between councils and owners and occupiers of private land so that graffiti could be removed quickly by councils. Presumably the agreements specify financial liability in the event of a clean-up. The Greens supported that legislation as it paved the way for councils to recover the cost of removing graffiti from private landowners.

This bill seems to shift the financial burden from private property owners to councils if the graffiti is visible from a public place. The Greens believe that property owners will be discouraged from entering into agreements with councils as they know that, if they sit back and wait long enough, councils will remove the graffiti from their property without them having to pay a cent. Not only will council have to pay for the clean-up; the new section specifies that a council must pay compensation for any damage caused by it in carrying out graffiti removal work. Council could be in for a double whammy—first, by covering the cost of cleaning up the graffiti and, second, by compensating property owners if council damages a property while doing graffiti removal work.

The Greens are concerned that councils will be pressured by a few vocal ratepayers to continuously clean up graffiti on private property when they should be spending valuable resources on more important things such as parks, libraries, child care centres, youth centres, baby health care facilities and sporting facilities, to name just a few. Environmental rehabilitation would add significantly to the quality of life of people in the local community. Councils always have a shortage of funds. There are many community-oriented activities on which councils could be spending their hard-earned funds. Last year we debated the Local Government (Graffiti Removal) Bill, which introduced the concept of councils carrying out graffiti removal on private property when an agreement had been entered into.

In my speech in the second reading debate on that bill I said that graffiti should be treated as a social and economic issue, not as a law and order problem. Innovative projects have been pioneered around the world and in Australia for dealing positively with the graffiti issue. Successful projects generally entail getting graffiti artists involved. Often these projects include such things as painting giant murals in areas affected by graffiti. They involve the artists and give them a sense of pride and ownership in the mural and significantly reduce the risk of inappropriate graffiti being sprayed on top of the mural. Those kinds of projects appear to reduce graffiti.

One could ask: What is art? Graffiti might offend some members of the community but for many others it might be an important social or artistic statement or expression. I refer primarily to young people in our community and to the importance of giving them an opportunity to express themselves. I have seen some fantastic murals. I cite, for example, some of the walls around Bondi Beach. We should be mindful of the difference between clandestine graffiti and officially sanctioned graffiti. People whom society considers to be criminals might just be quite creative artists.

An example of such a project was reported in the *Illawarra Mercury* on 22 April 2002. Shellharbour City Council paid artists and photographers to work with teenagers to paint Croom Road Stadium. They created images that now creatively adorn the building. Two years after the work was done, the building is still clean and the artists' work can still be proudly seen. The council is also trialing community murals on bus shelters.

Another example is the Warilla Scout Hall, which is now graffiti free. Shellharbour City Council supplied children with spray cans and a "legal" space to express their artistic feelings. Using the paints and graffiti art techniques, they completed a colourful outdoor scene. It appears to have worked. It seems that carefully painted murals or beautifully "bombed" walls provide a kind of graffiti immunity. Good artwork seems to discourage graffiti. The Greens support such creative and innovative programs and believe there is a place for graffiti art in our community. If graffiti were recognised as art, perhaps it would not be regarded as having a negative impact on our buildings and public utilities.

Whilst the Greens do not oppose the bill, we believe it is important that the bigger picture be looked at. We need to acknowledge the reasons why graffiti comes about. Regardless of what people might think of the quality of graffiti, it is certainly a significant social statement. It is another issue that those in control of our society would do far better to ride with, direct in a positive way, and get young people working on artistic projects, rather than require a government instrumentality to pay more in ratepayers' funds to remove graffiti from all areas. Surely we can resolve this issue in a far more creative manner.

Reverend the Hon. FRED NILE [6.22 p.m.]: The Christian Democratic Party is pleased to support the Local Government Amendment (Graffiti) Bill, which will enable local councils to remove graffiti from property without the prior agreement of the owner or occupier if the graffiti is visible, and can be removed from, a public place.

I recall that some years ago during one of my first visits to New York looking at some drug rehabilitation centres in Harlem and other places I was shocked by the amount of graffiti covering entire shop and factory walls and even residential buildings. As other members have said, widely used graffiti changes the atmosphere of an area. It seems that it has a negative influence on people's attitudes: no-one really cares about the area and it becomes second rate. It also tends to give people the impression that an area displaying graffiti is dangerous, that gangs are operating there, and people therefore feel threatened.

We have all seen graffiti on factory walls and at shopping centres. But I have noticed an increasing amount of graffiti on the walls of houses, particularly where sound barriers have been erected in front of houses, for example in Padstow and other suburban areas. The sound barriers, which I assume have been erected by the owners of the houses, are often painted white, and this seems to attract graffitists who regard the barriers almost as a canvas to paint upon. It is an invasion of the rights of such property owners to have their properties downgraded in that way.

Even more serious is graffiti on road safety signs. I have noticed graffiti on many of the road safety signs on the freeway to Wollongong. Perhaps it is part of an organised graffiti campaign. Usually the graffiti blots out one of the numbers on the road sign. I regard it as not only irresponsible but almost criminal that people feel they have a right to put graffiti on road signs that are erected for the safety of drivers. I do not know whether such graffiti activity is occurring in other parts of the State.

I agree with other speakers that it seems unfair that the responsibility for the cost of the removal of graffiti should fall on the shoulders of local councils. The State Government has introduced the legislation, and therefore I believe there should be some give and take as far as local government is concerned. Perhaps councils could be given the power to require property owners to pay for the cost of graffiti removal. However, this should not be used as a fundraising measure. Alternatively, the Government could assist councils by an allocation of funds for this purpose.

I note from my reading of newspapers that graffiti in some areas has been removed by people serving community service orders. I understand that in some cases the graffitists themselves have been ordered to remove their graffiti, but in other cases the court has included the removal of graffiti as one of a number of tasks required to be performed by people on community service orders. Again, the Government could work with local councils to further strengthen the policy that graffiti removal should be used by the courts as a means by which people can satisfy their community service obligations.

I also agree that spray cans are the essence of the graffiti problem; they are so simple to use and by their use large areas can be covered in quick time. I would certainly support any proposition to prohibit the sale of spray cans to minors. I even wonder whether they should be available to anyone, given that paint is sold in tins and other containers. Perhaps the Government should consider restricting the availability of spray cans. We support the legislation. The removal of graffiti will ensure the maintenance of pride in our city of Sydney and regional centres.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS [6.27 p.m.]: The Australian Democrats support the Local Government (Graffiti) Bill. Graffiti is defined as "A drawing or an inscription on a wall or other surface, usually to be seen by the public". It may be debatable whether early cave drawings were art or graffiti, or perhaps both. The word "graffiti" is the plural of "graffito", from nineteenth century Italian, meaning "a little scratch". It is also a derivative from the Latin word "graphium", meaning "stylus", and from the Greek word "grapheion", meaning "to write".

Graffiti in its modern form can be divided into various categories. The excellent library briefing paper on the subject by Rachel Callinan suggests five categories. The first category is political or social graffiti, where a particular point of view is displayed publicly. This can be by an organised group or individual. Examples include "Free Chile" from years ago and the BUGA-UP billboard campaign of the 1980s. Honourable members might recall that the words "Binfield for bankers" were displayed near the Artarmon railway station for many years. The words stayed there for as long as they did because the tobacco company executives were too dim to recognise that if one learnt that "Binfield" was for bankers, one would know what "Winfield" was for.

The second category is humorous graffiti—just for fun, on billboards, toilet walls, and so on. The third category is racist graffiti, for the vilification of certain ethnic groups, and this may be connected with political or social graffiti. The fourth category is described as malicious graffiti, comprising scratches, obscenities and tagging. This category has been examined by sociological groups and said by Geason and Wilson in a study on

preventing graffiti and vandalism to be a symptom of "extensive alienation, hostility and social malaise on the part of a growing number of youngsters". Halsey and Young did a graffiti culture research project and their final report, as quoted in Rachael Callinan's monograph, made the following claims:

- the causes of graffiti are multiple but mainly stem from a lack of 'legitimate' activities for young people to immerse themselves in;
- the vast majority of persons are introduced to graffiti through friends or acquaintances;
- once exposed to the techniques of illicit writing, many make a conscious decision to continue engaging in such activities because of the pleasure they derive from it;
- graffiti writing should not be seen solely in terms of the desire to be recognised—instead, it is also activity that evokes strong feelings of self-esteem, satisfaction, and happiness within those who write;
- the stereotype of graffiti writers as 'mindless hooligans' is inapplicable; and
- in the majority of cases, the fact that graffiti is proscribed by law was not a deterrent to participants. Indeed, the risk of being arrested did not factor into the decision to write graffiti illegally for most participants.

It is foolish to try to look at graffiti without looking at it in the social context of youth. The final category of graffiti spoken about by Rachael Callinan is gang graffiti, which marked territory, and which is mainly an American phenomenon. The cost of graffiti is considerable. The Bureau of Crime Statistics and Research said that there were 6,870 cases in 1999 and a survey showed that 81 per cent of it was done by males, particularly those in the 12 to 25 age group. State Rail spent $3 million removing graffiti from its trains. By 1988 six youths had been killed trying to graffiti trains. According to Howard Lacey, the chief executive officer of State Rail, nine people were killed in the past 18 months—they were mainly leaning out of trains, trying to graffiti the outside of them.

Graffiti has quite a marked effect on youth. It also has a large economic effect. As was alluded to by Reverend the Hon. Fred Nile, from an older person's point of view graffiti creates the perception in the community that crime is out of control, that illegal activity has taken place and that the person has not been apprehended. If the deed has not been reversed it suggests an unruly society and, as such, it is threatening to people. I think that is a true observation. The Local Government (Graffiti) Act came into effect in July 2001. It allowed local councils to enter into agreements with private landowners to allow council staff to enter private property and remove graffiti. Problems arose contacting and getting agreement from multiple landlords to remove the graffiti in a timely manner. The Government wanted to remove the need to get the owner's consent—hence the introduction of this bill.

The proposed amendments will allow council officers to remove graffiti from private property without first obtaining the owner's or occupier's consent, but this is limited to when the graffiti is visible and can be removed from a public place. This would usually apply to public streets and shopping malls. Owners of affected properties will be informed in writing as to what the council has done. Council is also liable for any damage caused. Of course, the Opposition supports the bill and the philosophy behind it. There is some evidence that if graffiti is removed quickly it lessens the frequency of its reappearance.

The Opposition spokesman in the lower House, the honourable member for The Hills, has his own ideas and has introduced the Graffiti Control (Spray Paint Can Display) Bill. He believes that the main problem is the availability of spray cans and the fact that graffitists usually steal the cans. The solution, according to the honourable member's bill, is to keep the cans in a locked cage or cabinet behind a counter. However, the large number of cans and the inconvenience to other people may make such a provision impractical. The Local Government and Shires Associations are officially concerned about the bill. They say that a number of councils have called them concerned that the bill makes it mandatory for councils to clean the graffiti within 48 hours. They tell people that that is not the associations' understanding, and it is certainly not my understanding. However, some councils have expressed general concerns about the cost of graffiti removal and suggest this is a cost-shifting exercise by the State Government. The Government provided graffiti blasting machines to a number of councils, which are of assistance. The ongoing cost of use and maintenance of the machines is to be met by councils.

When tobacco companies and billboard companies were trying to counteract BUGA-UP they paid a small retainer to local shopkeepers to report the incidence of refacing of billboards with correct messages about tobacco and they replaced the messages with their dastardly ads as quickly as possible to try to make the workload on the graffitists too high. If the council would give me some paint I would be happy to fix the bus shelter near my home. Perhaps some more innovative methods of maintaining areas could be found. Of course,

it is hard to get the tags off glass or stone and brickwork. It is damaging from a heritage point of view. The availability of money affects how graffiti is handled. Education is fine, but often the graffitists are operating at the margin of society and are not likely to be dissuaded by education campaigns. Community service orders may be marginally more effective. Another suggestion is to give graffitists a legal outlet on a dedicated public wall. All these measures do some good, but the problem needs to be recognised. We need to focus on youth and their needs in our society. That would help considerably.

The Hon. Dr PETER WONG [6.35 p.m.]: The Unity Party supports the Government amendments to the Local Government Act to extend graffiti removal powers of local government authorities. The previous powers provided to local government for the rapid removal of graffiti from private property have been effective, but the amending legislation before the House is necessary to further empower councils to rapidly remove graffiti. The long-term effect of these amendments will be rapid removal and less incentive for people who are inclined to place their unauthorised art on public view. Unfortunately, such artwork or vandalism usually detracts from the appearance of public spaces and needs to be discouraged. I am confident that these amendments will not compromise the rights of property owners or those who would wish to display art in a legitimate and positive way.

The Hon. EDDIE OBEID (Minister for Mineral Resources, and Minister for Fisheries) [6.36. p.m.], in reply: I thank honourable members for their contributions to the debate and for their support. The provisions of this bill only confer on councils the power to remove graffiti; they are not obligated to do so. It is important that councils remain autonomous. They will be able to determine how to spend their resources in accordance with their community priorities. It is worth noting that the shadow Minister for Local Government, the Hon. Duncan Gay, referred to the provision of funds. The Treasurer has announced an increase in funding for the successful Beat Graffiti Program. We will spend $422,000 in the 2002-03 financial year. This will assess up to 250 individual projects. We have already assisted 42 councils under this program and we have provided funding for 13 councils to purchase graffiti blasters.

I remind the House that since July 2000 the Department of Juvenile Justice has provided 33,000 hours of community service for more than 18 councils. That department provides the labour as well as the paint and other equipment for this project. Should the Hon. Dr Arthur Chesterfield-Evans like to continue cleaning up the bus stop near his home—which is at Woolwich—I am sure the Department of Juvenile Justice will supply him with the paint.

The Hon. John Ryan: Why would it do that?

The Hon. EDDIE OBEID: It supplies labour and paint. The Government also spends more than $60 million to clean up vandalism on trains and railway corridors. I reiterate that this bill gives councils greater power than they have ever had before. It will give them the ability to remove graffiti should they deem it a priority—it is strictly up to them. We have given them the legislative power to do so. I hope that they will use it. I commend the bill to the House.

Motion agreed to.

Bill read a second time and passed through remaining stages.

[*The Deputy-President (The Hon. John Hatzistergos) left the chair at 6.40 p.m. The House resumed at 8.15 p.m.*]

CIVIL LIABILITY BILL

Second Reading

The Hon. JOHN DELLA BOSCA (Special Minister of State, Minister for Industrial Relations, Assistant Treasurer, Minister Assisting the Premier on Public Sector Management, and Minister Assisting the Premier for the Central Coast), [8.15 p.m.]: I move:

That this bill be now read a second time.

I seek leave to have the second reading speech incorporated in *Hansard*.

Leave granted.

On 7 May I released a consultation draft of the Government's Civil Liability Bill 2002. Today, after three weeks of consultation, I introduce the Civil Liability Bill. The Bill will implement stage one of the Government's tort law reforms. Three weeks ago, I was in no doubt that these reforms were vital to the survival of our community. I have heard and seen the damage that the public liability crisis is doing to our sporting and cultural activities, small businesses and tourism operators, and our local communities. On May 7 no further evidence was required. However we have had more evidence, such as the damages award against Waverley Council and news today that local councils across the State face a 35 percent rise in insurance premiums from 1 July.

Since I released the consultation draft of the Bill, I have met with many local government and community representatives who have told me that the approach of the courts to public liability is unsustainable. The Government agrees with them. We need to protect our beaches and parks, our roads and schools, from unrealistic standards. Standards imposed by the courts with hindsight and with no regard for the cost to the community.

This Bill implements stage one of the Government's tort law reform program. I will introduce stage two of the Government's tort law reform program next session. I have already outlined many of the issues that we will address in stage two. Stage two will introduce broad-ranging reforms to the law of negligence. It will ensure that risk warnings can operate as a good defence for risky entertainment or sporting activities. It will address the test for professional negligence, including medical negligence. Stage two will also ensure that public authorities have a good defence to a negligence claim if they comply with standards set for the particular activity. There will be special protections for good Samaritans. There will be an end to special consideration for people who were drunk when they were injured. There will be no damages for people suing for injuries they sustained while committing a crime.

These reforms are urgent and I understand, and share, the sense of urgency. But stage two will introduce broad-ranging reforms to the law of negligence. Stage two will reform an area of the law that the Parliament has not previously addressed. The reforms that I am introducing today in stage one are tried and tested. They have worked in health care liability, in motor accidents and in workers compensation. In contrast, stage two is uncharted waters. We need to take the time to get it right. There are fundamental rights involved in what we are drafting and no-one wants to deprive the genuinely deserving of compensation. That is what we risk doing if we rush into stage two. It is more important to take three months longer and get these reforms than it is to rush in with hasty and piecemeal changes.

Before I turn to the detailed provisions of the Bill, I want to say something about premiums and insurance companies. Some people have suggested that there is no real evidence that these reforms will have any impact on insurance premiums. However, I have the evidence. I seek leave to table the Government's actuarial advice on the stage one reforms.

PricewaterhouseCoopers has costed the Government's stage one reforms and its best estimates of the reforms is as follows. There will be a 17.5 percent reduction in the cost of personal injury claims. There will be a 14 percent reduction in the cost of public liability claims as a whole. Most importantly, there should be a reduction of some 12 percent in public liability premiums. While there might be variations between insurers and particular policies or classes of risk, this report shows that premiums should fall by some 12 percent. The New South Wales Government cannot guarantee that premiums will fall. However, we can put in place the necessary reforms to enable them to fall and that is what we are doing with this Bill.

But to be sure that premiums will fall and that insurers will not make gains from these reforms, the Commonwealth must act. I have repeatedly called on the Prime Minister to take action to ensure that the Australian Prudential Regulation Authority, the Australian Competition and Consumer Commission and the Australian Securities and Investments Commission monitor insurance premiums and make sure that insurers pass on savings to consumers. Today, I have written to the Prime Minister. I have given him a copy of our actuarial advice. I have shown him what our reforms are capable of doing and I have called on him to take immediate action to ensure that the benefit of these reforms goes to the community.

I turn now to the Bill. I want to express the Government's appreciation for the contributions a number of groups have made to the consultation process. In particular, I thank the Bar Association and the Law Society for their constructive contributions to the Bill. I think they understand the Government's resolve to pursue reform. I also acknowledge the contributions of the Local Government and Shires Associations and the Insurance Council of Australia.

Councillor Tracie Sonda, the Mayor of Sutherland Shire Council, is in the gallery. She is a strong supporter of the legislation. Why would she not be? Sutherland Shire Council has two claims made against it every day and, like all councils in the State, is under pressure to settle them out of court.

We cannot go on like this. I have heard reports from the local government representatives that I spoke to yesterday and from the community representatives that they know of three generations of one family living off compensation claims; that they have stories of repeat claimants; that tripping over a defective pavement is a common syndrome. As people tell stories that they put money down on the lawyer's table and got a return from a judge dressed in Santa Claus gear, the practice will spread. People will think, "Why not take your chances?" Lawyers advertise in the print media, "Come to us. If you lose, we won't charge you." We have banned them from doing it in the print media and we have banned them from doing it in the electronic media. This is ambulance chasing to the nth degree. Local government cannot carry the cost of it; society cannot carry the cost of it; surf clubs, show societies and sporting organisations cannot carry the cost of it. It is a national problem. According to media reports on the weekend, equestrian events in Queensland are in trouble.

I refer to retrospectivity. As I made clear on 7 May, this Bill will apply to proceedings commenced on or after 20 March. That is the day on which I announced the reforms following public consultation, however, we have amended the Bill to ensure that the Government does not claim the benefit of retrospectivity. The Bill now provides that claims against the Crown, including statutory authorities and state owned corporations, can proceed under the old law provided they satisfy two conditions. First, the claim must have been notified to the Crown before 20 March. This means that claims that were subject to settlement negotiations before that date can proceed to be determined on the old law. Second, proceedings must be commenced before 1 September this year. The only exception to this date will be if the claimant's injuries have not stabilised in time for them to meet that 1 September deadline. The exception will not apply to health care claims that were already subject to the Health Care Liability Act 2001.

The Government can afford to give up the benefit of retrospectivity because these reforms are about reducing public liability premiums. The Government is self-insured—it does not pay premiums in any real sense. We can make this concession on the Government's liability without affecting the overall strength of the reforms. The Government does not want to disadvantage people who have been negotiating settlements with the Crown. The Bill introduces important controls on the calculation of damages. It also imposes new requirements on lawyers. Today I will focus on some of the changes to the Bill arising from the consultation we have been involved in since 7 May.

Under clause 9 the Bill will apply to awards of personal injury damages. This includes personal injury damages awards made in public liability claims and health care claims. Clause 9 (2) sets out the awards that are excluded from the operation of the Bill. Importantly, intentional acts done with intent to cause injury or death or acts involving sexual assault are excluded. This exclusion ensures that the compensation for injuries arising from serious criminal acts is not limited by the Bill. The exclusion is not intended to cover claims against health care providers where informed consent to treatment may be an issue. The Bill will apply to claims made under the Fair Trading Act. This is to ensure that claims that would ordinarily be dealt with under the law of negligence are not re-fashioned into claims under consumer protection law or contract law.

Clause 12 limits damages for lost earnings, loss of earning capacity or expectation of financial support. It requires the courts to disregard any amount claimed by the plaintiff that is greater than three times average weekly earnings. This will affect very high-income earners only. The test of three times average weekly earnings has been adopted in preference to the dollar amount in the consultation draft of the Bill. It is consistent with the test announced by the Queensland Government. Clause 15 adopts a number of requirements to apply to damages for gratuitous attendant care services. These are drawn from the motor accidents and health care liability schemes.

A number of submissions on the draft Bill called for the removal of the requirement that a carer must have lost income or forgone employment before these damages can be payable. The Government has deleted that requirement from the Bill.

Clause 16 of the Bill introduces a threshold for damages for non-economic loss. It also fixes the maximum amount of non-economic loss. The provision is drawn from the Health Care Liability Act. Guidance on it can be obtained from the second reading speech introducing the Health Care Liability Bill 2001. I draw Members' attention to our actuarial advice on the threshold.

This measure is the biggest contributor to savings, both directly and through its effect on legal costs. Our actuarial advice shows that the threshold will exclude smaller claims for general damages and will discourage people from bringing smaller claims. But, importantly, our actuarial advice shows that the threshold will lead to increased general damages for the more seriously injured plaintiffs. These are the people who have suffered the most and they will get more because of the threshold.

Clause 21 deals with exemplary damages. As a result of consultation on the Bill, the prohibition on exemplary and punitive damages has been narrowed.

These damages will be excluded only in negligence actions and actions where the fault concerned is negligence. For example, where an employer is sued on the basis of its vicarious liability for its employee's negligence, exemplary or punitive damages will not be available. The prohibition has been extended to aggravated damages. These are more commonly awarded in defamation cases than in personal injury cases. However, the Government does not want to provide an avenue for the courts to award other categories of damages to avoid the new provisions on the general damages.

I turn to the amendments to the Legal Profession Act. These provisions have been amended since the Government released the consultation draft of the Bill. The cap on plaintiff lawyers' costs for claims under $100,000 will be the greater of $10,000 or 20 percent of the amount recovered by the plaintiff.

The cap has been extended to the defendant lawyers' costs where it will be the greater of $10,000 or 20 percent of the amount claimed by the plaintiff.

Importantly, the Bill now makes it clear that the cap applies to solicitors' and barristers' fees and the fees of their agents or employees. It does not apply to any other disbursements, such as medical reports, investigation reports and filing fees. The cap will not be a standard fee for lawyers to charge their clients. It is the maximum fee which applies unless there is a costs agreement. In many cases, the Government expects lawyers to charge significantly less. Bills of costs will still be subject to the normal costs assessment rules in the Legal Profession Act. Lawyers will not be permitted to inflate their costs up to the cap.

The cap on fees will promote efficiency on the part of the legal profession and help to contain claims costs. The cap on costs will be the most that can be recovered from the other party in proceedings, unless the exceptions in clauses 198F or 198G apply. Clause 198F will enable the court to award indemnity costs against a party if that party refuses an offer of compromise where the eventual outcome of the claim is no less favourable than the terms of the offer. The indemnity costs would apply for the period after the offer is made. Clause 198G will enable the court to order that some costs are not covered by the cap if it is satisfied that the costs are for legal services that were required because the other party took action that was not reasonably necessary for the advancement of its case.

For example, a defendant might make a number of pre-trial applications to the court, requiring the plaintiff's representatives to attend court and argue the various points. If the court finds these applications were not reasonably necessary for the defendant's case or they were intended to unnecessarily delay or complicate determination of the claim, the court can order the defendant to pay the plaintiff's costs of those applications in addition to the capped costs. The Bill does not prevent a client agreeing to pay a lawyer extra fees in addition to the cap. However, extra fees can be paid only if there is a costs agreement between the lawyer and the client.

Clause 196 contains a regulation-making power which will enable the Government to introduce a cap on those parts of lawyers' fees which are not regulated by the Bill. This is a consumer protection measure. The Government will not hesitate to make a regulation to impose a cap on the fees that can be agreed between lawyers and clients or to introduce a scale for those fees if plaintiff or defendant lawyers take advantage of their clients.

> These provisions in the Bill will contain legal costs, while protecting clients. The Government has changed the standard for assessing unmeritorious claims in the Bill. Under clause 198J, the standard will be that the solicitor or barrister must reasonably believe, on the basis of provable facts and a reasonably arguable view of the law, that the claim has reasonable prospects of success. This requirement will also apply to defendant lawyers, so that they cannot advance spurious defences. In either case, solicitors or barristers must reasonably believe that the material available to them provides a proper basis for alleging the facts on which they want to rely.
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> We have excluded from these requirements preliminary advice on damages claims. A solicitor or barrister must be able to take initial instructions and advise the client on whether or not their claim or defence has reasonable prospects of success without being in breach of these clauses. Under clause 198L barristers and solicitors must satisfy the standard of reasonable prospects of success before they commence proceedings or file a defence.
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> Under clause 198M they risk having costs awarded against them if they act without reasonable prospects of success. This Bill introduces vital tort law reform. I will be sending this Bill and the Government's actuarial advice to my counterparts in all other States and Territories. The Bill builds on the Government's work with the insurance industry and other jurisdictions to find solutions for people affected by the public liability crisis. I commend the Bill to the House.

The Hon. JOHN RYAN [8.16 p.m.]: If we were to believe the Premier we would think that the current crisis in public liability is just a matter of running down some ambulance-chasing lawyers and curing the greed of the few irresponsible claimants who seek an easy and irresponsible windfall. In response to that sort of approach, which is abundantly clear from the Premier's second reading speech and his public comments, I can do no better than borrow some words from the editorial that appears in today's *Daily Telegraph*, which states:

> The search for a chief villain who has caused destruction of liability insurance is hampering the quest for a system which works.
>
> It is a wasteful and pointless exercise, ultimately a selfish one.
>
> Politicians, insurers, lawyers and accident victims have got to stop trying to pin the blame on one particular group so as to avoid it themselves.
>
> Not only would that be unfair, it would lead participants in this debate to think that the problem is simple, and needs only a simple solution.

Sadly, I cannot go any further with that editorial because it then contradicts itself entirely. Indeed, the front pages of the newspaper that published that editorial do not contain many examples of the newspaper taking its own advice. The point I make to the Premier and to the Government is that the problem we are seeking to address is complex. It is not helpful to have Government members simply sloganeering in other places, whether it be the rather outrageous attempt by the Premier to politicise this issue at this morning's shires conference or in other places where he has basically tried to bully this House into accepting the Government's legislation almost without question. Notwithstanding, I recall that the Opposition had not seen the text of the bill on the morning of our party meeting that was meant to consider it. As the bill was unavailable, we deferred our meeting until the evening so that we could determine a party position.

The Opposition acknowledges that the case for reform in public liability insurance is inescapable. Every day we hear new stories of how the increasing price of public liability insurance or the straight out withdrawal of liability cover has caused great disruption in the community. For example, it has caused increasing costs to the tourism industry, and adventure tourism and horse riding groups have been unable to get cover. Community groups and those involved in activities ranging from life savers, Anzac Day, floral shows and scouting groups have complained that they are often working and fundraising for insurance companies rather than for their community objective or that the events and activities they organise are placed at risk because they are unable to get appropriate insurance.

While we are not able to understand all of the causes behind the current crisis we understand the effect. Underwriting for insurers has become a much more scarce resource, and consequently it has become more expensive. The overriding principle behind any reform is to ration that scarce resource to those who are most in need. There is a scarce resource, there is not enough of it to go around, so we need to fairly and equitably ration what is available to the people who are most in need. The Opposition has tried its best to participate in this reform process in a principled manner. At the very outset my leader, Mr Brogden, wrote to the Premier and offered a responsible position from the Opposition. He said that we would not seek to make this debate one of partisan political comment. We offered to work with the Government in a co-operative manner and in a bipartisan spirit. On 24 April the Leader of the Opposition wrote to the Premier outlining our approach, which was recorded in one of his press releases. It stated:

> Mr Brogden has written to Premier Bob Carr offering to work in a bipartisan way to bring this issue under control.
>
> "Public liability is the greatest challenge facing small businesses and community groups and the Coalition is prepared to work with the Government to identify as much common ground as possible", Mr Brogden said.

> "This issue needs to be resolved as quickly as possible, as many community groups and small businesses have been forced to cancel events and activities because they can't afford the massive hike in Public Liability premiums", Mr Brogden said.
>
> The Liberal Leader said the Coalition had put forward a number of proposals for immediate adoption, including moving away from the 'blame game', encouraging 'pooling' to reduce costs and separation of large and small claims.
>
> Mr Brogden said the community expects its leaders to approach this important issue in a co-operative manner to resolve it quickly, before more precious cultural and business events are lost forever.

The Opposition offered that approach but, sadly, the Government did not take up the offer. The Premier, in particular, has not stopped trying to score crass political points on this issue at every possible opportunity—for instance, this morning's meeting at the shires association conference. We know that with respect to insurance the multitude of smaller claims make a disproportionate amount of claim costs and that it is not the odd large payout that causes the problem. From media reports and some comments of the Premier, referring to a particular number of payouts that have been made, one would think that the problem is higher payouts. In most instances, it is not. Most people who get very high payouts deserve them because they have suffered significant loss which is going to cost thousands of dollars to overcome.

In most instances, the most pernicious and difficult claims are the small ones. For example, I acknowledge that many councils have been paying out small amounts to people in settlement rather than litigating claims they might well win. However, the costs of litigating them overwhelms the cost of simply settling them. When a person receives a settlement for slipping on a footpath it is not unusual for a dozen more such claims to emerge, and the council is in a similar position and has to settle them. The Opposition acknowledges that that is a factor of the cost, and we support any reasonable attempt to weed out small claims to the amounts that are necessary. For example, it is reasonable that a person should be able to receive medical attention and that medical expenses incurred as a result of the claim be covered. However, a realistic approach must be taken to other parts of some claims, such as pain and suffering.

It is acknowledged that someone who has a small claim from a trip or a slip—particularly as a result of negligence—has had a problem with pain and suffering. However, in this current crisis if it is the result of a terrorist attack—such as occurred on September 11—or of a war-type situation it is appropriate to ration those claims to those that are larger. For example, quadriplegics and paraplegics should not only get the medical attention they need but also additional money to provide them with income for the rest of their lives. Unfortunately, the Government has chosen a blunt instrument with this bill and it will have myriad inequitable outcomes. Another principle that should guide reform is that the cost of reforming a scheme should be equitably shared. In that regard, the Government's bill fails and, in my view, can be legitimately attacked. The bill savagely cuts benefits to claimants, and it limits the operations of lawyers, but it places absolutely no restraints whatsoever on insurers.

The Hon. John Della Bosca: How are we going to do that?

The Hon. JOHN RYAN: I will explain a little later how that might be done. Even more outrageously, the bill as drafted creates two classes of claimants. It is also likely that the retrospective clauses of the bill will create some significant anomalies, particularly in their transitional phase. One thing is for sure. This bill will not be the end of this matter. The bill has been cobbled together in a rush, and because the Government has consulted with very selective hearing, it will leave a large number of victims in its wake.

First of all I would like to deal with insurers and answer the challenge that the Government apparently has issued to us by asking what could the Government have done to make the situation more equitable with regard to insurers. The fact is that it was not impossible; the problem is that the Government has not even tried. It is impossible to ignore the fact that insurance companies are the big winners in this settlement. They have been lobbying for tort law reform for some years. Unlike most industry groups, as a result of their own misfortune, and in one case as a result of their total incompetence, they have, in a very short period of time, been able to achieve every item on a long list of changes they have been seeking from governments, State and Federal, for some years.

The insurance companies have been able to get this market exactly where they want it. They have achieved caps on maximum payouts for claims. Some of the risks they face have been reduced. The amounts that victims can claim have been discounted. The insurance companies have been able to limit the level of litigation they face. This bill wipes out thousands of administratively expensive small claims. This legislation will wipe from the books of insurers thousands of cases that the insurers previously have made provision for in their reserves and to some extent in their premiums. It is acknowledged all round that this legislation creates a

windfall for insurers. They have been collecting and assessing in the expectation that they would be receiving claims—claims which this legislation will wipe out either effectively in law or effectively because of the restrictions placed on claimants' access to litigation resources. Will the insurers be refunding any of those windfall premiums? Not likely.

We carry on as if this underwriting crisis is a permanent problem. Of course, it is not. History tells us that the current level of risk in regard to terrorism will eventually subside. The HIH catastrophe will soon fade into history, and the very tight constraints under which insurance companies are currently operating eventually will be relaxed. This legislation effectively abolishes public liability claims where damages are likely to be less than $100,000—with the exception of medical assistance—and that will be most of them. Public liability cases generally involve injuries to the young and the elderly—pensioners, shoppers and so on. This bill places severe restrictions on what an injured person can pay for legal representation, and that will mean that most accident victims will be unrepresented by lawyers and will be left at the mercy of insurers, who can spend virtually whatever they like in defending cases. This legislation reduces the quantum of remaining cases by imposing a higher discount rate on future loss. It abolishes most claims for voluntary care, and in due course makes it much more difficult for the injured person to succeed.

What do the insurers have to do in return? Do they have to provide rehabilitation services to the injured? No. Do they have to pay reasonable incurred and associated medical expenses? In some instances, no. Do they have to admit liability, where the injuries were caused by clear negligence, at an early stage? No. Do they have to make offers of settlement when the injuries have stabilised? No. The Government first attempted to make the claim that this legislation would reduce premiums. That apparently was what insurers were supposed to give. Eventually, under pressure from the media, the Government has had to concede that this legislation may not result in a decrease in premiums. At best, a PricewaterhouseCoopers report tabled in the other place by the Premier suggests that the legislation will provide for a potential reduction in premiums of 17.5 per cent. But there is no obligation on the insurers to do anything. If the market does not require them to act, they will not act. To some extent, people have got used to paying the premiums that they are at present paying, so it will not take long for those premiums to drift back to exactly where they were, even if they are reduced for a short time initially.

The Premier and the Government have tried to fob off responsibility for premium reductions to the Commonwealth. We recognise that the insurance market is a national one, but that has not stopped past governments from coming up with draft uniform legislation that can be picked up by other States. If New South Wales were leading the debate—as the Premier claims—the Government could have introduced a more comprehensive package of reforms that included provisions requiring legislation by the Federal Government and by the other States. Only a few years ago the Carr Government claimed that it could legislate to bring down motor accidents insurance premiums, for example. It has made no attempt to act in that way. But there are other measures that the Government could have taken to regulate the behaviour of insurers that are quite distinct from premium reductions. The Government has simply failed to do so.

Unlike the motor accident scheme, this bill does not impose any requirements on insurers to pay a penalty if they unduly delay payment on legitimate claims or fail to admit liability early when it is obviously appropriate to do so. There is no incentive or penalty on insurers that deliberately engage in unproductive litigation in the hope that the claimant will go away. And under this bill there are huge incentives for claimants to go away, because, unlike insurance companies, claimants have very severe limits placed on the legal resources to which they may have access. I will deal with that in a little more detail later.

Unlike the workers compensation scheme, there is no requirement on the insurers to contribute to rehabilitation programs, or alternative dispute resolution mechanisms—none at all. Unlike other insurance schemes in New South Wales, like home warranty or workers compensation, there is no provision for efficient assessment schemes or less expensive alternative means of dispute resolution, such as tribunals. That might be one way of levelling the ground between the two players. But the Government has made no attempt to even discuss such a possibility. The truth is not that the Government can do nothing to even up the score between insurers and claimants in order to make more equal the settlement between insurers and claimants. The plain fact is that the Government has not even tried to do what it could have done. As a result, this settlement can be justly attacked for being a one-way street—a total victory for big insurers, and the devil can take the hindmost of the poor victims, who in the main are the elderly and the very young. Some may say that this is a strange method of operation for a Labor Government. In my experience, it is not strange at all for the Carr Labor Government to abandon battlers.

The next item worthy of our consideration is what the bill does with regard to legal representation. It seeks to limit claims by controlling the amount of money that a claimant can spend in litigating a claim under

$10,000. It limits the amount that a plaintiff can recover for personal injury damages, if the payout does not exceed $100,000, to 20 per cent of the payout or $10,000, whichever is the greater. In the original draft of the bill put out for discussion this litigation limit was confined to plaintiffs only. The Premier claims to have levelled the playing field by now placing caps on defendants. But, on closer examination, the attempt to level the field is largely cosmetic.

While plaintiffs are limited to a $10,000 pay-out or taking a risk that a court may award them more, insurers are limited to a cap of $20,000—double that allowed to plaintiffs—or 20 per cent of the sum being claimed. That figure is known before the action commences, so the insurer can budget with a level of confidence and certainty. The claimant cannot. In addition, most insurers can use in-house legal resources, which will never come to the attention of the court. Those resources will be factored into premiums as a cost of the insurer doing business. I could illustrate that more fully by quoting a letter from a law firm I heard being read on the Alan Jones program a couple of days ago. Whilst I would not agree with absolutely everything said by Alan Jones, I think this letter aptly illustrates the point that I am trying to make. It says about the legislation:

> It restricts legal costs that can be charged to injured people when the claim does not exceed $100,000. Most people might say, "Terrific, the lawyers won't be able to make as much money." But, unfortunately, there is no similar restriction imposed on the lawyers acting for the insurance companies, who have enormous resources to fight the battler. I ask you to think, "Is it fair for the persons on struggle street... to be restricted in the legal representation they can obtain when bringing a claim against someone who has negligently injured them?" Quite frankly, if it's uneconomic for the lawyers to represent an injured person, they won't do so.

There is little doubt that this bill does not create a level playing field. Any suggestion to the contrary needs to be countered. I should point out that the retrospective aspect of the legislation will possibly hit some claimants harder than others. One lawyer wrote to Mr Jones as follows:

> At the moment I have a claim in which my client fell from a building as a result of the blatant negligence of the owner and the real estate agent in keeping repair to the standard that anyone would expect acceptable. As a result of the fall he suffered severe brain damage. He will never work again and because his statement of claim was filed in April, and this Act is retrospective, he is now subject to the new limitations of the Bill. Our costs are so severely limited that we have already exceeded them in investigating his claim by a substantial sum.

If that claimant wins anything, it is possible that costs will have to be deducted from the costs that are won under other heads of damages, similar to medical and other expenses. The retrospective costs of this apparently well-intentioned bill make it a blunt instrument, as the Government has discovered, and as it has acknowledged by introducing changes affecting claimants against the Crown. I understand that later the Government may also introduce amendments to meet the requirements of claimants who suffer dust-related diseases.

Before I conclude my remarks on legal representation, I place on the record a query raised by my colleague the Deputy Leader of the Opposition, Chris Hartcher, when he was speaking to this bill in another place. Unfortunately, the Attorney General made no reference to this point during his reply at the second reading stage, so perhaps the Government will provide a response during this debate. The Deputy Leader of the Opposition referred to a letter he received from Vandervords, a firm of solicitors, in which they commented on a change which was announced by the Premier on Tuesday when he introduced legislation to impose a cap on lawyers who act on behalf of defendants. The letter states:

> There is a requirement that a defence be filed within twenty-eight (28) days of service and Section 198J has effect at that time. It would be appreciated that **"provable facts"**, such as would provide reasonable prospects of success in the defence, would not be available and as your own experience would indicate the number of occasions when an occupier is successful in the defence of proceedings is rare. In many cases, the best that can be achieved is to … reduce the claim for damages which the Plaintiff seeks.
>
> One would imagine that the Premier would be anxious for the defence of proceedings to be vigorously pursued in order to reduce the exposure in this field and thereby achieve a reduction in costs with a counter balanced reduction in premium.
>
> In order to achieve this solicitors acting for the Defendant Occupier on instructions from the Insurer should be deleted as the original draft provided.

That is an interesting possibility, but it would also be interesting if the Government responded to that point. The retrospectivity of this bill has been debated quite fulsomely in another place and in the media. To demonstrate the impact it might have, I refer honourable members to recent television news coverage of a visit by a current rock star, Shakira, to a shopping centre. The visit was marred by the actions of a person who deliberately and maliciously dropped bags of concrete dust into the thronging crowd below. One youngster suffered not only breathing difficulties as a result of that action but also significant damage to her back. This incident illustrates a typical public liability claim. Clearly, there is an arguable case that the promoters of the visit should have better anticipated the crowds that gathered to see a remarkable and very popular personality, and they should have provided sufficient security and crowd control for that event.

The event was not a gratuitous effort to give people the opportunity to see their favourite rock star. The event was organised in order to get shoppers to a shopping centre and spend money. There was a requirement on the part of the organisers of the event to control it properly. That is an arguable point that is yet to be proved, but it is nevertheless a reasonable proposition. That incident is typical of the types of claims that will be limited by the retrospective provisions of this bill. Many people saw the girl being carried out across the heads of the crowd and she obviously was suffering significant discomfort and injury. She will be affected by the retrospective provisions of this bill. It is not possible to simply write off this bill as not affecting people; it does, and it affects people whom we have seen suffering with our own eyes.

The Government claims that if the bill is not made retrospective its financial impact will be so reduced that it will have no impact on premiums. The Government misses the point that a person must have suffered an injury before making a claim. I suggest that there will be a limited number of people who will deliberately attempt to injure themselves to make a claim. To some extent the concern about a rush of claims should be tempered by reality. Moreover, the Government has referred to claims made by the Labor Mayor of Sutherland Shire Council, Ms Tracie Sonda, who claims that claims against local government have suddenly spiralled. A proper examination of the claims being made against local government has revealed that claims are being made at the same rate as they have been made for the past 10 years.

The Hon. John Della Bosca: When did Tracie Sonda join the ALP?

The Hon. JOHN RYAN: She is certainly an ALP supporter.

The Hon. John Della Bosca: Is she not running for preselection for your party?

The Hon. JOHN RYAN: Hardly. We have selected our candidate for that area, and a very good candidate he is too.

The Hon. John Della Bosca: Who is that?

The Hon. JOHN RYAN: Councillor Kevin Schreiber, who will be giving Barry Collier a good run for his money.

The Hon. John Della Bosca: Who is it in Cronulla?

The Hon. JOHN RYAN: We have an excellent member for Cronulla in Mr Malcolm Kerr.

The Hon. John Della Bosca: He is retiring, is he not?

The Hon. JOHN RYAN: He is not retiring at all. The Opposition is concerned that the bill as currently drafted creates two classes of claimants. In response to political agitation, at the last moment the Government changed the legislation to allow the retrospective provisions to be modified for people who have claims against the Crown. The problem is that those who have claims against non-Crown entities, that is, private parties, are in a completely different position. What is the justification for that different position? It is not that the injuries are different, because their injuries are very similar to the sorts of claims that would be made by people who suffered as a result of the rail accident at Glenbrook in the Blue Mountains. The pain and the impact on lives will be the same and the only thing that will be different will be the entities against whom the claims are made.

The Opposition's position is that there is no reason, given that insurers have already taken premiums to cover these types of claims and that insurers are getting a windfall as a result of the introduction of this legislation, why the Government's level of compassion for claimants against the Crown should not be extended to claimants who have to rely on private insurers. The fact that it is a different pot of money, as the Government claims, is irrelevant. There is no reason why people should be accorded a different claims status simply because the Government feels that is politically expedient. To that end, the Opposition has drafted a simple amendment for the consideration of the House.

The Opposition’s amendment is designed to deal with one specific aspect of the legislation. It is a very small change and the Government will have a hard time trying to explain how the amendment will drastically change premiums to effect relief for insurers. The amendment will not do that. The only difference will be that some people will claim against a private sector entity whereas those who are exempted in the bill might just want to claim against the Government. The Attorney General might have to deal with rail accident claimants in

his own electorate, so special consideration is being given to them. In contrast, the Opposition believes that if cuts in compensation are to be imposed, they ought to be shared by all people equally and special consideration should not be shown for some people just because they are making a claim against a Crown entity. Another significant problem with the bill is that discounting of small claims is a means by which relief is provided. The way that the Government has approached this matter may not provide a lasting solution. A letter from Goldberg Partners, solicitors, quite wisely explains the position:

> Setting of thresholds below which people are unable to obtain any compensation for their injuries often has the effect upon a tribunal of the tribunal being more willing to find a threshold exceeded so some compensation can be given. Hence a relatively minor injury may cause a Court to find that it is a case that is 25% of the most extreme case which would generate a damages award of $22,750.00. Once that happens there is a dragging up effect of the value of other injuries in the Judge's mind.

It could well be that, because of the way in which this legislation has been drafted, its effect will be temporary. A more long-term solution might be necessary down the track. As I said earlier, in my view this is not the last time that we will visit this issue. There is bound to be not only a stage two of this legislation—an issue to which the Premier keeps referring—there is bound to be a stage two of the provisions in this bill. This bill does not protect people such as lifesaving clubs, small businesses, community groups, those who are running cake stalls or good Samaritans from what have been referred to as outrageous claims. It does not address what are frequently called the rorts in this scheme. Using a more tempered term than the term "rorts", I refer to issues such as contributory negligence, the effect of waivers, or appropriate exemptions for volunteer groups. Those are the sorts of issues that must also be addressed.

When the Premier holds a gun to our heads and says, "We will not carry out the review function that we would normally carry out in relation to this legislation, and action is needed", we know that that has nothing to do with this bill. Those issues will all be dealt with in another piece of legislation that is to come before this Parliament. Government members run around this place beating their chests in bullyboy fashion and saying: "The work is done. Everybody should put aside their differences and just trust the Government. Forget about the submissions that you have received from your constituents." It is all right for Government members such as the Attorney General to forget about issues in their electorates—issues that they believe to be politically expedient. However, everybody else is being asked to forget those issues and to trust the Government as the job has apparently been done.

There are good cases to suggest that the job has not been done. One issue that will be raised later by the Leader of the Opposition in this Chamber is the fact that there are four different compensation schemes for people who are largely suffering from the same injuries or from the same sorts of negligence: the workers compensation scheme, the medical negligence scheme, the victims compensation scheme and the motor accidents scheme. Some complainants have suffered the same injury as a result of negligence but there is no-one against whom they could make a claim. I made reference to the fact that many of those schemes have some useful features that could be included in this scheme to make settlements between insurers and claimants more equitable.

Honourable members would be aware that, under this scheme, only a 15 per cent body impairment benchmark is required. However, under the motor accidents insurance scheme only a 10 per cent body impairment benchmark is required. There appears to be a good case to reform these schemes and to make them more uniform. Another area of reform is needed in the future. The Opposition will not oppose this legislation. However, it will seek to move one amendment which it believes will make the scheme fairer. The Opposition has approached this scheme responsibly—an issue about which this Government has not been grateful.

The Government has simply used this legislation as an opportunity for the most obscene politicking that we have seen for some time, particularly given the fact that it is politicking at the expense of victims and battlers—those people whom Government members claim to represent. The way in which Government members have been politicking against them suggests otherwise. This Government is about satisfying some sectors in the community at the expense of others. Apparently, insurers are the flavour of the month at the moment. The Government will satisfy insurers and it will not listen to other sensible arguments that might be put forward.

The Hon. MICHAEL GALLACHER (Leader of the Opposition) [8.55 p.m.]: I congratulate the Hon. John Ryan on his thorough and analytical approach to this debate. It is unfortunate that on an issue as serious as the Civil Liability Bill the Special Minister of State elected to incorporate his speech. He added nothing to the contribution made by the Minister in the other House.

The Hon. John Della Bosca: I will be replying.

The Hon. MICHAEL GALLACHER: The Minister said he will reply later to this debate. However, he will reply only to contributions such as those made by the Hon. John Ryan and others in this debate; he will not bring us up to speed with what has occurred since this matter was first debated in the Legislative Assembly. There is no reference to what has taken place in the past few weeks. There is no preparedness on the part of the Government to refer to those issues; it wishes only to adhere to what was said earlier. It does not want to make this issue too difficult given what has been said in the public domain. As I said earlier, the Special Minister of State elected simply to incorporate his speech.

There are striking similarities between this debate and an earlier debate in this Chamber relating to workers compensation. The Premier did not stand on the steps of Parliament House with a two-fingered sign for injured people who feel aggrieved by these reforms. The Government's approach to this issue has been to rely on the old adage that when you are on a good thing stick to it. Honourable members might remember that some concern was expressed when workers compensation reforms were introduced in this Parliament. We were told that, if that legislation was not passed holus-bolus, workers compensation premiums would increase and every business in this State would be hit with a debt recovery plan for that unfunded liability.

Do honourable members remember that threat by the Premier? He said, "I will get rid of that unfunded liability because every business in this State will be hit with a debt recovery plan that will clear that unfunded liability overnight. The Hon. John Ryan rightly stated earlier that the Premier has made other threats relating to civil liability. The Government is of the view that, as it worked last time, it should do it again. It is not giving honourable members an opportunity to debate this issue or to rectify some of the glaring mistakes in the legislation. The Government is not admitting, as it did in the workers compensation legislation, that it might have it wrong. It will not entertain any suggestion that this legislation needs to be rectified. The Government is following the script exactly to the letter.

The Hon. John Ryan was 100 per cent correct when he said this legislation will create two classes of citizens in New South Wales. I will not labour the point as there has been a considerable amount of debate in relation to that issue in this Parliament and outside the Parliament. There will continue to be debate on this issue. The Hon. John Ryan also pointed out that this will not be the last time we debate this issue. Earlier, when the Hon. John Ryan was making his worthwhile contribution, the Minister said he had already made that point. Debate on this legislation is similar to debate on the workers compensation legislation. We have been told about a second wave of reform that will be introduced some time in the never-never.

Honourable members might remember that the Government promised that the third tranche of workers compensation reforms would be presented to this Parliament during the spring session. We are now being told that the third tranche of reforms includes the concept of scheme design, but we do not know exactly what that means. I have a fair idea that it means a restructure of WorkCover, but we will not see those reforms until after the next State election. The Government is saying that it will revisit this issue after the next State election. If this Government continues to operate in that way, a Coalition government will have responsibility for addressing the scheme's design. The present Minister, who will then be in opposition, will wonder why he did not address this issue. A Coalition government will rectify the mistakes that this Minister has made and continues to make across a broad spectrum.

I intend in my speech to touch on a couple of issues. However, I will keep my contribution as short as possible. The Hon. John Ryan raised some interesting points. A matter I found quite interesting, not only in his contribution but in the general debate now permeating the community, is the reference to anomalies in personal injury legislation. What are the thresholds in New South Wales? The motor accidents legislation—again, the Minister's legislation; he has a lot sitting on his head—specifies a 10 per cent threshold. Workers compensation legislation specifies a threshold of 15 per cent. Medical negligence legislation specifies a threshold of 15 per cent. For public liability insurance the proposal is 15 per cent, with a sliding scale applying under 15 per cent.

I highlight the example of a Central Coast mother who drives her husband to the railway station each morning. The husband is on his way to work, the wife is driving the car, there are a couple of kids in the rear seat of the car, and along the way another motorist drives his vehicle through a stop sign and wipes out the family's car. If the husband and wife receive exactly the same injuries, the wife is dealt with under the motor accidents legislation. Under this Government's legislation, the wife is dealt with differently at law.

The Hon. John Della Bosca: It's been like that for 68 years.

The Hon. MICHAEL GALLACHER: The Minister says it has been like that for 68 years. That is the point, Minister. There comes a time when one has to concede that a policy has been in place for so long that it is

simply not working and it is no longer fair. The reason we are in our present predicament with a broad spectrum of insurance in this State is that this approach has been in place for such a long time. The Minister says, "It has been in for 68 years, and therefore it must be right." But the time has come to look seriously at a broad range of issues across various forms of insurance.

In the classic example I have cited, the wife is dealt with under motor accidents legislation—different legislation from that which applies to the husband. The children might even decide to sue the car manufacturer because of some fault identified in the vehicle as a result of which the children were not adequately protected. Of course, they would still have access to motor accidents legislation compensation if they are injured. However, the situation becomes more and more difficult because of the distinction between the various claims. The Government speaks about simplifying the law, but it continues to push thresholds that are inconsistent and allow clear distinctions between forms of insurance. The Minister throws his hands in the air and says, "Look, it has been in place for 68 years. Really, it is a bit too difficult for us; we can't do anything with it." The fact is that there is something wrong, and the Minister knows there is something wrong, but the Government is not prepared to tackle the issue.

What caps have been applied for these forms of insurance? Motor accidents legislation was indexed from 1999 at $284,000. Workers compensation claims were capped at $50,000 for pain and suffering. Medical negligence claims were capped at $350,000. For public liability, the proposal is also $350,000. Once again, there are discrepancies in relation to the caps that are applicable. What path is available to applicants who want to take their matters to court? For motor accidents, they are off to the Assessment Resolution Service. For workers compensation, they are off to the new Workers Compensation Commission. For medical negligence and public liability, they still go to court. By the Minister's admission, he does not want to address the issue. He says, "It has been in place for 68 years; there is nothing we can do about it." But these are fundamental inconsistencies in the system that the Government is failing to address. Not only is the Government, by this legislation, creating two classes of injured individuals in New South Wales; it is further compounding the inconsistencies that exist between the various forms of insurance.

The other place has heard debate about actuarial advice given to the Government with regard to the steps that are available to it. In this Chamber the Minister spoke at length about actuarial advice has received in relation to workers compensation. Again there is a similarity between the messages we are getting from the Government on workers compensation and public liability insurance. Whether the fact is that the Government is threatening to declare all-out war against us if we do not let the legislation go through holus-bolus, or that it is simply not prepared to address some of the problems that have been referred to—with the attitude "It has been in place for 68 years and it is all too tough for us"—the constant theme is, "We will bring it back next year with the second tranche of reform."

We have heard a lot about actuaries and the contribution they have made. Earlier today the Minister spoke about the savings in workers compensation. A lot of this is based on the same actuarial advice around which the public liability debate, both inside this place and in the wider community, has developed over the past couple of months. On 7 January the Minister proudly proclaimed using the actuarial advice—when it was available to him—claiming that there will be a $1.3 billion saving in workers compensation—such a significant saving on workers compensation that it was really quite sobering. People were saying, "A $1.3 billion saving as a result of all the reforms that went through this Parliament? Perhaps Della got it right." The media were reporting, "Maybe this guy has made the right decision." But today we were told that it was not quite $1.3 billion, it was $200 million—a miscalculation of a mere $1.1 billion!

Again referring to actuarial advice, this afternoon during question time the Minister said that if the scheme had continued without the reforms, there would have been a further blow-out of $757 million. But if the Minister goes back to the advice he proudly presented to the committee in October 2001 in relation to the reforms, his own actuaries—the very people who provided him with the information about the effect of the reforms on public liability—gave him information in relation to the projected scheme deficit in workers compensation, between June 2001 and June 2002, of a further $460 million. But today we have heard that that deterioration is now about $750 million—far in excess of the figure provided by the Minister, the general purpose standing committee on workers compensation relating to the projected financial impact of the scheme had the Minister's reforms not gone through.

Earlier the Minister said, "You can trust the Premier." Whom do we trust? Do we trust the actuary, who is prepared to put pen to paper and say that in June 2002 the difference between 2001 and 2002 would be a further deterioration of $460 million? The Minister tells us that in March this year it was in fact $750 million in

addition to the June 2001 figure. Someone has got it wrong. Is it the Minister? Is it whoever is advising the Minister who has got it so grossly wrong? Or is it the actuary who has got it wrong? I might add that once the actuary started divulging to the committee some rather interesting views in relation to workers compensation he found himself sacked. This actuary has been taken out and shot, so to speak, and we are not going to hear from him again. Some significant questions are hanging over not only the Government's head but also the Minister's head about how they act upon the advice they are given by actuaries concerning their management of the various schemes for which they are responsible. We must not lose sight of the fact that workers compensation continues to be a huge issue for the Government. Nor are we on this side of the Chamber convinced that the Government has any understanding of what needs to be done with regard to public liability insurance.

The view of the Opposition is that if this bill is passed, no distinction should be made between injured persons in New South Wales. It should not be possible for someone to sue the Government and be given an open chequebook, yet not be able to sue an insurance company. That is not a fair playing field. There was a time in New South Wales when the Australian Labor Party fought for ordinary people. Unfortunately, this Australian Labor Party Government has lost its way. Going by what I am hearing from centres such as Wollongong and Newcastle, Labor's traditional voter base is leaving in droves.

The Hon. Ian Cohen: They are going to the Greens.

The Hon. MICHAEL GALLACHER: They are turning from red to green, are they? If the Government opposes the amendment that will be proposed by the Hon. John Ryan on behalf of the Opposition, it will be digging an even deeper grave for itself.

The Hon. IAN COHEN [9.10 p.m.]: The Civil Liability Bill has been introduced because of the crisis in public liability insurance premiums, which have increased substantially over the past year. Some sectors of the community, such as not-for-profit organisations, community groups and adventure tourism operators, have been particularly hard hit. The impact of the increased premiums has seen some operations close down, while others have been forced to absorb the costs, causing them considerable financial hardship. While insurance for many organisations and businesses operating in these sectors has been largely unaffordable, some have found it impossible to secure insurance cover at any price. It has been reported that in some sectors there have been premium rises of up to 400 per cent and higher. The Combined Pensioners Association has reported premium increases of 1,000 per cent.

What sorts of services and events have been impacted upon? Tumbarumba Shire Council cancelled the Tooma Gymkhana, which has been held over Easter for the past 50 years, because premiums increased from $1,600 to $10,000. The event was to have raised funds for the Tooma local hall, which needs a new fence, costing about $3,000, to enable it to continue as a temporary child care centre. Other events cancelled include the Lake Illawarra water-ski championship and the Bombala local growers market. Last year, Oakvale Farm near Port Stephens was forced to stop offering $2 pony rides after its premiums rose from $7,500 to $20,000. In Dubbo the Victoria Park concert and fete was cancelled, as was the Man From Snowy River Mountain Muster, which has been held since 1987. The event was scrapped this year because rider insurance would have cost organisers more than $8,000. Last year the premium was less than $3,000. In Mudgee the Christmas fair and carols by candlelight concert were cancelled, and in Diamond Bay commercial abseiling operations were cancelled. These are a fraction of the events that have recently been cancelled, and a number of events, services and operations are currently under threat.

There is disagreement about what is responsible for the increase in premiums. The Greens believe that further investigation of this important issue should be undertaken before proceeding with this bill. It is pointless targeting one sector of the public liability industry without targeting the other. The bill seeks to reduce injured persons' rights and to make it more difficult for lawyers to get a fair deal for their injured clients in court. The Australian Plaintiff Lawyers Association [APLA] in a sophisticated submission to the national Ministerial Summit into Public Liability Insurance argues that the causes of the increases are the result of market forces, in particular a lack of regulation in the Australian insurance market, aggressive competition between domestic insurers in the 1990s, the collapse of HIH industry mergers, a renewed focus on profitability by the insurance industry, increases in reinsurance costs, changes in the international risk environment since September 11, a decline in investment earnings, the cyclical nature of insurance profitability and premiums, new capital adequacy requirements, and the impact of taxes and levies. According to the APLA:

> Major disruption occurred in the Australian and international insurance market in 2000/1. The Australian Prudential Regulation Authority (APRA), the body responsible for prudential regulation of the Australian insurance industry since 1998, claims that it inherited "flawed and outdated" systems for supervision and regulation of the general insurance industry.

> This relaxed regulatory environment permitted insurers in the HIH group to compete irresponsibly with very low premiums and inadequate prudential reserves.
>
> The Australian insurance market was aggressively competitive throughout the late 1990s. That competition forced other insurers to lower their own premiums to unsustainable levels and contributed to the magnitude of the eventual HIH collapse.

This is not denied by the insurance industry. In fact, an actuarial analysis commissioned by the Insurance Council of Australia found the public liability insurance industry has been running at a loss for a decade. The report specified:

> The industry actually made a loss of 3 per cent over the last 10 years.

The APLA argues that this situation is about to change. In a position paper it argues:

> Towards the end of 1999 premiums started to increase. In 2000 they had gone up by about 15-20%. The upward trend in premiums has continued in 2001, and will likely continue into 2002...
>
> At present, insurers are moving out of the lower end of the cycle. When the economy improves they will, for a while, make very high profits before again entering into the downward phases of profitability.

The association argues that insurance company profitability is a cyclical phenomenon, just as in every other sector of the economy. Cumpston Sarjeant Pty Ltd, consulting actuaries, were asked by APLA to comment on the long-term trends in public liability premiums, claims and profits. In summary, that firm observed that premiums have dropped from about 0.20 per cent of gross domestic product [GDP] in 1987-88 to about 0. 15 per cent in 2000-01; claim payments have grown long term as a proportion of gross domestic product, increasing in the past 12 years about 5 per cent per annum faster than GDP; insurer profits averaged about 18 per cent over the 20 years to 1996-97; and the substantial losses in the four years to 2000-01 may reflect a more pessimistic view of outstanding claims, as well as premium-cutting by HIH. Other projections suggest that insurers will suffer a loss of about 4 per cent in 2001-02, and make a profit of about 17 per cent in 2002-03, without any changes to legislation. One wonders who we are trying to protect. APLA argues that because of the collapse of HIH remaining insurers in the market have been able to pick and choose their customers while at the same time increase premiums, similar to the way that Qantas has been able to increase its market share since Ansett collapsed.

Of significance in this debate is the role of reinsurers. Since September 11, foreign reinsurers have been reassessing their role in overseas markets such as Australia. Many reinsurers are pulling out, leading to a contraction in the reinsurance market, less competition and increased reinsurance costs. On top of all this is the world economic outlook. Interest rates are at their lowest for decades. This provides poor investment return for insurance companies. The Greens are concerned that the bill will not fix the crisis. It can be seen that the real reason for premium increases are market forces—that is, the lack of competition, previous underpricing of premium rates, mismanagement and poor underwriting of risk, reinsurance costs globally and a decrease in earnings by insurers' funds management arms. The bill does not force the insurance industry to lower premiums. In fact, it targets the insurance industry very little.

This Government is the only government on the eastern seaboard not to identify that the insurance industry and international events—not lawyers or their clients—are largely to blame for the crisis. A key component of the Federal Government's plan to fix the crisis in public liability insurance drawn up at the national Ministerial Summit into Public Liability Insurance has been attacked quite rightly by the Victorian Attorney General, Mr Hulls, and his Queensland counterpart, Rob Welford. This was reported in the *Australian Financial Review* on 4 April. The Attorneys General recognised that the limits on the right to sue over accidents might be a way of boosting profits for insurance companies. Rob Welford claims that the debate over public liability insurance has been skewed to focus on legal systems instead of any shortcomings by insurers. Mr Welford and Mr Hulls argue that broad-based tort reform should not occur until insurance companies "open their books" and provide more information about the real causes of the blowout in public liability insurance premiums. Mr Hulls told the *Australian Financial Review* on 4 April that insurance companies had produced no evidence to show a connection between increased premiums and increased court payouts. He said:

> They seem to want to line their pockets with premiums while pick-pocketing the rights of ordinary Australians.

He said also that insurance companies had used public relations firms to run an extraordinary media campaign aimed at taking away the rights of ordinary Australians. He went on to say:

> Insurance companies cannot be allowed to trample over people's rights simply because they want to prop up their bottom line.

Why does the Government not demand from the insurance industry answers to similar questions? There has been no questioning whatsoever of the insurance industry position. Mr Carr even said publicly to the *Sydney Morning Herald* on 17 May, and repeated in his second reading speech to the bill on 28 May, that there is no guarantee that the bill will lower insurance premiums. An actuarial report by Cumpston Sarjeant Pty Ltd, commissioned by the Law Council of Australia and APLA, analysed long-term trends in public liability premiums, claims and profits. The report said that the State's insurers will be back in the black by the end of the year and averaging profits of 17 per cent within 12 months.

Insurer profits averaged about 18 per cent over the 20 years to 1996-97 but had incurred substantial losses in the four years before 2000-01. These figures do not take into account any changes to the law which, if the retrospectivity clauses in the bill are passed, will deliver to the insurance industry a windfall of $100 million to $150 million in six weeks. The Insurance Council, in a meeting with crossbenchers, could give no exact indication of how much it expected premiums to decrease, but it floated figures of 10 per cent to 12 per cent. This is backed up by the PricewaterhouseCoopers actuarial advice provided to the Government and quoted in the Premier's speech. The Premier said:

> While there might be variations between insurers and particular policies or classes of risk, this report shows that premiums should fall by some 12 per cent.

When one considers that some organisations are facing increases of many hundreds of percentage points for premiums, 10 per cent to 12 per cent will still be totally unaffordable. The bill will significantly reduce the rights and benefits for injured people. In particular, the bill will limit the costs recoverable by plaintiffs' and defendants' lawyers in claims below $100,000 to $10,000, or 20 per cent, whichever is the greater. We have had many submissions on this and other aspects of the bill. T. D. Kelly and Company, Solicitors, points out the practical effect of this clause. In a letter it stated:

> In short, the costs provisions of the Bill will effectively annihilate the prospects of existing and future litigants in personal injury cases from obtaining or retaining legal representation in respect of their cases, other than in matters which are relatively straight-forward on the issue of liability and which are likely to result in an award of at least $100,000.
>
> As only a small minority of personal injury cases are within that category, the prejudice which may be suffered by claimants can be expected to be very severe. For all practical purposes, the costs provisions will deny the overwhelming majority of claimants the ability to enforce their rights in court.
>
> Included in that disadvantaged group will be young children who have suffered gross disabilities as a result of cerebral injury arising from alleged medical negligence. Few cases in that category are clear cut winners on the issue of liability, and the risk of a financially ruinous costs order being made against a claimant's lawyers will be a potent deterrent to taking on, or continuing to act, in such cases.

On the abolition of exemplary, punitive or aggravated damages, the letter stated:

> In fact in Australia such awards are rare and where they occur are relatively minuscule.
>
> The effect on premiums of the removal of the power to make such awards will be zero; all that will be achieved is that removal of a deterrent … to reckless conduct.
>
> Such awards are presently confined to wilful or deliberately reckless or malicious conduct, such as the mining of blue asbestos or intentional assaults (and probably sometime in the future, the trafficking in tobacco products).

The Greens are extremely concerned that important public interest cases in which exemplary, punitive or aggravated damages are awarded, and which in turn have led to a complete overhaul of organisational or industry practice, will no longer be accepted. We are concerned that people's safety will be compromised because of falling safety standards. Once the threat of large payouts is removed through the imposition of exemplary, punitive or aggravated damages, together with a cap on non-economic loss, it is likely that industries will reduce best and safe industry practice. The T. D. Kelly letter concludes:

> There is one aspect of the present problems of public liability insurance that appears to have been wholly overlooked or at least unaddressed in the current debate.
>
> The present problems about premiums are in large part due to a lack of competition within the insurance industry (including the lack of any competition from a State insurance office) that has been exacerbated by the HIH collapse.
>
> The GIO it will be recalled was originally founded in the 1920s to prevent such a situation developing in workers compensation insurance.
>
> Public liability insurance is in its way just as socially important as workers compensation insurance.
>
> The ability of the State to ensure the supply of such insurance cover at proper rates to citizens of NSW was lost with the privatisation of the GIO. It could be regained by the creation of a new State Insurance Office.

The direction governments have taken with this type of public liability is an absolute tragedy and travesty. At this stage we should be looking seriously at the reinstatement of a State-based, government-run insurance industry.

The Hon. John Della Bosca: The Greens are socialists.

The Hon. IAN COHEN: I am a little shocked by the Minister's comment. He is sitting in the Chamber smiling about an issue like the loss of the Government Insurance Office and its value to the community.

The Hon. Duncan Gay: He is the same bloke who is selling the coalmines.

The Hon. IAN COHEN: Indeed. Regardless of the political complexion, it seems that the major parties cannot quite agree on something of such major benefit to the people of New South Wales as a government insurance office. The Greens are particularly concerned about the retrospectivity aspects of the bill. Backdating the provisions will save no premiums because the premiums have already been collected. The retrospectivity simply represents a massive transfer of funds from existing accident victims to private insurers. Backdating is grossly unfair to people who have held back from seeing a lawyer while they tried to recover or stabilise their injuries, or for those engaged in negotiations before they sue.

Additionally, some individuals whose claims have not been lodged because of the court's pre-trial procedures and those who have commenced action relying on the existing law will be particularly affected. As mentioned before, it is estimated that retrospectivity will provide a $100 million to $150 million windfall to insurance companies, based on figures released by consulting actuaries Cumpston Sarjeant Pty Ltd. The bill is designed to discourage tort actions when the injury is at the lower end of the injury scale. These individuals would normally be entitled to smaller awards of damages. This will mean that for individuals without private health insurance their medical expenses and care costs will be borne by the public system through Medicare and the public health system, rather than be paid for by the private sector through the tort and damages system. A Coalition for the Injured has been set up as a response to this bill. The coalition covers a wide section of the community. I shall read onto the record a few quotes from coalition members. Catherine Waolthuizen, the Finance Policy Officer at the Australian Consumers Association [ACA], said:

> With a stroke of a pen, Bob Carr is threatening to do away with fundamental civil rights and protections consumers have spent decades fighting for.

In a letter to my office dated 3 June the ACA said:

> It is the strong view of the ACA that this legislation will severely undermine the legal rights and protections of consumers in the name of reducing insurance premiums, with little evidence this outcome will be achieved.
>
> As currently drafted the … bill … risks trading consumers' access to justice and compensation in the event of loss or injury to protect the insurance industry's short-term profitability. The public liability insurance "crisis" is more a function of increased compliance costs following new post-HIH prudential requirements, the sharp decrease in competition in the Australian insurance industry, and the post-September 11 drop in investment returns, which had supported artificially low premiums over the past decades.
>
> The insurance industry has been unable to adduce evidence to show current tort protections have led to increased premiums, nor that the proposed reforms will lead to lower premiums.

Another member of the Coalition for the Injured, the President of the New South Wales Council for Civil Liberties, Cameron Murphy, said:

> Insurance company profits should bear the costs of injuries, not victims and their right to fair compensation. Limitations on victims' rights will not halt premium increases, it will only serve to increase insurance company profits at the expense of fair compensation for those injured.

Morrie Mifsud, Acting State President, Combined Pensioners and Superannuants Association of New South Wales, stated:

> We faced a public liability insurance increase of 1,000 per cent. We were told that our activities, such as holding meetings and playing bingo, are too risky! In New South Wales we would not have this current crisis if the Government Insurance Office had not been privatised. We believe the Federal Government should establish a government insurance scheme or, at the very least, underwrite the insurance for charities and community groups. Answers must be found, but they must not diminish the rights of injured people, especially seniors who are more at risk of injury, to receive the compensation they are entitled to.

There is no evidence that this bill will lower premiums or stop the current crisis. The Greens want to further investigate other solutions to this crisis. The problem with this bill is that it significantly curtails the rights of

injured people and halts important public interest cases in their tracks. The Greens want a system that supports and looks after the injured in the best possible way, a system that meets their physical and psychiatric-psychological needs as much as possible. The Greens do not favour a system that gives advantage to some sections of society over others or some individuals over others. We prefer systems that adequately look after the injured regardless of how their injury occurred. The Greens want a State or Federal—preferably Federal—inquiry into public liability. The inquiry may want to investigate no-fault options, such as occur in New Zealand, Denmark, Sweden and Finland.

New Zealand has a national no-fault accident compensation scheme which insures all citizens on a no-fault basis for all non-work related injury. In New Zealand benefits available to injured people include weekly compensation of 80 per cent of previous earnings, an independence allowance, cover for medical costs and rehabilitation assistance. The benefits available in fatal claims include surviving spouse weekly compensation and compensation for each child under 18, or 21 if they are studying. Other payments include a survivor's grant and a funeral grant. The scheme is funded from premiums paid by motorists, employers and earners. The New Zealand Government also makes a contribution for injuries that cannot be attributed to the above categories—for example, non-earners. As the scheme has replaced workers compensation and the common law action for damages, employers, motorists and others no longer have to take out insurance against being sued in court for damages and personal injury. Thus, in effect, the scheme is mainly funded by transferring the insurance premiums that were previously being paid to various insurance companies into one central organisation, the Accident Compensation Corporation. I would like to hear the Minister's comments on that scheme as it would relate to the circumstances in New South Wales. That model seems to have worked overseas.

The Greens recognise problems with the New Zealand model. For example, the scheme has a large unfunded liability and issues have been raised about reduction in safety and increases in negligence. In other words, it is argued that the abolition of tort law may lead to an increase in negligence, a lower standard of care and an increase in accidents. However, despite these two major criticisms, the Greens want the further investigation of a no-fault scheme as it could well be better than our current system. A number of positive initiatives occurring in the community to reduce public liability premiums have been made public over the past few months. For instance, for the past 13 years New South Wales Meals on Wheels has been bulk purchasing insurance for the community sector through its Community Sector Insurance Program. It has been successful in purchasing insurance at competitive premium rates and ensuring that the community sector has the appropriate policy coverage. It currently directs the insurance of more than 600 community groups, and it is in the process of developing separate insurance pools for uncovered arts, youth and senior citizens groups.

According to Linda Morris of the *Sydney Morning Herald*, bulk insurance agreements aim to spread risks and costs among not-for-profit community groups by using their enhanced buying power to minimise, where possible, premium increases and widen policy cover. In the wake of the HIH collapse and September 11, Meals on Wheels has managed to negotiate insurance increases of 15 per cent over 16 months in a sector where premium rises of 300 per cent have not been uncommon. It is amazing that once again the community sector comes to the rescue of people. Organisations such as that and the community in general have suffered so much from the extravagances and the collapse of HIH and the unfortunate circumstances of September 11. However, one wonders how and why the insurance industry in New South Wales gets away with it so easily.

The Council of Social Service of New South Wales [NCOSS] has just been allocated a $220,000 grant to set up another insurance pool scheme. According to Alan Kirkland, the Director of NCOSS, "the potential market is easily 5,000" organisations. The challenge will be to ensure that refuges, hostels for the homeless, drug and alcohol rehabilitation centres, HIV-AIDS services and those dealing with sexual assault victims are able to get affordable insurance coverage as well. Currently these kinds of organisations are finding it extremely difficult to buy affordable insurance and some sectors are being refused entirely. Government underwriting of certain sectors is also worthy of consideration. A number of governments across Australia have offered their support to provide affordable public liability insurance to certain community groups whose contribution to the community is of particular importance. For example, the Western Australian Government has offered to underwrite blue light discos and the Queensland Government has extended its insurance fund to cover State school parents and citizens groups.

In conclusion, the Greens believe that this bill will not solve the crisis. It will not reduce premiums or force insurance companies to insure sectors of the community it is currently refusing to insure. Past experience of tort law reform in other jurisdictions has found that by itself it will not reduce premiums. An American study into tort law reform, which analysed data from every State in the United States of America between 1985 and 1989, showed no difference in premiums between States with little or no tort law restrictions and those with

medium or very high restrictions. The report concluded, "tort law limits enacted since the liability insurance crisis of the mid-1980s have not lowered insurance rates in the ensuing years". The bill will, however, significantly reduce the rights and benefits of injured persons and increase the profits of insurance companies. It is an indictment on any government or organisation that will support reform in this direction and ignore the desperate financial and social needs of the community. Every aspect of community and public entertainment has been impacted upon by recent events and the absolute greed of the insurance industry, supported by the Government in these circumstances.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS [9.37 p.m.]: I will speak strongly against this bill. It is the third in a godless trilogy of bills introduced by the Tory Carr Government—the best conservative government New South Wales has ever had! The victims of work accidents and motor vehicles accidents have had their rights sacrificed on the altar of insurance companies and as a result of general mismanagement, as I have said before. The Opposition criticises the Government, but it voted with the Government on both the motor vehicle accidents and workers compensation legislation.

The Hon. John Della Bosca: No, they didn't, they voted against them.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Was it only on workers compensation? The Opposition will vote for this one, too. The Opposition criticises the Government but it votes with the Government on major issues more often than the Australian Democrats. Sometimes the Government and the Opposition vote together and the House does not even divide. The Opposition is on the side of the Government more often than it is on the side of the crossbench.

The Hon. Charlie Lynn: You only come over here to get your voting average up.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: I do not vote tactically. Each of my votes relates to the issue.

The Hon. Patricia Forsythe: Name them!

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: I vote on every issue. I cannot name every issue. Name any issue and I will answer that I voted 100 per cent the correct way on it.

The Hon. Patricia Forsythe: Tell me about your friends on the crossbench.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Some of them are not in my party, which is their error but I do not hold it against them. Members of the Opposition are busy heckling. They criticise this bill but they will probably vote for it anyway. What can they say? They have no credibility. The Coalition is worried because the Government is more conservative than it.

If one asks the wrong question, one gets the wrong answer. The Government asked how to fix and lower insurance premiums. The simplistic answer seems to have been to cut the payouts to see whether premiums will come down. But today we could not get the Insurance Council to commit to any sort of premium level. It is difficult to believe that the Insurance Council could not use its data to model a change in payouts or a change in circumstances to come up with some ballpark figure. The council said, "It's 12 per cent or 10 per cent, but we can't commit to any per cent." The Government has asked, "How do we fix insurance premiums?" Insurers have come up with their usual callous—and, I believe, thoughtless—solution. The question that should have been asked is, "How do we balance risk and benefit to society in a cost-effective way?" But they were not asked that question. The Government basically asked, "How do we fix insurance premiums?" It has gone ahead to fix insurance premiums without, I believe, thinking the issues through in any comprehensive fashion.

If we are to solve problems in society, a number of possible questions may be considered. We could ask, for example, "What are the consequences of people being injured or not having a job?" We can either use charities, who use well-intentioned people with nobless oblige, who knock on doors on Sundays to collect money to run soup kitchens all week. That is the charity method of solving social problems. Or we can have the bureaucratic way, through something such as Centrelink, whereby people who do not have jobs or who are socially disadvantaged go through a bureaucratic procedure and get paid. Or we can have the tort method. Honourable members were given some statistical information today by the Insurance Council of Australia in the form of pie charts. I asked for the figures, but the council did not give me figures. From the pie charts of personal injury cases, about 35 per cent of the quantum value of those cases was taken up in legal costs. That

means, generally, plaintiffs' costs and defendants' costs. I do not know whether court costs were included, but I presume they were external to the pie chart. They should have been included in the pie chart. Tort law is a 35 per cent overhead of delivering the benefits.

It is interesting to look at other types of benefits. I do not know off the top of my head what proportion of the welfare budget is apportioned to run Centrelink, but I believe that the cost of running Medicare is about 4 per cent of the amount of money it pays out, so that about 96 per cent of the budget of Medicare goes to those who are being paid to look after the sick. In the case of tort law, 35 per cent goes in legal costs, we do not count the costs of the courts, and the payout figure is less than 65 per cent of the pool. That is a very inefficient way of delivering a social benefit. Compare Medicare to United States health funds, which have administrative costs of up to 22 per cent. Clearly, it is more cost effective for them to work out how not to pay people's bills than to reduce administrative costs. The question is: How much of each social welfare dollar is spent in the administrative cost of working out who is to get the money? One would have to conclude that tort law is quite an inefficient way of delivering a social benefit.

How would it be if the tort law system were used to dole out money for unemployment benefits? Imagine the shambles. Imagine how much money some would get and how little others would get. The Government should not be looking at how it can use tort law to cut insurance premiums. It should be asking itself, "How do we balance risk and benefit in a way that is cost effective for society?" The Government has not taken a leadership role. It has not thought the problem through. It has come up with a shoot from the hip answer. Presumably it has brought on this debate on the night of the delivery of the budget so that the bill will get little media coverage and there will be little time to pay attention to options.

There is an extraordinary arbitrariness on personal injury. Some years ago I was cleaning out my gutters. I nearly fell from the roof. I hung onto the gutter for a while before I managed to get my feet back on the ladder. I thought, "That was a close thing!" What would have happened if I had become a quadriplegic? The young fellow who dived into the water at Bondi and was recently awarded $3.7 million has not, I am told, set a precedent because that award was in large part due to inept legal work on the part of the defendants, who thought they could not lose. Many people injured in motor vehicle accidents get quite a lot of money, while those who fall from a ladder at home get nothing. People injured at work in certain circumstances get big payouts, but those injured in certain other circumstances get nothing. In relation to social justice and cost per unit of human welfare, there is great arbitrariness.

The New South Wales Government, which presumably takes great pride in being a government of equity—which I frankly think is a vain bleat—should think of these issues in the bigger social context. But it has not. It has tried to solve the insurance premium problem, and as a consequence has devised a system that is grossly unfair and that will create an immense number of problems. I will touch briefly on those before I conclude my speech. In seeking a solution on how to deal with this issue, I wrote to Parliamentary Counsel and said:

> I am trying to organise a fairly major series of amendments to the Civil Liability Bill, which is conceptually flawed.
>
> In short, I want to consider alternative options to tort law as a way of controlling risk in society. What is needed is to balance the risks and benefits of facilities and services in society. This could involve an enforceable inspection and certification mechanism for professions, public buildings and facilities, and entertainment venues. This should be backed up with an education and some sort of punishment system for those who do not behave in a competent and ethical manner. Once these criteria are met, then there should be limitations on the ability to sue, but exemptions for extreme cases.

In that letter I spoke about a number of quality control systems modelled on professions. For example, medical quality control requires a medical board to control registration, a medical investigation tribunal to investigate mishaps, and a disciplinary tribunal based on the findings of the investigation tribunal. The Health Care Complaints Commission would be a consumer advocate with input to the process. This was a model for finding negligence and discussing things, probably on the principle of what a reasonable person would do, rather than perfection. I think that lowers the bar somewhat, but at least it is lowered equally across the board for those who are injured.

This model may work for other professions, such as law and engineering, under which somebody applies the reasonableness test. It is not perfect, but it means that people take the risk and some of the arbitrariness is taken out of the process. Premiums will come down because someone is testing whether people acted reasonably in the opinion of the profession. Of course, those in the profession accused of being less than competent will come before their peers in the profession, be immediately identified and be involved in the process, which hopefully will result in a feedback loop of quality control.

Another example of a model that would work relates to the building industry, which needs a more credible certification and inspection system. As we know, since privatisation of the inspection system a large number of buildings simply cannot be certified as fit for human habitation, or cannot meet fire regulations or other necessary standards. Phoenix companies would have to be stopped as part of that regulatory system, and there would need to be permanent or long-term deregistration of bad builders. The feedback loop is missing in that profession. Of course, as we have seen, insurers in that area also have great problems—problems that I believe are due to the lack of a credible regulatory system.

Councils and buildings use standards and regulations, and they need to have limitations if the arbitrariness of the tort system is to be countered and facilities are to be raised to a defined and appropriate standard. Some of the money that might otherwise go to lawyers could be put towards maintaining the standards of buildings and facilities per medium of a credible inspection system. That money will result in less accidents. Make no mistake: prevention—which the Government has a congenital inability to understand—is extremely important in a large number of aspects of our life. I talk about the budget and how inept the Government has been in the preventative area. This Government does not think about prevention at all.

Amusement parks and adventure sports are a difficult area. They may involve a higher degree of consumer responsibility. But, again, there are appropriate standards, and there should be an inspection, regulatory and even disciplinary model in that area. This is a better way of resourcing society than by simply saying that we have our tort law, everybody is frightened, and we will basically change our practices in response to that fear in a far less controlled and inspected way.

The Government should introduce a number of quality control mechanisms divided into professions or, shall I say, areas. I suggest four areas with which to commence: medical and the professions, building industry, council and building industry regulation, amusement parks and adventure sports. A procedure for the assessment of injuries and long-term impairment is also needed so it does not become a huge matter of legal wrangling. The model reforms I suggest were first mooted for the Motor Accidents Compensation Bill a couple of years ago. Instead of having two teams of doctors arguing in court, three steps were suggested: first, assessment of the injury; second, based on the assessment, an assessment of the disability and potential rehabilitation; and, third, assessment of economic loss. A formula exists which is not derived from the arbitrary American Medical Association guidelines but is, rather, a realistic examination of a person's injury.

I believe there should be some degree of rights of appeal in tort and some room for litigation in tort, but that would apply to cases that are in a somewhat restricted category. Obviously if malice is involved that would make a difference, and I will deal in more detail with that point later. Known high-risk hazards, such as tobacco and asbestos, must not get an exemption under the law. Well-documented cases show that industry has been cavalier in subjecting people to risks and has shown no concern for the effect that marketing will have. Those industries should not be given an exemption because the Government is frightened of increased insurance premiums. The Government should not adopt the attitude, "Oops! We took huge causes of action away from people because we were busy lowering insurance premiums and did not really notice."

When I pursued my suggestions—in a form slightly briefer than the one I am currently engaged in—Parliamentary Counsel said to me: "That is six months work, you know, even if it is within the leave of the bill, and you have got four hours of drafting time left, mate. Not a hope!" I did not give myself much hope because I recognised what a huge task it was, but the longest journey begins with the smallest step. I believe that the New South Wales Government and the Federal Government have totally abdicated their responsibilities of examining these problems on behalf of society. The role of governments is to lead. I have often been criticised by the New South Wales Government, which claims that I criticise without offering alternative suggestions, and on this occasion I have offered alternatives. It is the responsibility of government to provide leadership and if this Government wants to lead—and currently it is pretending to lead by offering this cowboy bill—it must grasp the nettle of society's problems and solve them. That is how politicians and Parliament get respect in the community.

The Government should recognise society's problems, discuss them in an open and clear way, and come up with workable and just solutions. That is what government is all about and that is what the New South Wales Labor Government should be doing but is not doing. The Government gets pushed around by lobby groups, yields to the lobby groups and wreaks vengeance upon society as a whole through legislation of the type that is currently before the House. During this debate there has been mention of the no-fault scheme in New Zealand, which is known as the Accident Compensation Commission [ACC]. I worked in New Zealand as a doctor for some time. New Zealand does not have an equivalent to the Medicare system. If a person suffers a work-related accident his or her medical bills are paid by the ACC. It does not pay his or her bills if the accident is not work related.

The doctor for whom I was working in a relatively poor timber town on the South Island of New Zealand told me that the best way to get the money out of the ACC was to give a long name to the diagnosis so that the commission would not understand it. She suggested that I should call the condition something complicated. The scheme in one sense replaced a scheme that was similar to Medicare. It must be recognised that universal insurance effectively becomes arbitrary in a welfare scheme, and that is the problem with universal welfare. It is far better to have good preventive systems that are feeding back and delivering a maximum amount of benefit for the amount of money that is invested. The proposition that people's lives can be replaced by a dollop of money after they have suffered major injuries must be recognised as untrue, except for very few cases. Generally speaking, that is not what has happened across the board.

The insurance lobby seems to have been able to convince the Government that the whole scheme should be backdated and made retrospective on the pretext of preventing a flood of litigation. That is hardly the reality—people are not going to purposely injure themselves to get a better financial deal. The bill should be enacted from the date of its proclamation in line with the convention of dealing with bills. The Premier threatened to sideline this House with a joint sitting. The only State in Australia that does not have an upper House is Queensland. At one stage Queensland had a Premier—if that is the correct term—who had all the power with 28 per cent of the vote, yet was happy to term that a democracy. In this State we have a draconian Government which, with its policy in relation to prisons and law and order, is beginning to rival Joh Bjelke-Petersen's Government. In this House the Government has 37 per cent of the vote, yet it swaggers about saying that it wants 100 per cent of the power and does not want the upper House to obstruct it. Sadly, the Opposition will probably roll over and will not control the Government either. I suppose that remains to be seen, but if I were a gambling man I would say that Opposition members will roll over, despite their heckling.

At present the Queensland Government seems to be engaging in a consultation process. I believe that the Federal Government and this Government should also undertake a consultation program. Apparently the bill before the House was precipitated by a large increase in insurance premiums, particularly for public liability insurance. Throughout the country a number of sporting and cultural events have been cancelled because of huge public liability insurance premiums being demanded by insurance companies. One of the reasons proffered was the events of September 11, when insurance costs frightened people in Zurich. The terrorist bombings in America made insurers realise that they do not know what the insurance costs are. Premium costs are very high and insurers in Australia are responding accordingly. Other reasons given are that there have been large damages payouts by courts and lawyers, and that HIH artificially lowered the cost of premiums for some years thus sending the whole industry into a period of relative loss. Nevertheless, if those reasons reflect market forces, why should this Parliament pick up the losses? When insurers make profits, the Parliament and the people of New South Wales do not pick up those profits.

This is a long-term cyclical industry. Its bad periods have to be accepted in much the same way as farmers accept bad times, without this Parliament legislating to destroy other people's rights to address what is, in essence, a short-term problem. The bill contains a number of elements that reduce the ability of an injured person to claim compensation and achieve the appropriate level of compensation. The elements are a cap on the amount of general damages of $350,000, a 15 per cent threshold below which there will be no award of general damages, and a cap on claims for economic loss of three times the average weekly earnings. That is interesting because the Insurance Council of Australia commented today that that is pretty reasonable—after all, most people have life insurance. In other words, another insurance product was going to fill in and the whole idea of damages was really almost trivialised.

Lump sum damages will be discounted at 5 per cent, whereas at present the rate is 3 per cent. Exemplary, punitive and aggravated damages will not be awarded in negligence cases and defendant's solicitors costs will be restricted. There will be cost penalties for either party who prosecutes a claim that has no reasonable prospects of success, so deciding which claims come into that category is highly risky. The bill will be backdated to 20 March.

The bill seeks to address perceived problems in the insurance sector in a number of ways. The simple approach has been used by this Government in motor accident and workers compensation legislation. Who can forget the pickets outside Parliament House relating to workers compensation legislation? Tonight, the Government did a lot better. Debate on this legislation is taking place on budget night and there are no pickets outside Parliament House. However, we are basically dealing with the same thing. Payout benefits have been reduced and the Government is hoping that premiums will fall. That has not happened in relation to third party green slips without strenuous encouragement and it probably will not happen in relation to public liability premiums.

The bill as it stands cannot be supported. Substantial amendments would have to be passed to even approach a workable compromise. The cap on general damages will disadvantage those who are most severely injured and unable to afford the care that is needed. The burden for care will fall on friends and relatives or, in many cases, the health system. The 15 per cent threshold will cut out many deserving claimants on the pretext that small claims are too much trouble. A fairer approach would be to have small claims made the subject of compulsory mediation settlement. Discounting lump sums from 3 per cent to 5 per cent will mean that there will be less money to maintain the severely injured in their advancing years. Making the bill retrospective is unjust, unfair and contrary to Democrat policy. People will not get injured just to enjoy the benefits of the present system.

I received a letter from Ross Pfennigwerth, a solicitor in Newcastle, who made some valid points which I would like to put to the Minister. If a person sues an assailant, for example, after being attacked and struck in the face with a broken glass, is that person still able to sue the assailant although he does not have personal insurance? In this case entitlements under the Victims Compensation Act were reduced by the Government and a claim may be made against the assailant. Does a case such as that still come under this Act? Have claims for cases such as this been reduced? If so, why? In light of the Government's strong stance in regard to penalising criminal activity, it would seem quite inappropriate for it to reduce the rights of injured persons and to protect wrongdoers from personal liability under civil law.

Will the rights of victims of sexual assault be similarly affected? Many claims come to light a considerable time after such offences are committed. Many victims are legally disabled and they are entitled to maintain actions long after the event has occurred. Will an assailant's personal liability reduce a victim's entitlements? Another class of action relates to claims for defamation in which an element of the claim is for psychological damage. Is such a claim reduced by this bill? One would have thought that, as the Government is making such big changes, it would have considered a notification system such as the system that exists under the Motor Accidents Act which requires insurers to engage in early settlement negotiations.

The Act seeks to reduce the rights of injured persons, but it imposes no obligations on insurers to fully explore pre-litigious settlement. One of the problems with the present system is that insurers consistently fail to respond to proposals for settlement before litigation so that litigation becomes necessary. If this bill becomes law, that trend will worsen. What has brought us to this present crisis? Ross Pfennigwerth said:

> It should be noted that "the crisis" has been brought about, in no small measure, by two decisions by Governments in the past.
>
> First, the Government over the objections of the Law Society, legislated to allow solicitors to advertise. The basis of this proposal was that competition would be good for public and profession with the effect of reducing costs. In fact, the reverse has occurred costs have risen as have the number of claims...
>
> The second action by Government which has contributed to the current circumstances is the decision to privatise the Government Insurance Office. The GIO was always a moderating influence in the insurance industry. While ever it I was responsible to Government it could balance the markets.

Figures for costs and payouts were well-known to this government instrumentality. If insurers made outrageous claims or responded to overseas reinsurance trends, the Government understood what was going on and it took a far more balanced view. In this instance, however, the Government has panicked and it is doing what insurance companies want it to do. Ross Pfennigwerth also said:

> The experience of caps under the *Motor Accidents Act 1988* shows that the imposition of caps results in every case being scaled up in proportion to the maximum available. This increases damages rather than reduces them and is therefore counter productive.

As a result, courts try to overcome the limitations that have been placed on them. Ross Pfennigwerth continues:

> The 15% threshold under the *Motor Accidents Act* lead to many cases being scaled up by courts so they would reach the 15% threshold because of perceptions of arbitrary unfairness.
>
> A better proposal would be not to impose a cap. A cap would apply to very few cases. A provision could exclude claims for damages for non-economic loss where those damages were less than a fixed amount, say $7,500.00 This would give the courts flexibility so that trivial cases were excluded and genuine although small cases were awarded some compensation.
>
> The 15% threshold would deprive children, the elderly and students to damage in cases where there is little or no economic loss. This is unjust. In such cases, the cost of litigation could be minimised by compulsory pre-litigious settlement processes and conferences. I commend this proposal to you fearful that your Government will come to be regarded as acting harshly and without warrant to effect liability in many cases of genuine merit.

In relation to exemplary and punitive damages he goes on to state:

> There seems little basis for abolishing these types of damages.
>
> Aggravated damages are awarded only where a defendant has treated an injured person with contempt.
>
> In those situations it is inappropriate for the government to protect those who have acted wrongly at the expense of those injured or who have been treated shamefully by a defendant...
>
> It appears that the intention of the Bill is to exclude these claims because it is thought that they may tend to push a claimant, who otherwise would not be entitled to damages for non-economic loss at all, over the threshold. The cases in which this might occur would be few and it would be just to do so where appropriate. The Government should not interfere with these entitlements as doing so will be seen as protecting those who acted wrongly and hindering those who have been injured from claiming fair compensation...
>
> The Bill is to apply to claims in respect of injury or death occurring prior to the enactment of the Bill unless proceedings were commenced prior to 20 March 2002.
>
> The Government gave no notice that this was its intention.
>
> As you are aware there is a long-standing constitutional convention that, with the exception of money bills, Parliament will not enact retrospective legislation.

These cost provisions are arbitrary, unfair and unwarranted. If we cannot get legal help, how can we obtain justice in a system that is much too complex for most people? Given that I could not fix the bill along the lines that I outlined earlier, I propose to move four amendments in Committee which will attempt to make the bill fairer. The first amendment will remove the cap on damages for economic loss. If that amendment is not successful I propose to impose a penalty on insurance companies. If premiums do not reduce by 10 per cent that cap will not apply. My third amendment will retain punitive damages for tobacco and asbestos manufacturers. My fourth amendment will refund that part of the premiums that has already been paid as they were calculated on the basis of risk in an unfettered negligence system. In other words, if the risk drops there should be a premium rebate.

Clearly, we are not getting the same insurance for which we have paid. I believe that there is a good argument for a completely different scheme. I have tried to outline that scheme to the Government. I mention for the benefit of honourable members that the Insurance Council of Australia and some local councils, including Sutherland, North Sydney and Waverley councils, have supported the bill. Perisher Blue ski resort and Murrays coachlines have also supported the bill. However, a far greater number of people have opposed the bill.

The Alliance for the Victims of Accidents—a large number of groups come under that umbrella—the Australian Consumers Association, the Australian Plaintiff Lawyers Association, the Bar Association, the Law Society of New South Wales, New South Wales Young Lawyers, Wollongong District Law Society, the Coalition for the Injured, Dare to do Australia, the Multicultural Disability Association of Australia and a number of law firms oppose the bill. However, I believe that had more people been aware of the bill they would have asked for a more comprehensive solution, which I ask for. My amendments, if passed, will not do anything other than mildly mitigate the situation. The bill is poorly considered, it is a retrograde step, and the Government should be able to do better.

The Hon. PETER BREEN [10.10 p.m.]: Firstly I congratulate the Government on producing a consultation draft of the bill. The draft provided the opportunity for community discussion and allowed people adversely affected by the bill to canvass their concerns. New South Wales is leading the country on tort law reform, and I understand the Civil Liability Bill is the first of the proposed laws arising from the meetings between the Federal Government and State governments. The bill addresses the major concerns of all interest groups involved in the consultation draft. Lawyers, in particular, have much to be grateful for, as the bill is a substantial improvement on the consultation draft.

I could not have supported the bill as contemplated in the original proposal, particularly as it affected lawyers and legal costs. Caps on legal costs were unrealistically low and the test for deciding whether a case was unmeritorious raised serious concerns. Lawyers have been asked to carry much of the responsibility for the need to reform civil liability law. Many people have told me how lawyers exploited the system, and advertisements for no-win-no-fee legal work are frequently cited as evidence of lawyers' greed. As I have said on other occasions in this House, as a group lawyers are hard-working, honest professionals doing the best they can to assist people who are the unfortunate victims of accidents. To pillory lawyers and say they are the driving force behind the personal injury insurance crisis is simply to shift the blame for 10 years of inactivity on the part of successive governments and the insurance industry.

The Hon. John Della Bosca: We should have been tackling tort law reform before.

The Hon. PETER BREEN: I agree with the Minister when he says we should have been tackling tort law reform before now. Because we are addressing it now, too late, the reforms are much more wide-ranging

than would otherwise have been the case. It is important to note that the bill will address only some aspects of the personal injury insurance crisis. The Premier has foreshadowed changes to the law of negligence to be introduced in Parliament in the Spring session following further community consultation. Some cynics say the Premier wants to get maximum electoral benefit from these proposed legislative changes by introducing them closer to the next State election. If the cynics are right, and this is a deliberate ploy on the part of the Premier, then good luck to the Premier for having the courage to take on those who believe that for every disaster somebody should be standing by with a chequebook.

The days have long since passed when people could expect, unreasonably, to be compensated for injuries in circumstances in which their own negligence, their own acts and their own fault were not properly taken into account by the courts. The law needs to recognise that life is a risky business and people need to take precautions against the risk of foreseeable injury. I, for one, look forward to the tort law reforms foreshadowed by the Premier. I have some concerns about them, which I will refer to briefly.

Perhaps only one aspect of the bill remains to be resolved. I refer to the vexed question of retrospectivity. I am advised that insurance companies have already set their current insurance premiums based on the cost of reinsurance. These premiums were calculated following an assessment of the risk under the existing law, not the law as it will be prescribed by the bill. Actuarial advice dated 23 May 2002 indicates that the insurers will make a windfall profit of up to $150 million as a result of the retrospectivity aspects of the bill.

Today crossbench members were briefed by the Insurance Council of Australia [ICA]. I informed the ICA representatives that I had no objection to them making a windfall profit of up to $150 million, provided this extra money was reflected in lower insurance premiums down the track. Needless to say, I received no guarantees, other than nodding agreement with the principle that premiums have already been paid for existing cover and insurers should honour their part of the insurance contract. The Hon. Dr Arthur Chesterfield-Evans referred to the fact that premiums had already been collected in respect of an insurance contract. On the question of retrospectivity, no doubt the Government will argue that the person injured and whose damages are reduced by the bill is not a party to the insurance contract, and therefore the insurers are not walking away from their contractual obligations.

To illustrate the point with an example, if a person is injured in a fall on the steps of my premises, I am the one who has paid the insurance premium for public liability cover, not the person who is injured. That is an important aspect of this legislation that needs to be borne in mind. I am getting what I paid for—that is, insurance cover for public liability. If the Government reduces the level of that cover by statute, the insurance contract is not compromised. In other words, under this legislation as it stands after 20 March, the person who falls on the steps of my premises and is injured will receive a smaller pay-out than he or she might have received previously. However, that does not in any way diminish the contractual arrangement that I, as the insured, had with the insurance company.

This argument in relation to the retrospectivity aspects of the bill might be persuasive, except for the fact that the Government itself has excluded from the ambit of the bill claims against the Crown. It is my contention that the law should apply equally and there is no basis for the artificial distinction between public and private claims. The retrospectivity question raises issues about equality before and under the law, and the way it operates in the bill is discriminatory. On that basis I will support the Opposition's amendment when the bill is debated in Committee, and I urge other members to do likewise.

I would like to conclude by referring to comments by the Hon. Ian Cohen and the Hon. Dr Arthur Chesterfield-Evans to the effect that the insurance industry is the beneficiary of this legislation, to the detriment of victims of personal injury. The argument may be true in respect of the next series of tort law reforms due in the Spring, but I do not believe it is true in respect of the present bill. Nobody is happy about the problems giving rise to the need for this bill, but there is general agreement amongst the various stakeholders involved in the bill that something needs to be done. We cannot allow people not to be insured. We cannot allow people who get the protection and benefit of insurance not to have proper cover. Doctors are one example that comes to mind. Many doctors in the community are gravely concerned about their level of insurance cover as a result of the collapse of United Medical Protection. Enormous problems have arisen in the insurance industry generally as a result of what occurred in America, and as a result of various other matters that are beyond the control of the people of this State who have taken out insurance cover.

I have just renewed the insurance on my motor car, and the comprehensive policy premium was up nearly 100 per cent on last year. This is a general problem in the community, and it is not good enough simply

to say that it is the Government's problem or the insurance company's problem. This is a problem we all have. In 1999 the Government addressed what it saw as a growing problem with the motor vehicle accident legislation. That was followed by amendments to the workers compensation law, which went down the same track, and then amendments were made to the health care liability legislation. Broadly, those amendments achieved the same objective of reducing somewhat the amount of cover people receive. They also had the objective of reducing premiums. I am the first to acknowledge that the insurance industry is getting off pretty lightly, in the sense that no controls are in place to make sure premiums come down, but the reality is that insurance premiums must be stabilised otherwise people will not be able to afford to be covered.

This legislation has to be seen in that context. It is one aspect of a wide-ranging attempt to deal with excessive insurance premiums as a result of incidents beyond the control of the people of New South Wales. On this basis I believe the bill ought to be supported. There ought to be general support amongst the community and those who represent the community to make sure that these problems are dealt with. In the absence of any other solution to the problem, I think the bill is worthy of our support.

Debate adjourned on motion by the Hon. Peter Primrose.

OPTOMETRISTS BILL

LICENSING AND REGISTRATION (UNIFORM PROCEDURES) BILL

Bills received.

Leave granted for procedural matters to be dealt with on one motion without formality.

Motion by the Hon. John Della Bosca agreed to:

That these bills be read a first time and printed, standing orders be suspended on contingent notice for remaining stages and the second readings of the bills be set down as orders of the day for the next day of sitting.

Bills read a first time.

ADJOURNMENT

The Hon. JOHN DELLA BOSCA (Special Minister of State, Minister for Industrial Relations, Assistant Treasurer, Minister Assisting the Premier on Public Sector Management, and Minister Assisting the Premier for the Central Coast) [10.26 a.m.]: I move:

That this House do now adjourn.

ROYAL COMMISSION INTO THE BUILDING INDUSTRY

The Hon. IAN WEST [10.26 p.m.]: The Federal Government's royal commission into the building industry continues its high farce and inherently political activities at a cost of $60 million to the Australian taxpayers. It is fairly clear that this commission is nothing more than a $60 million rubber stamp for the ongoing Federal Government attack on industrial laws made to protect workers. What can one get for $60 million? In the 2001-02 Federal budget one can get more than the allocation to improve after hours medical care in Australia; more than the allocation for primary health care for indigenous people; 20 times the allocation for A Fair Go for Mature Age Workers; just under half the money spent on rural and regional telecommunications and Internet services; more than five times the amount spent on helping people find jobs; 30 times more than was spent by Costello on child care places; double the seniors health care card allocation; and the same as what the Federal Government said it would add to aged care over the next four years.

The commissioner's secretary, Colin Thatcher, was formerly the assistant director of the Business Council of Australia and an adviser to State Coalition governments overseeing the introduction of anti-union laws. There is a fairly good chance that Commissioner Cole will not review his refusal to look at the following issues: underpayment of workers wages; underpayment of workers compensation premiums; phoenix operations; tax evasion; misuse of independent subcontractors; abuse of migrant labour; use of illegal migrants; cash-in-hand payments; unsafe work sites; victimisation of, and threats against, workers, union members and officials; white-collar crime; insolvent employers leaving workers out of pocket for work they have already performed and for which the company has been paid; security of payment; and unemployment and training issues. Tony Abbott's letter of comfort to Multiplex on 24 December 2001 stated:

> A key focus of the royal commission is the "closed shop" which generally operates in the industry and rorts, rackets and rip-offs arising from breaches of freedom of association principles.

Tony Abbott maintains that he is not aware of any impropriety by developers in the construction industry, but Abbott has complained about building workers in Australia being paid more than workers on building sites in South-East Asia, and he thinks the Construction, Forestry, Mining and Energy Union [CFMEU] is too tough on safety. One building worker a week is killed at work in Australia, yet Commissioner Cole has said that the commission will look at that issue otherwise than through public hearings.

There is widespread workers compensation fraud on work sites. At least 40 per cent of contractors understate their real number of employees to avoid paying their proper premiums. There is no comment from the commissioner on this. Australia-wide, more than $1 billion a year of group tax—that is, money meant for public services—is evaded by construction companies. Commissioner Cole said that the commission is waiting for a submission from the Tax Office that it will tender as an exhibit. That is a pretty weak effort for a $1.3 billion tax evasion. On the issue of the growing use of illegal immigrants and abuse of migrant labour, the commissioner said:

> On the available information to date it would appear to be insignificant. The commission is seeking the advice of the Department of Immigration.

The hunt by the Office of Employment Advocate for anti-union witnesses to appear before the Sydney hearings being held this month continues unabated. The commission employs 135 full-time staff and has $19.1 million earmarked for lawyers fees and expenses, and the commissioner will be paid $660,000 a year, along with many other entitlements. It is interesting to note that the Howard Government said originally that the commission would cost in the order of $7 million. That figure now stands at $60 million, an 850 per cent increase. It is well over twice the amount put aside for the HIH royal commission, which is looking at a $4 billion corporate collapse, the biggest in Australia's history.

Even more telling though are the media relations costs associated with the royal commission—$700,000 this year to assist with the media attacks on union members. The HIH royal commission's media costs are $140,000. The building industry commission has a budget twice that of the HIH commission yet has a media component five times greater than the HIH inquiry. Why the difference? Australian taxpayers are entitled to expect every cent of that media budget to be spent on objective information about the commission's deliberations.

I will give Commissioner Cole some more facts that he should be aware of whilst the inquiry carries out the Howard Government's dirty work. They are: one in five building workers will suffer a serious injury; over 475,000 working days were lost through injury in 1999, compared with 110,000 days lost through protest action about the same issues; and union legal representatives have been severely restricted in the extent to which they can cross-examine witnesses. The Howard Government has based this $60 million which-hunt on a 10-page political report prepared by the Employment Advocate, Jonathan Hamberger, former chief of staff to Peter Reith, the failed former industrial relations Minister. The *Australian Financial Review* carried an editorial on 4 April which complained that Peter Reith's reforms were being undermined because the CFMEU had successfully bargained its way to a 36-hour week. The only thing supposedly wrong with pattern bargaining is that it is a logical and effective response for workers to a deregulated wages system. The royal commission is nothing more than another attack by Howard to abolish workers' rights and conditions of employment. [*Time expired.*]

RETURNED AND SERVICES LEAGUE OF AUSTRALIA EIGHTY-FIFTH ANNIVERSARY

The Hon. CHARLIE LYNN [10.31 p.m.]: Tonight I pay tribute to the Returned Services League of Australia on its eighty-fifth anniversary. The official historian of the RSL's first 10 years, Mr Loftus Hills, wrote:

> On 5 February 1915, the hospital ship "Kyarra" reached Australia carrying invalided Australian soldiers from Egypt. On that day the history of the returned soldiers of Australia began, for, as we look back over the years, it is clear that the common bond of comradeship and mutual interest which later manifested itself in no uncertain manner had its simple origin in the close association of the mere handful of men who were the first to succumb to the strain of active service.

The roots of the RSL can be traced from this occasion to the first interstate meeting of the Returned Soldiers Association in Melbourne in June 1916, which marked the formation of a Federal organisation. It became a truly national organisation in August 1918. The annual report of the New South Wales branch of that year contained the following quote from Kipling:

Whereby our dead shall sleep
In honour unbetrayed
And we in faith and honour keep
That peace for which they paid.

The excellent book entitled *Lest We Forget*, when referring to the official history of the league, stated that a simple code of mateship and nationalism explains the enduring appeal of the RSL. The unswerving loyalty to mates and assertive Australian nationalism which give the league its strength are easy to understand. The membership is largely self-educated. The men of World War I who remained in control of the league until well after World War II had few formal educational opportunities, and the men and women who served from 1939 to 1945 received their education in uniform. The leadership of the RSL has never been drawn from the military or the social elite. Popular generals, including John Monash and Harry Chauvel, were called upon but not chosen.

The egalitarian nature of the RSL reflects more than the soldier's suspicion of brass hats and the wider Australian desire to cut down tall poppies. The RSL has been a social and spiritual home for less wealthy and less educated veterans, and although affluent and professional veterans are often loyal members of the league they have alternative avenues for fellowship. The twin pillars of the RSL—mateship and nationalism—do not stand entirely separately. At the crossover point can be found the core of Australian national identity dating from 25 April 1915. Donald Horne wrote:

> In celebrating nation-creating, Anzac Day reminded Australians that Australia was young in the company of nations but its nationhood had been earned in the glorious epic of Anzac bravery which had given the word Australia meaning.

He went on to say:

> On 25 April, Australians were also to be reminded that Anzac Day was a solemn sacrament of mateship.

The RSL is proud that neither wealth, influence nor social standing can purchase the badge. It can only be worn by those who have served in the uniform of their country. The ideals of the RSL are reflected in the design of the badge. The familiar white background stands for the purity of purpose in joining the league, to render service without thought, personal gain or ambition. The blue stands for the willingness to render that service to a comrade anywhere under the sky. The red stands for the blood tie of war. The wattle is symbolic of Australia. The leek, the rose and the thistle stand for Wales, England and Scotland. In the centre of the badge, encircled by the name of the organisation, a soldier, a sailor, an airman and a servicewoman march together with linked arms, showing that the circle of the league, all services and all ranks march together in unity and comradeship.

Although the RSL is one of the most representative and broad-based community groups, certain characteristics distinguish its membership. Members are mainly male and tend to be older than the rest of the population. The views of country veterans receive more than proportionate weight, thanks to the long-standing policy-making processes. Thus age, education and bush bias make the league different from other organisations. All three attributes contribute to making an organisation which is cautious about accepting change. Thus, the league can accurately be described as "the voice of stability in changing times", according to the late Sir Albert Abbott, who was President of the Queensland branch at the State Congress in 1985.

The RSL has a proud record of upholding the values of the diggers who fought and died for the peace, prosperity and democracy we enjoy in Australia today. It is actively involved in the development of our youth. It is dedicated to the welfare and care of aged veterans, widows and their dependants. The RSL has been, and will continue to be, the conscience of our nation. I am proud to be a member of the RSL, and I congratulate it on 85 years of selfless service. I wish it well in its ongoing contribution to our great nation of Australia. Lest we forget.

TRIBUTE TO Ms BETTY BLOCH

Ms LEE RHIANNON [10.36 p.m.]: Tonight I shall speak about an upstanding Australian Betty Bloch, died recently. Betty Bloch was born in Russia but when she died aged 96 she had been a proud citizen of Australia for more than 60 years. Betty was born in 1905 in Vilnius, the capital of Lithuania. Her father was a self-made businessman; her mother, much younger than her husband, was of German origin but had lived all her life in Russia. Betty had a happy childhood but when World War I broke out the German army occupied Vilnius. The family moved to St Petersburg and Betty, then 10, began high school. She recalled some events of the October Revolution of 1917—the shooting, and women in long queues shouting for bread. The family business was nationalised after the Russian Revolution but, although the family lost everything—factory, home and money—it did not become anti-Soviet.

In 1919 Betty's mother took the three children to stay with relatives in Germany. Betty joined the German Communist party and later the underground movement. She also met and married Peter Bloch. When Hitler came to power in 1933 Betty's activities put her at high risk. She was Jewish, a communist and a political activist. In 1937 she was interrogated by the Gestapo while pregnant with her first child. She realised it was time to leave. As young professionals, Betty and Peter were among the fortunate few to be sponsored to this country by the Australian Jewish community. They fled Berlin with their 10-month-old daughter, Paula, in 1938. In 1942 their second daughter, Cathy, was born.

During the war Betty became active in the Sheepskins for Russia campaign, where she met Jessie Street, who asked her to join the Australia-USSR Friendship Society and to undertake friendship work, in particular in the Russian social club. Betty was the club's honorary secretary for many years, assisting many migrants coming here from labour camps. She was also active in a community campaign to have two preschool centres built in the Waverley municipality in 1945. In 1950 Betty returned to kindergarten teaching, first at Daceyville and then as the director of a Surry Hills day nursery. She then became director at Erskineville Demonstration Kindergarten, run by the Kindergarten Union.

In 1986 Betty was given the highest honour by the Soviet friendship organisation when it awarded her the Order of Friendship medal for her contribution to the ties between the Australian and Soviet people. She is one of only two Australians to have been recognised in this way. After the collapse of the Soviet Union Betty initiated and carried forward the Chernobyl Children's Fund in 1992 to raise money for the children affected by nuclear radiation. Medical supplies were sent and two Russian doctors sponsored to receive specialist training at the Sydney Children's Hospital. In 1999 Betty established an appeal to help starving Inuit children in Siberia. Betty took part in campaigns against nuclear weapons, the Vietnam war, anti-foreign bases and other causes. She was also passionate about the ABC, and deeply committed to reconciliation and justice for the indigenous people of this country.

Betty also campaigned hard for women's rights. She was a member of the Union of Australian Women, the Women's International League for Peace and Freedom, and the Jessie Street Committee. She worked on the Jessie Street Centenary Committee in 1998-99, and on her initiative Waverley Council dedicated a small park in honour of Jessie Street's work. Betty was very good at organising. At a party to celebrate her ninetieth birthday the then local Federal member, Jeanette McHugh, said that she always thought Betty was an organisation. Paula and Cathy Block said of Betty after she died, "She was an amazing mother. She loved us dearly and we knew it. And we loved her back." Although we were not related, Betty was always Aunty Betty to me and my three children. We miss her greatly.

RIVERINA TAFE AWARDS FOR EXCELLENCE

The Hon. RON DYER [10.40 p.m.]: Last Friday evening, 31 May, in Wagga Wagga, together with my wife, Dorothy, I represented my colleague the Minister for Education and Training, the Hon. John Watkins, MP, at the tenth annual Awards for Excellence function at the Riverina Institute of TAFE. Also present was the honourable member for Wagga Wagga, Mr Daryl Maguire. Vocational education and training in the Riverina region dates back to 1899 when vocational education and training commenced at Albury. From humble beginnings, Riverina Institute now has state-of-the-art facilities across its 17 campus locations and teaches in areas such as information technology, building and construction, manufacturing and food processing, and primary industries and natural resources. The Riverina institute has strong relationships with industry partners, such as the Department of Defence, the Visy Pulp and Paper Mill and the forest industry at Tumut, the Snowy Mountains Hydro Electric Authority, and the wine and food industries. Last year 29,990 students were enrolled at Riverina institute campuses.

I was most impressed by the evident capacity of the Riverina Institute of TAFE to give students relevant occupational training and, in many cases, a second chance at obtaining a general educational qualification, such as the Higher School Certificate. The guest speaker at the function was Ms Lesley Bowers, Family Counsellor at the Greater Murray Area Health Service. Ms Bowers, a Riverina TAFE success story, left school at the age of 14 and subsequently faced difficult personal circumstances, including domestic violence. She decided to study to be a social worker and is now doing well in her job. I was most impressed by the enthusiasm of the acting director of the Riverina institute, Mr Graeme Stuchbery, and his self-evident commitment to achieving success often for disadvantaged students.

Against that background I express concern regarding the apparent intention of the Federal Minister for Education, Science and Training, Dr Brendan Nelson, to require TAFE students to pay Higher Education

Contribution Scheme [HECS] style fees. I note that recently Dr Nelson released a ministerial discussion paper entitled "Higher Education at the Crossroads", which suggested that the HECS could be extended to vocational, education and training [VET] courses. If this were to happen, approximately 700,000 TAFE students around Australia could be affected. Instead of paying TAFE fees ranging from $300 to $690 a year they would have to meet HECS charges of between $3,500 and $6,000. The reality is that the Howard Government is significantly underfunding tertiary education.

The Hon. Patricia Forsythe: That is not so.

The Hon. RON DYER: If members opposite do not believe that, they should speak to any vice chancellor of any university in this country, including Vice Chancellor Di Yerbury of Macquarie University, which I represent in this House. I express alarm at the prospect of HECS charges also applying to VET courses. In regional areas TAFE makes a vital difference to the employment prospects of many people, including very needy people in our community. If the prospect of charging at HECS levels for TAFE courses becomes a reality, the skills base and the economy of rural and regional New South Wales will be damaged. Regional and rural TAFE colleges would lose large numbers of students and teachers if fees were to increase sharply. I support the call of State and Territory training Ministers for the Federal Government to drop this increased fees proposal. It is interesting that the Opposition is so sensitive about this matter. It also is interesting that every training Minister throughout Australia—

The Hon. Patricia Forsythe: They are all Labor!

The Hon. RON DYER: Yes, they are all Labor. The people have chosen wisely. The Ministers represent all States and Territories and have all formed the view that the proposal contained in the discussion paper to which I have referred has a very real prospect of being put into effect by Dr Nelson, with the serious consequences to which I have also referred.

WORKCOVER DEFICIT

The Hon. GREG PEARCE [10.45 p.m.]: Last month I drew the attention of the House to the WorkCover deficit and the Government's shady accounting practices with regard to WorkCover. I also expressed concern about the fact that the deficit is unfunded and that the Government does not comply with prudential requirements applicable to other insurance funds when dealing with this very significant fund. Since then I have read the valuation of the scheme deficit as at 31 December 2001 prepared by the scheme actuary, Tillinghast Towers Perrin. The report confirms that notwithstanding the brutal amendments to workers compensation in this State by the Special Minister of State, the situation is worse and continues to get worse like a runaway train.

When I last spoke on this matter I pointed out that in 1996 and 1997 the Auditor-General was concerned about the viability of the scheme's statutory funds. In 1998 he changed his mind because the Government had taken steps to replace the scheme with a privatised system and the Auditor- General felt that it was not necessary to continue to highlight the matter in the 1998 audit report. Then the Premier and the Treasurer used employers, and the prospect of privatisation of the scheme, to get around the concerns of the Auditor-General up to 1998. The report of the Auditor-General to Parliament in 2000 stated:

> If private underwriting of workers compensation occurs, the tail of the existing scheme will be run off from existing investments and, if the need arises, by a levy under the 1998 legislation as part of future premiums.

Now the Government has ruled out privatisation, so what does the Special Minister of State propose? Mr Richard Grellman, who completed an inquiry for the Government into workers compensation in 1998, outlined the issue when he said:

> The issue has to be: who else will pay for it? It can only come from one of four sources. One is that somehow or other you get future employees to pay for it from the benefits. In any event that is grossly inequitable. Secondly, you say to the underwriting community, 'We have got a great deal for you. We will underwrite the scheme but we just have to take care of this small problem.' The third option would be for the Government to pay but that is getting to be a pretty big number and it is difficult for any State Government to find that sort of money. The fourth option is the employers. I do not think that there are any other cheque books so you probably end up with the conclusion that the employers will have to pay it because they are the last ones standing. Is this equitable? Probably not. I am an employer. I do not want to pay it …

Notwithstanding the obfuscation of the Government about this matter, it clearly believes that employers will have to pay. After all, in their desire to get rid of the qualifications of the Auditor-General in 1996 and 1997, the Premier and the Treasurer introduced a legislative requirement for privatising the system and, as part of that, for

employers to ultimately fund any deficit. The WorkCover General Manager, Ms Kate McKenzie, and her deputy, Mr McInnes, were also under no illusion as to who will eventually have to pay for the deficit. Recently I asked what would have to happen to cover the deficit? Mr McInnes replied:

> There is provision in the privately underwritten pieces of the statute that allows a levy to be applied to the privately underwritten premium to fund the deficit in the runoff of the WorkCover scheme.

Ms McKenzie agreed that that was included in the 1998 package. Premier Carr has also left us in doubt about who will have to pay. On 20 June 2001 he said that all employers—large, medium and small—would have to pay a share of it. I do not believe that employers in this State should be left exposed to even higher premiums because of the failure of this Government to prudentially manage the scheme. The Opposition has heard from dozens of employers in New South Wales exasperated at the level of our workers compensation premiums. What does the Special Minister of State really think about it? On 20 June 2001 he said to a budget estimates committee:

> There is no doubt that many employers are in a position where they are starting to argue, especially in regional areas, that the premium costs are so high they are starting to limit their opportunity to employ labour which means that jobs are being jeopardised or threatened specifically in regional areas and industries where perhaps marginal competition, states like Queensland and Victoria where WorkCover premium are relatively lower [are going better].

There is no doubt that New South Wales is facing a financial crisis with workers compensation and that this Government has been unable to deal with the issue. As a result, States such as Queensland and Victoria are becoming more competitive. There is now a consensus that workers compensation premiums in New South Wales are too high, but the real worry is that the scheme is totally out of control and this Government has no answer to the problem.

GUN CONTROL

The Hon. DAVID OLDFIELD [10.50 p.m.]: The Coalition for Gun Control continually uses lies to frighten people into supporting its unsustainable agenda. Unfortunately, such emotive anti-firearm propaganda is once again dribbling over the lips of the Prime Minister as well. Only a few weeks ago John Howard said:

> We will find any means we can to further restrict them because I hate guns, I don't think people should have guns unless they're in the police, the military or the security industry.

How would John Howard plausibly justify confiscating firearms from Olympic gold medallist Michael Diamond or other competitors in shooting sports? And let us not forget farmers, hunters and collectors. What right does John Howard have to target them? John Howard has consistently displayed his inability to appropriately assess issues in relation to firearms. His determinations and policies on firearms have been embarrassingly flawed because of his emotive pandering to ignorance rather than a commonsense approach based on facts. More guns does not mean more crime. Fewer guns does not mean fewer crimes. Rather, evidence everywhere suggests the ownership of firearms by law-abiding citizens actually discourages many crimes.

It is criminals with guns who endanger the community, and history has proven irrefutably that disarming law-abiding citizens has no positive impact on crime. It is criminals that must be disarmed. Using the law on the law-abiding does nothing to criminals—criminals do not abide by the law; criminals do not hand in their guns. This has perhaps been best expressed by the saying "Outlaw guns and only outlaws will have them." Howard's costly and bungled buyback only succeeded in depriving honest Australians of access to a diverse choice of firearms that they had been using legitimately. The only way to take a criminal's gun is at gunpoint.

Last year the Coalition for Gun Control, through its spokesman Andrew Denton, claimed 500 hand guns had been stolen in New South Wales in the previous 12 months. The New South Wales police Minister's office informed me in writing that the actual figure on hand guns stolen in that period was 81. Therefore we can reasonably conclude that the Coalition for Gun Control's claims are false, dishonest, lies. In relation to these disgraceful claims, I tried many times to bring Andrew Denton to live debate, including on radio—all to no avail. Considering the blatant dishonesty of the claims, is it any wonder he ran and hid?

A couple of weeks ago the Coalition for Gun Control's Samantha Lee claimed that a thousand hand guns were stolen each year from licensed shooters, and falsely claimed the Australian Institute of Criminology was her source. This claim was so outrageous that even the Australian Institute of Criminology contacted Samantha Lee to ask how she arrived at those figures. It turns out Samantha Lee essentially doubled up and doubled up again figures from different sources that were actually all referring to the same hand guns. There were no thousand hand guns stolen in any one year—not even close. If we had a coalition for truth control, no doubt the first group they would target would be the Coalition for Gun Control, whose motto is quite clearly "Don't let the facts impair the lies we need to tell."

In the United Kingdom no ordinary citizen legally owns a hand gun. They were all confiscated in 1997. The most recent crime statistics, as quoted in *Hansard*, show that in 1999-2000 offences with hand guns in the United Kingdom had increased nearly 40 per cent. In 1999-2000 there were 3,685 offences committed with hand guns. Those offences included, but were not limited to, homicide, robbery and burglary—3,685 offences with hand guns committed in a country where no law-abiding citizen owns a handgun; 3,685 offences with hand guns committed in a country where two years before the government confiscated over 200,000 hand guns from law-abiding citizens. We do not have to repeat the same unjust, unfair, unsuccessful actions of others. We can learn from such emotive mistakes. Target the criminals every time, not the innocent firearms enthusiasts. That must, in all sense, be our position. The British Government has clearly proved what rational people already understood: Outlaw hand guns and only outlaws will have them.

SHOPPING CENTRES YOUTH PROTOCOL

The Hon. JAN BURNSWOODS [10.54 p.m.]: I would like to congratulate the Minister for Juvenile Justice, and Minister Assisting the Premier on Youth, the Hon. Carmel Tebbut, and the Youth Action Policy Association [YAPA] on their initiative in developing and using what has been called the Safer Communities Development Fund to develop protocols that address the relationship between young people and shopping centres. I was talking to the Hon. Peter Primrose about roundabouts. We thought it was something like five or more years ago that we discussed initiatives at the Broadway shopping centre to make shopping centres more friendly and approachable for young people. It is disappointing that after that many years, despite the efforts of so many people, including Planning NSW, with its new urban design guidelines for young people, shopping centres and in particular their security people still have a very unfriendly attitude towards young people.

Most of us would be familiar with the large, ever-growing shopping centres in which young people tend to congregate for lack of anywhere else to go. Yet it is in those centres that there is considerable pressure to move on, hassle and check young people for various things. Westfield Parramatta is rather notorious for problems of this kind. This is a growing problem at shopping centres like Macquarie, in North Ryde, for instance, as well as in the Campbelltown area and elsewhere. As these monstrous shopping centres take over from older-type shopping centres, they become not only a retail centre but a centre for a great deal of other activity. Young people are being made to feel very unwanted. [*Time expired.*]

Motion agreed to.

The House adjourned at 10.56 p.m.