

# LEGISLATIVE COUNCIL

Tuesday 28 October 2003

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

**The Clerk of the Parliaments** offered the Prayers.

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

## ASSENT TO BILLS

Assent to the following bills reported:

Drug Summit Legislative Response Amendment (Trial Period Extension) Bill  
 Industrial Relations Amendment (Adoption Leave) Bill  
 Commonwealth Powers (De Facto Relationships) Bill  
 Community Relations Commission and Principles of Multiculturalism Amendment Bill  
 Education Amendment (Computing Skills) Bill  
 Health Legislation Amendment Bill  
 Powers of Attorney Bill  
 Prevention of Cruelty to Animals Amendment (Penalties) Bill

## LEGISLATIVE COUNCIL VACANCY

### Joint Sitting

**The PRESIDENT:** I report the receipt of the following message from Her Excellency the Governor:

Governor  
 Marie Bashir

I, Professor Marie Bashir AC, in pursuance of the power and authority vested in me as Governor of the State of New South Wales, do hereby convene a joint sitting of the Members of the Legislative Council and the Legislative Assembly for the purpose of the election of a person to fill the seat in the Legislative Council vacated by the Honourable Malcolm Jones, and I do hereby announce and declare that such Members shall assemble for such purpose on Wednesday the twenty ninth day of October 2003, at 4:00 pm in the building known as the Legislative Council Chamber situated in Macquarie Street in the city of Sydney, and the Members of the Legislative Council and the Members of the Legislative Assembly are hereby required to give their attendance at the said time and place accordingly.

In order that the Members of both Houses of Parliament may be duly informed of the convening of the joint sitting, I have this day addressed a like message to the Speaker of the Legislative Assembly.

Office of the Governor  
 Sydney, 23 October 2003

## POLICE ASSOCIATION EMPLOYEES (SUPERANNUATION) AMENDMENT BILL

**Bill received, read a first time and ordered to be printed.**

**Motion by the Hon. John Hatzistergos agreed to:**

That standing orders be suspended to allow the passing of the bill through all its remaining stages during the present or any one sitting of the House.

**Second reading ordered to stand as an order of the day.**

## COMMISSION FOR CHILDREN AND YOUNG PEOPLE

### Reports

**The President** announced the receipt, according to the Commission for Children and Young People Act 1998, of the 2002-03 annual report of the Commission for Children and Young People, together with a children's version of the report entitled "Feedback 2003".

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

## TABLING OF PAPERS

**The Hon. John Hatzistergos** tabled the following papers:

Administrative Decisions Tribunal Act 1997—Report of the Administrative Decisions Tribunal for the year ended 30 June 2003

Annual Reports (Statutory Bodies) Act 1984—Report of the Lake Illawarra Authority for the year ended 31 March 2003

Legal Profession Act 1987—Report of the NSW Bar Association for the year ended 30 June 2003

Listening Devices Act 1984—Report of Attorney General Under Section 23 of the Act for the year ended 31 December 2002

Professional Standards Act 1994—Report of the Professional Standards Council for the year ended 30 June 2003

Report of Treasurer on State Finances 2002-03

**Ordered to be printed.**

## AUDITOR-GENERAL'S REPORT

**The Clerk** announced the receipt, pursuant to the Public Finance and Audit Act 1983, of the report entitled "Auditor-General's Report—Financial Audits—Volume Three", dated October 2003.

**The Clerk** announced that it had been authorised that the report be printed.

## LEGISLATION REVIEW COMMITTEE

### Report

**The Clerk** announced the receipt, pursuant to section 10 of the Legislation Review Act 1987, of the report entitled "Legislation Review Digest No 4 of 2003", dated 27 October 2003.

**The Clerk** announced that it had been authorised that the report be printed.

## PETITIONS

### Gaming Machine Tax

Petitions opposing the decision to increase poker machine tax, received from **the Hon. Duncan Gay** and **the Hon. Rick Colless**.

### Local Government Boundary Changes

Petition objecting to any boundary changes that will force amalgamations of local councils, received from **the Hon. Dr Peter Wong**.

### Gaming Machine Tax

Petitions praying that the House repeal the new gaming machine tax and undertake a review before further tax increases are considered, received from **the Hon. Charlie Lynn**.

### Newcastle Rail Services

Petition opposing the closure of the railway line and rail services to Hamilton, Wickham, Civic and Newcastle, received from **Ms Lee Rhiannon**.

## BUSINESS OF THE HOUSE

### Withdrawal of Business

**Private Members' Business** items Nos 39 42 and 60, outside the Order of Precedence withdrawn by **Ms Lee Rhiannon**.

**SYDNEY WATER AMENDMENT (WATER RESTRICTIONS) BILL****Second Reading****Debate resumed from 15 October.**

**The Hon. DUNCAN GAY** (Deputy Leader of the Opposition) [2.48 p.m.]: The Opposition does not oppose the Sydney Water Amendment (Water Restrictions) Bill. However, I state at the outset that we have a number of concerns regarding the heavy-handed effect of this bill. The Legislation Review Committee has also raised concerns about the bill and I will address those concerns also. There is absolutely no doubt that the bill is a full-scale frontal attack on the concept of a man's home being his castle. In a country such as Australia, which suffers intermittently from periods of prolonged and severe drought, water conservation is essential in both urban and rural areas.

The Sydney Water Amendment (Water Restrictions) Bill amends the Sydney Water Act 1994 to allow for the effective enforcement of the recently introduced mandatory water restrictions. With Sydney water levels currently less than 60 per cent of usable capacity, these water-saving initiatives are greatly needed. By way of background, the bill follows the Government's announcement of 220 fine mandatory water restrictions and the Government was advised that the current legislation requires offenders to be caught in the act when breaching the law. The effect of the proposed legislation would be to broaden the powers to catch offenders. To provide an overview of the bill, it introduces the presumption that the owner or occupier is responsible for breaches of water restrictions. In other words, if someone did not like you—it would be unusual on this side but I suspect that there are some members on the other side that people do not like—they could enter your property when you are away, turn on a tap or sprinkler, and you would be liable. So I would leave someone at home, Tony.

Under existing sections 38, 39 and 40 of the Sydney Water Act 1994 certain rights are given to people to enter upon property to carry out investigations. However, this is not before certificates of authority under section 39 have been obtained. The current power is not at all an open-ended exercise of a power of entry. The bill gives a whole range of people, including council rangers and representatives of Sydney Water, the right to enter upon property on reasonable suspicion. "Reasonable suspicion" is obviously a wide term. It is not easily defined, and it is not surprising that the Government has not defined this term in the bill. However, I am advised that it has been spelled out in the guidelines. Section 40 (2) (b) contains a restriction that emphasises just how broad the attack is that the Minister is embarking upon against people's properties. Under the 1994 Act the power of entry is restricted to a reasonable time during daylight. But the Minister has completely deleted any reference to daylight: an examination of the bill clearly shows that the right of entry applies at any time of the day or night. So Sartor's raiders could be around at two, three or four in the morning.

To simply say that there will be guidelines when the Minister has so clearly overridden the restrictions and safeguards contained in section 40—that entering upon property would take place only during daylight hours—is really a pretty hollow promise. The Minister should give serious consideration to this issue, because it will drive home the fact that the Government is prepared to attack the very sanctity of a person's home at any time—24 hours a day, seven days a week. People's homes will be susceptible 24/7 to someone popping in to investigate an offence on the basis of a reasonable suspicion. In suburbs where people are very concerned about people being on the premises it will not be long before the forces of evil will be claiming that they are water inspectors. So people will not know when people are legitimately wandering on or off their property. Given the number of break-ins in Sydney, it will be a quick and easy way for criminals to cover their tail.

The bill proposes that offences or fines may be rebutted through a statutory declaration, similar to the Motor Traffic Act infringement notice arrangement. It is nothing short of ridiculous that the Government has made an analogy between breaches under this bill and traffic breaches. Traffic infringement notices usually arrive approximately three weeks after the offence has been committed, giving the individual time to write an explanation letter to the Infringement Processing Bureau disputing the accuracy of the report of the offence. The bill does not specify a time frame for infringement notices to be issued for breaching water restrictions. It is a big call to ask people to recall whether they were at home on a particular day as well as whether they turned their taps on. Water penalty notices are not in any way akin to a traffic infringement notices. When a person hands over the keys to a car they give someone authority to take it. If that does not happen, the car technically has been stolen.

I do not know where the Minister lives, but I can tell him that there is not one house in my street that has a locked gate at the front of the property. My neighbours and I come home to find children playing in the

front yards of houses, and I regularly find that taps are on and hoses are running. As responsible adults we take steps to tell the children not to bring in the kids from next-door and turn on hoses. The reality is that a water penalty notice is not akin to a traffic infringement notice because our properties are open to abuse. People can enter a property at any time and do something that the owner knows nothing about. Breaches of the bill will not be and cannot be akin to traffic breaches. The only similar aspect is that there may be a rebuttal by statutory declaration, but even that raises another issue.

The bill provides for an infringement notice to be issued to an occupier or owner. After an owner or occupier has received an infringement notice he or she then has the opportunity to rebut it. I ask honourable members to listen to what I am about to say because it is relevant. The shadow Minister indicated yesterday afternoon to a staff member of the Minister that the Minister is about to turn criminal law on its head. No other legislation on the New South Wales statute book makes a parent responsible for the actions of a child. The shadow Minister asked a ministerial staffer about this and received confirmation that if one of the two classes of recipients of an infringement notice, an owner or an occupier, discovers after inquiry that the breach was committed by the children from next-door when they came onto the property to play, that will not be an excuse under the bill. This matter is still in the hands of the Minister, and the shadow Minister recognises that his staff are trying to manage the passage of the bill through the Parliament under difficult circumstances. However, in a bizarre manner the Minister is attacking a fundamental tenet of our community: he will make adults responsible for the actions of a child. This is quite unusual.

The bipartisan Legislation Review Committee of this Parliament has raised several concerns about the bill. The bill was introduced in the lower House with unseemly haste, like so many other bills that we are dealing with at the moment. I hope that we will receive answers on these issues in this House. If not, we will consider taking action at the third reading. I turn to page 30 of the Legislation Review Committee report, which states:

18. The Committee is of the view that providing for an Act to commence on proclamation delegates to the Government the power to commence the Act on whatever day it chooses after assent or not to commence the Act at all. While there may be good reasons why such discretion may be required, the Committee considers that, in some circumstances, it can give rise to an inappropriate delegation of legislative power.

Resolution 19 of the committee states:

The Committee has resolved to write to the Minister to ask for an indication of the likely date for commencement of this Bill.

My first question is: When the bill will commence. Resolution 23 of the committee states:

The Committee has written to the Minister to seek his advice as to why there are no requirements regarding the qualifications or attributes of persons who may be appointed as authorised persons for the purposes of the Bill.

Resolution 24 of the committee states:

The Committee refers to Parliament the question of whether an unfettered discretion to appoint authorised persons under the Bill makes rights, liberties or obligations unduly dependent upon insufficiently defined administrative powers.

The background to those recommendations can be found in paragraphs 20 to 22. Paragraph 20 states:

The Bill provides that "*authorised person* has the same meaning as in section 50". Sub-section 50(9) provides that "In this section, *authorised person* means a person appointed in writing by the Minister as an authorised person for the purposes of this section."

Neither the Bill nor the Act provides any limits on, or qualifications for, the persons who may be authorised by the Minister.

The committee goes on to say:

The Committee is of the view that, when legislation [confers] on persons administrative powers that can significantly affect personal rights, it should include appropriate limits on who may be authorised to exercise those powers.

I would have thought that is a fair comment. The committee goes on to state:

This may include limiting it to a defined group of persons or persons holding a specified office or rank or possessing some qualification or attribute. Given that the Bill gives authorised persons the power to enter private land after dark

as I mentioned earlier—

and make allegations regarding water restriction offences which can result in persons being deemed to be guilty, the Committee is of the view that the power should only be given to persons of appropriate experience, training and qualifications and with sufficient accountability for their actions.

That is why resolutions 23 and 24 say that the committee has written to the Minister on that issue. Resolution 37 of the committee states:

The Committee notes that the Bill reverses the onus of proof for owners and occupiers in relation to water restriction offences. The Bill deems such persons guilty unless they can prove their innocence or provide evidence regarding the matters set out in the Bill.

The legislation completely overturns an inherent Westminster system principle. And that is not my contention but the view of the bipartisan Legislation Review Committee. Resolution 38 of the committee states:

The Committee further notes that the burden of avoiding liability for those otherwise deemed guilty is greater than that provided by similar deeming legislation for traffic offences.

Far from the burden of avoiding liability in this bill being the same as for traffic offences, the committee says the bill actually goes much further. Resolution 39 of the committee states:

The Committee refers to Parliament the question of whether this trespass on personal rights is undue given the object of facilitating the enforcement of water restrictions.

That is a pretty fair question to ask. This bill is intended to enforce water restrictions. The committee quite properly questions whether Parliament should trespass on personal rights and—though this is not expressly stated I suspect it was in the committee's mind intended—reverse the onus of proof by tipping upside down a fundamental tenet of the Westminster system: that a person is innocent until proven guilty. Resolution 55 of the committee states:

The Committee notes that the Bill significantly trespasses the right to privacy by allowing authorised persons to enter private land at any reasonable time on the person's reasonable suspicion of a water restriction offence being committed. The Committee further notes the limitation on the duration and purposes of such entry. The Committee also notes the difficulties of enforcement that the lack of such powers of entry would create.

Resolution 56 of the committee states:

The Committee notes that the Bill does not limit entry onto private lands to daylight hours or require authorised persons to produce identification to anyone other than occupiers.

I commented on that earlier. People could wander around with evil intent, sussing out the neighbourhood and looking for houses to break into. Some members are laughing; obviously they have not had their houses broken into. If these suspicious people are challenged by a person other than the owner or occupier they will be able to say, "I am checking on water offences." They will not have to produce identification or authorisation. The legislation says that identification does not have to be produced to anyone but the occupier. If these suspicious people see the owners leave their house and go onto that property but are challenged by a thoughtful neighbour, they will be able to say they are from Sydney Water and they will not have to produce anything. They simply have to ask the neighbour, "Do you live here?", and when the answer is no they will say they do not have to produce any identification. Resolution 57 of the committee states:

The Committee refers to Parliament the question of whether this power of entry unduly trespasses on personal rights.

I think that is a fair question. I think the bill has been written in a cavalier fashion. However, the Opposition will not reject the bill out of hand because we believe that the basic intention of the Minister is right. Unfortunately the approach to this bill has been pretty heavy handed, naive and, dare I say it, overzealous, which one expects of the Minister for Energy and Utilities, given his track record. I have outlined in detail the Opposition's concerns. If the Minister and his staff have been diligent they will have read the Legislation Review Committee's digest, and I look forward to a responsible reply to the concerns expressed in it and by the Opposition.

**Mr IAN COHEN** [2.07 p.m.]: The Sydney Water Amendment (Water Restrictions) Bill amends the Sydney Water Act to allow for the effective enforcement of recently introduced and much-needed mandatory water restrictions. These restrictions are needed as Sydney has a huge thirst. This city drains the equivalent volume of 12,500 Olympic pools from its dams per week. In the past three years, Sydney drew 630 gegalitres

from Warragamba Dam—more than 3,000 Olympic-size swimming pools above the sustainable threshold. To make matters worse, Sydney Water figures released on 30 September 2003 show that in the week ending 1 October 2003 its four million customers ignored the impending water restrictions and used 12,559 megalitres of water. This is equivalent to 12,000 Olympic-size swimming pools and reflected a 10 per cent increase over the 10-year usage average of 11,435 megalitres.

Sydney Water customers ignored voluntary restrictions last summer and consistently used more than the target set by Sydney Water as part of its licence conditions. In October and November last year and in January and February this year, Sydney used up to 2,000 megalitres a day—enough to fill 2,000 Olympic-size swimming pools. The average restriction target for the period was as low as 1,700 megalitres. As a result, current dam levels have dropped to just 60.5 per cent, which is 13.5 per cent lower than at this time last year. Levels at Warragamba Dam, Sydney's largest, are down to 58.8 per cent, which is almost 17 per cent lower than at this time last year. However, Sydney could cut its consumption to 500 gegalitres a year and allow environmental flows to be restored to the Hawkesbury and Nepean rivers system, as well as save water. We can save a lot of water if people really try. Households potentially can reduce their water bills by 30 per cent by observing the bans and being water smart. The average household uses 409,000 litres a year, which would fill seven swimming pools.

Of that amount, 27 per cent is used outdoors, 24 per cent in showers, 20 per cent in the laundry, 16 per cent for flushing toilets, 10 per cent from kitchen and bathroom taps and 3 per cent in baths. Gardeners can save water by planting drought-resistant plants such as Australian natives, watering around the plant roots in early morning or evening only and using a watering can or trigger nozzle. Inside the home massive amounts of water can be saved by installing water-saving appliances and fixtures. For example, regular showers use almost 18 litres of water per minute, whereas triple-A rated showerheads only use 9 litres. Full-flush toilets use 54 litres per person per day, while triple-A rated dual-flush toilets only use 18 litres. The average top-loader washing machine uses 153 litres per load, whereas the average triple-A rated front-loader only uses 99 litres.

Minor changes in our behaviour can also bring about significant water savings. Washing a car with a hose, for example, uses 180 litres while using a bucket uses only 99 litres. Dishwashers use 27-40 litres per cycle, whereas hand washing uses only 7 litres. Washing hands under a running tap uses 18 litres of water per minute. Hosing a driveway uses 18 litres of water per minute and sprinklers use 999 litres per hour. The average backyard pool takes 55,000 litres to fill and will lose about half that each year through evaporation unless it is covered. I suggest that pool covers should be mandatory in this State. So, by simply turning off a tap while soaping our hands, sweeping our driveways, hand-hosing our gardens and covering our swimming pools we can save thousands of litres of water. Those restrictions call for and rely on only modest adjustments to our lifestyles.

Gardens can still be hand watered, using a hose or watering can, at any time. Motor vehicles and boats can be washed and rinsed with a bucket or watering can. Boat engines can be flushed with hoses and boat bilges and boat trailer brakes and wheels can be cleaned with hoses fitted with trigger nozzles or high-pressure cleaning devices. Garbage bins can be cleaned on the grass with hoses fitted with trigger nozzles. Pools and water features can be filled using a hand-held hose.

A whole range of businesses can seek conditional exemption permits including plant nurseries, market gardens, turf and professional growers, sports grounds and playing fields, poultry farmers, vehicle retailers, transport companies, car washes, smash repairers, high-pressure cleaning operators, cleaners in hospitals, aged-care facilities, community and child-care centres, animal shelters, and education facilities, and construction and maintenance operators. Gardeners can also install drip irrigation systems, which are exempt from restrictions. Petrol stations and car washes will not be adversely affected as they are not allowed to use fresh water to wash cars and, as a consequence, already use recycled water.

The restrictions follow similar restrictions in nearly every other State. The Australian Capital Territory has moved to stage three water restrictions as, despite recent rainfall, water capacity remains at below 50 per cent. Victoria's water stocks have also plunged after seven consecutive years of low rainfall. Victorian households have had stage two restrictions since August, under which watering private lawns is banned, and cars and buildings can be washed only using a bucket or watering can. Bans also extend to most sports grounds and to filling swimming pools.

Restrictions are also in force on the Gold Coast, where the city's main storage facility, the Hinze Dam, is down to 47.8 per cent. Sprinklers are prohibited and hoses can be used to water gardens but not cars or boats.

Residents in South Australia can use sprinklers only between 8.00 p.m. and 8.00 a.m. Water cannot be used to clean a vehicle except with a bucket or a trigger hose for rinsing, roofs or paved areas can only be hosed in an emergency, and a permit must be sought to fill pools. A two-day-a-week household sprinkler restriction has been imposed on Perth residents since 2001. On the two days allowed, sprinklers can be turned on only before 9.00 a.m. and after 6.00 p.m. and with dams at virtually their lowest levels it is unlikely any water restriction will be lifted for summer.

We should accept these restrictions without complaint and adhere to them. While there is no doubt that the changes proposed in this bill are needed, community understanding of the importance of water conservation measures and practical ways to live with the current water restrictions will also be crucial if these restrictions are to be effective. The most effective and efficient way to bring about that understanding is for educational material about water conservation measures to be issued with penalty notices. The Government has indicated to me that it will do that. In some instances, people may breach the water restrictions because they do not appreciate how important water conservation is, or because they do not understand how to adjust their water use behaviour to satisfy the water restrictions.

As the provision of educational material will raise community understanding about the importance of water conservation it will result in higher levels of compliance with the water restrictions. Such measures have been successfully employed by Armidale council, which is responsible for enforcing local air-quality standards and has a policy of issuing educational material with warning notices to households that have unsatisfactorily smoky fireplaces. This educational material has proved a valuable source of information for households that have not previously understood how best to maintain their fireplaces, store their wood, et cetera, so as to maximise the efficiency of their fireplace combustion.

For the new mandatory water restrictions to be as effective as they could be, penalty moneys collected for breaches of the restrictions should be hypothecated to a demand management fund aimed at providing education on how to reduce domestic water use. Raising the community understanding of the value of water and the importance of adopting conservation measures is essential to reducing our domestic water consumption. Although applied in a somewhat different way, the spirit behind such hypothecation would reflect that of the existing waste fund, in which levies applied to landfill deposits are hypothecated to the waste fund, which then supports initiatives that reduce our waste generation, such as recycling. Similarly, the hypothecation of penalty moneys collected for water restriction breaches could make a valuable contribution to educational efforts to reduce domestic water consumption.

Therefore I will move an amendment in Committee to require educational material concerning water conservation measures to be provided with penalty notices. I will also move an amendment to ensure that all penalty moneys be fully hypothecated in a water demand management fund, but such an amendment raises constitutional issues and therefore is not likely to be passed by this House. Instead, I will follow the lead of the Deputy Leader of the Opposition, the Hon. Duncan Gay, and move an amendment that would make clear that the wish of the Parliament is that all penalties recovered for water restriction offences be used for the promotion of water demand management activities and programs.

No doubt honourable members would remember that in December last year the Deputy Leader of the Opposition moved a similar amendment to the Electricity Supply (Greenhouse Gas Emission Reduction) Amendment Bill in relation to the use of greenhouse gas penalties for the promotion of greenhouse gas reduction activities and programs. Honourable members would also no doubt remember that the Government supported that amendment on the grounds that it would create a flexible way in which any penalty revenue raised could be reinvested in abatement projects. I therefore look forward to receiving the support of the Opposition and the Government for this amendment and urge all honourable members of this House to join them in supporting it.

These amendments are needed because Sydney Water's performance in promoting water conservation has been scandalous, and because its failure to adequately reduce demand for water in Sydney is undermining the Government's decision not to build Welcome Reef dam. A dam would devastate the environment of the Shoalhaven River and cost up to \$1 billion of taxpayer funds. Crucial demand management strategies enshrined in Sydney Water's operating licence require the corporation to ensure that daily per capita water consumption is reduced from 506 litres in 1991 to 354 litres by June 2005 and 329 litres by June 2010. Those targets could be met through a combination of water-saving measures such as fixing leaking water mains, promoting water efficiency, and increasing the use of recycled wastewater, and would eliminate the need for a new dam. The reintroduction of roof water catchment in tanks is an obvious opportunity for water efficiency.

Sydney Water's figures show that daily per capita water consumption has risen sharply to 421.9 litres in February this year. Alarming, demand from October to December 2001 was the highest for the past 10 years. Rather than reducing demand to meet the targets, the trend is towards increased demand. We cannot afford to continue such levels of use and waste. Sydney's population is creeping up by about 1,000 per week. The impact of global warming is upon us. Coral reefs are disappearing at an alarming rate and are unable to live and flourish as the oceans become warmer. Glaciers are melting and entire species and communities are being forced to migrate due to the warmer global climate. Droughts are becoming progressively harsher and hotter.

In the 1957 drought daily temperatures were about 0.5 degrees Celsius higher than average. In the 1994 drought they were 0.65 degrees Celsius higher, but in the current drought temperatures have been 1.65 degrees Celsius higher than those recorded in any previous drought. The present drought, which is also the nation's worst drought in more than a century, appears to have settled in for a long stay. Seventy-seven per cent of the State is now in drought, average temperatures are rising and there are predictions for a very hot summer. Higher than average temperatures are predicted for the next three months. The Intergovernmental Panel on Climate Change—the group of 2,500 scientists advising the United Nations—says that the earth is 0.3 degrees to 0.6 degrees warmer now than in the late 1900s.

The panel, which warns that the pace of warming is accelerating, says that the world will be 1.5 degrees to 6 degrees warmer by 2100. In Australia the CSIRO is forecasting more frequent and increasingly severe droughts, storms and floods as a result of the hotter, drier seasons. More summer days over 35 degrees and fewer winter days below zero can also be expected. This is the ninth year in a row in which the State's rainfall has been lower than average. In the past 12 years, the rainfall over Sydney's catchment area has dwindled to about half the long-term average. The long-range forecast for weather patterns across Australia is for more of the same—shorter winters, extreme storms and uncertain rainfall patterns. We need, therefore, to meet the challenge by conserving water, not building more dams.

Sydney already has nine major dams to store water in wetter years—a total storage capacity of some 2,400,000 megalitres, or 2.4 million litres—and amongst the highest unit storage per person level in the world, but that does not appear to be enough. We need to be smarter about our water use. The way to be smarter is to manage the demand for water and reduce it. Demand management includes any program that modifies or decreases the level and/or the timing of demand for a particular resource. Demand management programs are designed to promote conservation, either through changes in consumer behaviour or through changes to the stock of resource-using equipment. Behavioural change in consumers can be promoted via education campaigns or through economic instruments such as pricing.

Demand management has the potential to reduce potable water consumption, effluent discharge and nutrient loads to the environment, while avoiding costs for system augmentation, ongoing operational costs, pollution licensing fees, energy and chemical use by Sydney Water, and energy and detergent use by customers. It can do so by deferring capital works, thus allowing for the downsizing of treatment plants and distribution upgrades, which can bring about substantial economic and environmental benefits. The Rous regional demand management strategy, which commenced in 1996 and had a value of \$30 million that year, provided for the deferral of the adopted schedule of capital works and resulted in a financial benefit of \$1.4 million.

That strategy not only included pricing and billing reform, leakage detection and repair, and rebates and giveaways for water-efficient showerheads but also included point-of-sale rebates for water-efficient washing machines, discounted residential retrofits and free water audits for non-residential customers. The residential retrofits included plumbers visiting houses to adjust toilet flushes, repair leaking toilets, install water efficient showerheads and tap-flow regulators, repair leaking taps, and adjust the temperature of hot water systems to 60 degrees Celsius. The program resulted in a decrease from 37.2 kilolitres to 33.6 kilolitres per annum in wet and dry periods.

Sydney Water piloted a residential assessment and retrofitting program in Shellharbour. It was estimated that the program would result in a 10 per cent uptake but it achieved a 25 per cent uptake. The program also resulted in an estimated saving of 27 kilolitres per annum for participating households, or an average saving of 74 megalitres per annum. The Greens urge the Minister and Sydney Water to extend that program statewide. We also urge the Minister and Sydney Water to use the program to directly assist low-income households to become more water efficient. Approximately 11 per cent, or nearly 500,000, of Sydney's population of 4.5 million people live under or close to the current poverty line. The cost of purchasing effective water-saving appliances such as four-star and five-star washing machines remains beyond the reach of most low-income households.

The cost of showerheads, taps, toilets and other water-using devices, and the ability to retrofit them, are also beyond many low-income individuals and families, especially those living in private rental housing. The time is right for the New South Wales Government and the State's water suppliers to make a sound, long-term investment in helping poor people to become efficient water users. That can and should be done by retrofitting low-income households with water-saving devices over a five-year period. The modest, strategic investment of some of those funds for water-saving purposes in low-income households would reap significant future returns. There is no doubt that the New South Wales Government can afford it, because projected budget surpluses reveal a healthy position over the next four years.

Finally, I urge the Minister to consider introducing some form of permanent mandatory restrictions. The days when we could have a profligate use of water are over. We also need to set a sustainable limit that meets Sydney's water needs and keeps our river systems flowing. After all, there will be few long-term benefits if the restrictions are viewed as a temporary hardship to be forgotten when good rains fall. We should take this opportunity to make Sydney's water use more sustainable, and we should introduce permanent restrictions, as Melbourne has done. Having introduced permanent water restrictions, which have just been moved to a higher stage, the Bracks Government found they are popular with the electorate. In fact, polling in Victoria suggests that voters would be upset if, once again, they were allowed to hose down their Holden Astras and their driveways. The Greens support this Government initiative, which we believe to be a significant step in the right direction to achieve water conservation.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS** [2.26 p.m.]: The Australian Democrats congratulate the Government on this initiative, however overdue it is. The Minister for Energy and Utilities, the Hon. Frank Sartor, deserves commendation for putting this scheme together and for enforcing reasonable water use restrictions. People using additional water will have to pay for it. The long-term trend appears to be a reduction in water catchment levels, even though a lot of rain has fallen in areas such as Perth. If honourable members look at rainfall figures for the past 25 years they will see that much less rain fell in the 25 years prior to that.

When governments build long-term infrastructure they assume that the rainfall will remain constant over the decades, but they could be in trouble if their assumptions are not correct. It does not sound too bad when we say that the catchment of Warragamba Dam has fallen below 60 per cent over the past 25 years, but that might not be the long-term trend over the next 25 years. When I visited Warragamba Dam in about 1993, Sydney Water officials were excited because that was the first time there had been a surcharge in the 11 years after the height of the dam had been raised. They were proud of those statistics.

It is important to place on the record the poor water conservation performance of Sydney Water and governments in this State. When I renovated my house in 1995 I wanted to install a grey water tank, but the builders were reluctant. They were concerned about complying with grey water use regulations. They were concerned also about the extra costs involved in separating toilet and shower water and the additional cost of installing the tank. After doing the mathematics they discovered that it was totally uneconomic to install a grey water tank and I was told that it would not comply with the building code. After arguing with the builders for several hours I abandoned the idea. Retrofitting my system now to install a grey water tank would be extremely expensive. At that stage the installation of a rainwater tank in an inner city area was likely to cause a problem.

In 1974 Sydney Water had 17,000 employees, in 1984 it had 13,500, and currently it has 3,500. Sydney Water was corporatised and the Government was happy to dramatically reduce its work force. Many workers were given redundancy payments. Those workers were significantly involved in replacing the existing supply and waste water pipes. The problem is that rainwater is leaking from the pipes into the sewerage system and the wet water flow is nine times greater than the dry water flow when the volume of the flows should be the same. Millions of dollars were spent building the Northside stormwater tunnel to deal with sewage overflow caused when stormwater leaked into the sewerage system. The failure to maintain the integrity of the existing stormwater system has caused those overflows. The Auditor-General examined the tunnel's construction but did not mention that the contractor offered not to line the tunnel in order to save money and to have it operating in time for the Olympic Games. I confess that that worries me.

I know from experience that tunnel vent shafts that dissipate gases are located a certain distance apart. When sulphur dioxide mixes with water it forms  $\text{H}_2\text{SO}_3$ , or sulphurous acid, which is very corrosive both to sandstone and to pipes, which deteriorate quickly. Workers who were known as vent shafts men used to be responsible for maintaining the shafts. They would strap two extension ladders together in order to reach the top of the rusting vent shafts that led from the sewerage system. WorkCover ultimately condemned the work

methods of the vent shafts men, and that made repairing the vent shafts extremely difficult. I understand that two out of three vent shafts have now been removed, and that will accelerate the rate of corrosion in the sewerage system. The problem was addressed to some extent by ventilation in the Northside tunnel—although gas emissions have caused some controversy. However, because the tunnel is not lined the sulphurous acid may cause the sandstone to crumble over time. I believe taking shortcuts is a significant problem for Sydney Water, as is the laying off of many workers who could have replaced supply, stormwater and sewerage pipes to prevent leaks both into and out of the system.

We all know that Sydney is a far-flung city in urban density terms. It has one of the biggest surface areas of any city in the world. Frank Sartor graphically described the 21,000 kilometres of water pipes as being capable of extending halfway to New York and back. It is interesting to note that the active leak reduction team—which I presume comprises contractors rather than Sydney Water employees—will scour 7,000 kilometres of pipes looking for leaks. That means that only one third of the network will be examined. When I worked for Sydney Water, workers would use a large stethoscope-like device to listen for leaks. I imagine that they now use more sensitive electronic devices tuned to certain frequencies. It is claimed that the team's work will save about 36 million litres of water per year, with a targeted saving of 60 million litres by 2005. I am not sure how that compares with total water usage or the litres of water lost through leakage every day. However, it is interesting information.

In defence of Sydney Water, Mr Sartor said that 580 kilometres of water pipes were replaced in the past four years. That means that only 145 kilometres—or 0.7 per cent—of 21,000 kilometres of water pipes are being replaced each year. In other words, the current replacement scheme is simply inadequate. It is also claimed that 12 per cent of Sydney Water's capital works budget is spent on pipe replacement. I am not sure what its total capital works budget is but the maintenance of existing pipes certainly does not constitute capital works. Expenditure must be increased greatly if progress is to be made in this regard. International comparisons have placed Sydney thirteenth out of 34 countries—if we include a few third world countries in the list of course we will look good—but I view such rankings with great scepticism. Sydney Water said that 25,700 mains breaks and leaks were attended to in the past 12 months, and it thinks this is a good record. I suggest that the fact that Sydney Water has to fix breaks and leaks means that the system has big problems and that a systematic maintenance program is required. It is a great concern that such a program has still not been introduced.

Some years ago—perhaps in 1993—the water service operators were made redundant and information held in paper form, including charts of valve locations, was transferred to a computer system. However, it transpired that many of the valves that controlled the water system had been moved over time—when somebody built a driveway or a chicken shed, for example—so they were not as marked on the existing plans. The water service operators who had been on the job for many years knew where the valves were located but when the plans were computerised it was a case of junk in, junk out. The water service operators were often called upon because of their extensive specialist knowledge—dare one say that it was something of a rort—but they were all made redundant at midnight on a certain date. It is said that water hammers can be set up so that if certain taps are turned on in certain combinations about 12 hours later the water will burst out at some point due to flow effects.

**The Hon. Duncan Gay:** Have you been listening to late-night radio again?

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** No, I am speaking from my industry experience. I know it is not common in this place for members to talk about subjects of which they have some knowledge, but I am the exception in this case. All water service operators were made redundant at midnight—or perhaps at 10.00 p.m.—on a certain date, and a large water pipe burst in Redfern early the next morning. Of course management did not have the infrastructure in place to fix the problem and Redfern flooded. By chance, on that day I happened to be at Guildford, where the canal feeds into pipes, and the workers there were very proud of the fact that they were pumping to maintain water pressure in the central business district [CBD]. Whatever happened in Redfern, as long as water pressure was maintained in the CBD there would be no political ramifications. On that occasion a 100-year old wooden main responded with water pressure greater than its design capacity. People can say what they like about the water board today, but 100 years ago the board was proud to build a system that would last—and it did.

If we are to have a secure water supply, we must have a long-term plan. I suggest that we return to the days when systems were built to operate a century later beyond specifications. There were certainly many quality-control problems in the early years because much of the work was done under contract. I understand that polyvinyl chloride [PVC] pipe is used today. I must confess that I do not know the rate of PVC deterioration

underground—iron obviously deteriorates—but it certainly deteriorates badly in ultraviolet light. Sydney Water must introduce a systematic replacement plan to address its water losses in addition to fining households for water wastage.

Sydney Water must improve its own management. The Government must stop taking dividends from the cash cow and start putting some money into replacing the water system, and maintaining our stormwater and sewerage systems for the long term. The Government has to provide realistic and practical building and renovation regulations dealing with water usage. They certainly were not realistic or practical when I renovated my home in 1994-1995. I support this legislation as a step in the right direction. However, the Government should not merely increase fines without at the same time repair and maintain the system.

**The Hon. RICK COLLESS** [3.40 p.m.]: I give tacit support to this bill. In principle, The Nationals believe it is good legislation, but we are concerned about the sledgehammer approach of the Government. The Nationals have always regarded water management to be sacrosanct. People in rural areas of New South Wales grow up with a philosophy to conserve water, both in the household and on the farm. Most people who live in the bush do not have reticulated water connected to their homes; they rely on rainwater caught on their roofs. For example, while we are brushing our teeth we turn off our taps, but our city cousins when they visit they leave the taps on, full bore. An enormous amount of water is wasted every year by such a practice. I hope that city people are brought up to speed about the little things they can do in their homes to conserve water. Much has been said about washing cars or using a hose on paved surfaces. In the country we do not wash our cars on paved surfaces.

**Mr Ian Cohen:** You shouldn't wash your car.

**The Hon. RICK COLLESS:** Generally we do not wash the car; we do not have enough water to do so. My three-year-old car has been washed twice since I bought it—on the two occasions it has rained at my place in the past 12 months. Most country people understand fully the importance of conserving water. They are aware of the extremely high cost of providing water. We hear the arguments advanced by people living in urban areas about annual increases in water rates. Water rates are not increased in the bush because we store rainwater at our own cost. The bore at my place cost approximately \$5,000 to equip. Every six or seven years I have to pull up that submersible bore and spend a couple of thousand dollars to maintain or repair it. Once we equip the bore we have to lay reticulation pipes to the house, gardens and everywhere else.

Such services are supplied to the urban community; country people have to provide them at their own expense. If a pipe bursts because of frost, or perhaps because the kids have backed into it whilst learning to drive, we cannot ask the country council or the local authority to come and fix it. We have to do it ourselves. People in the bush are more aware of the importance of water and water infrastructure than are people in the city. The bill will increase significantly the number of people who can police water restrictions. I question the benefits of that increase. I remind the House that the Government suggests that each year the Sydney water system loses 10.7 per cent of its volume because of leaking pipes and failing infrastructure.

**The Hon. Duncan Gay:** That is a disgrace.

**The Hon. RICK COLLESS:** It is a disgrace. If my home water tanks lost 10 per cent of their capacity, we would very quickly run out of water. At my house it is imperative that as soon as a tap is found dripping it is fixed, because my family and I understand the importance of proper maintenance of the water system. In the past eight years this Government has spent very little money on maintaining the water infrastructure system. How will the Government fund a maintenance program? The average annual cost of an inspector that the Government will appoint is in the vicinity \$100,000, taking into consideration wages, superannuation contributions and on-costs, and a motor vehicle. The Government will appoint 50 inspectors at a cost of \$5 million each year. The balance sheet has to take into account that additional \$5 million each year. How much will the Government recoup from fines? If \$5 million is recouped, the process will be revenue neutral. Will the Government make more than \$5 million? If it does, that additional money should be hypothecated for the maintenance of the system. In fact, the \$5 million that will be spent on the inspectors would be better put to maintaining the system hopefully to stem the 10 per cent loss that occurs annually. I support in principle any bill that encourages water conservation and the better management of water, but I am concerned about the methodology being adopted by Government in this bill. I look forward to consideration of the bill in detail in Committee.

**The Hon. DON HARWIN** [3.48 p.m.]: One of the first things I did soon after moving to the Shoalhaven four years ago was to visit the home of the famous Australian painter Arthur Boyd, who spent most

of his final years on a property called "Bundanoon", a beautiful area just a couple of kilometres short of where the Welcome Reef Dam wall would have been built. Honourable members who are familiar with the work of Arthur Boyd will know that many of his paintings in his final years were of the upper Shoalhaven River, particularly around Pulpit Rock, which is just across the river from "Bundanoon"—which fortunately has been preserved in a trust for all Australians. What is not widely appreciated is that the volume of water in the upper Shoalhaven River is five times that in Sydney Harbour; it is an enormous volume of water, and it is no surprise that it was of particular interest to dam engineers back in the days when the answer to expanding water consumption always seemed to involve the building of a new dam.

Water flowing through populated areas of the Shoalhaven Valley has preserved the upper Shoalhaven. This is of great importance not only to those who take a keen interest in environmental issues but also to Shoalhaven oyster farmers and fishermen, as well as tourism operators who depend upon the river for at least part of their business. Water conservation is a great legacy for the people of the Shoalhaven because the river now will continue to run free without a dam on it at Welcome Reef. It should be recognised that this is very much the outcome of demand management policies commenced under the Greiner Government. I had the good fortune to work for Tim Moore, the Minister responsible for Sydney Water in the first term of the Greiner Government. In particular, the introduction of an efficient system of charging for water consumption gave us the marvellous legacies that we enjoy today without the need for the Welcome Reef dam. I recall the enormous opposition to the building of the Tillegra Dam on the Williams River. An efficient water charging system introduced by the Hunter Water Corporation made it possible to delay construction of that dam. I am mindful that our former colleague in another place, Peter Blackmore, is noted in *Hansard* as having said in 1991:

As a result of the postponement of the substantial investment in the new dam and the accompanying infrastructure ... every family in [the Hunter] has saved an estimated \$100 a year in water bills ...

So we have had huge dividends from pursuit of those demand management policies by this Government, the previous Government, the Government before that and the Hunter Water Corporation. We are all benefiting from that policy now. However, this bill has problematic aspects. I was disappointed that we heard little about those in the contribution of Mr Ian Cohen and the Hon. Dr Arthur Chesterfield-Evans. Mr Ian Cohen spoke about sustainable water restrictions. I am concerned whether some provisions of this legislation will be effective in maintaining sustainability of water restrictions. As other Coalition members have mentioned in this debate, the heavy-handed approach of this bill is not in the interests of sustainability. I am surprised that someone as concerned about sustainability as Mr Ian Cohen has not picked up on that issue.

As my colleague the Deputy Leader of the Opposition pointed out, the issues have been extensively canvassed by the Legislation Review Committee, upon which I serve. Its concerns are outlined in *Legislation Review Digest* No. 4 of 2003. As that digest has been distributed, I will not labour the point made in some detail by my colleague the Deputy Leader of the Opposition. However, that committee raised serious issues. As my colleague indicated, it is the Coalition's expectation that the Government will respond to those concerns in this debate. In particular, we are somewhat concerned about the lack of a definition of "authorised person" in the bill. The authorised person will have wide powers of entry and the capacity to substantially affect the personal rights of residents in the area in which Sydney Water operates.

It is appropriate that there be both limitations on those powers and definitions as to who those authorised persons can be. This is an issue on which the Legislation Review Committee will comment because those will be part of the defined responsibilities set out in the Act. For example, the Legislation Review Committee digest says, at point 21, that the reference in the bill to "a person authorised in writing" is a principle upon which scrutiny of bills committees in various jurisdictions have repeatedly commented. In fact, the Legislation Review Committee digest refers to comments made by the Senate Scrutiny of Bills Committee on the Commonwealth Migration Act. It is worth reading from the committee's report:

The Committee often draws attention to provisions which delegate power to anyone who fits the all-embracing description of 'a person'. ... As a general rule, the Committee would prefer that potential appointees be required to have some qualifications or attributes before they are eligible for appointment.

That point is well made. Again I encourage the Minister to respond on this matter of grave concern to the Opposition before the end of this debate. My colleague the Deputy Leader of the Opposition spoke about the onus of proof. I will not go over that ground again, except to say that it would seem that the approach of this bill is to ditch centuries of common law. So be it. I conclude by taking up a point made by the Hon. Rick Colless: leakages of water from the Sydney Water system. He pointed, quite correctly, to the volume of water that is simply being wasted. In large part, this is because New South Wales does not have a detailed infrastructure plan.

Nor does it have an approach to periodic renewal of its infrastructure. This matter of grave concern to the Coalition led to our putting out during the election campaign a detailed policy which in very large part would address the sorts of concerns raised by the Hon. Rick Colless and extensively reported upon in the media: water wastage due to Sydney Water's failure to adopt a sensible approach to renewal of its infrastructure. With those few comments, I emphasise that the Opposition hopes to have by the end of the debate a response from the Minister on those key issues. The Opposition does not oppose the legislation.

**The Hon. TONY KELLY** (Minister for Rural Affairs, Minister for Local Government, Minister for Emergency Services, and Minister Assisting the Minister for Natural Resources (Lands)) [3.59 p.m.], in reply: I thank the various members who have spoken in the debate: the Deputy Leader of the Opposition, Mr Ian Cohen, the Hon. Dr Arthur Chesterfield-Evans, and the Hon. Don Harwin. A number of issues were raised, particularly relating to the Legislation Review Committee.

**Pursuant to sessional orders business interrupted.**

## QUESTIONS WITHOUT NOTICE

### NSW AGRICULTURE WEB SITE

**The Hon. DUNCAN GAY:** I direct my question to the Minister for Agriculture. Why has the sum of \$780,000, the cost of establishing NSW Agriculture's web page, been listed as drought assistance in the department's most recent breakdown of the New South Wales Government's commitments to drought assistance from July 2002 to September 2003? Does this mean that the entire NSW Agriculture web site was paid for out of the already overstretched drought budget? Can the Minister explain how media downloads, information on genetically modified canola, research on pests, diseases and weeds, farm business and trade and corporate information relate specifically to drought assistance? How can he justify this expense?

**The Hon. IAN MACDONALD:** I will take that question from the Leader of The Nationals on notice and give him a detailed reply in due course.

**The Hon. DUNCAN GAY:** I ask a supplementary question. Can the Minister further explain why the web site, costing almost \$1 million, was paid for out of the 2002-03 drought budget when the existing site clearly states that the content was created on the 29 December 1999?

**The Hon. IAN MACDONALD:** I am sure that there will be a very simple answer to all those questions, and I will deliver it in due course.

### SNOWY RIVER AND MURRAY RIVER WATER SAVINGS PROJECTS

**The Hon. CHRISTINE ROBERTSON:** Will the Minister for Agriculture and Fisheries inform the House of the status of the Joint Government Enterprise and its role in water saving projects for the Snowy and Murray rivers?

**The Hon. Michael Gallacher:** Take it on notice.

**The Hon. IAN MACDONALD:** I will not take this question on notice; I have a good answer.

**The Hon. Michael Gallacher:** The hand is shaking.

**The Hon. IAN MACDONALD:** It is not shaking. In August the Commonwealth, New South Wales and Victorian governments reached a milestone in the future of the Snowy and Murray rivers when they announced the parameters of the Joint Government Enterprise. This joint enterprise is a critical element of the broader Snowy agreement, which is designed to achieve the targeted 212 gegalitres in increased environmental flows for the Snowy and an additional 70 gegalitres in dedicated flows for the Murray. The joint enterprise will manage the expenditure of \$375 million over the next 10 years for water savings projects in key irrigation districts. Victoria and New South Wales will each contribute \$150 million and the Commonwealth will contribute \$75 million over the 10-year period.

As part of the announcement in August, the three governments agreed that the joint enterprise would be located in Albury, New South Wales. This is an ideal location because of its proximity to the key rivers and the

State's irrigation areas. Indeed, I announced earlier this year that one of the first projects for consideration is the Barrenbox Swamp proposal put forward by Murrumbidgee Irrigation Limited. The estimate is that this project alone could deliver 30 gegalitres of water. Secondly, the governments agreed that the joint enterprise would consist of one chief executive officer [CEO], three directors and up to 10 staff. Each government is responsible for appointing a representative director and will appoint the CEO once all directors are in place. I am pleased to inform the House that New South Wales has selected the Hon. Richard Bull as its representative. Cabinet approved his appointment yesterday. As members are aware, Richard Bull has a long history of success on State issues. He has held a number of positions throughout his career—

**The Hon. Rick Colless:** You have to go back to The Nationals to get the right advice.

**The Hon. IAN MACDONALD:** Can I talk about the Hon. Richard Bull for a moment without members opposite commenting? He has held a number of positions throughout his career that make him ideal for this role. He is a former chairman of the Murrumbidgee River Licensed Pumpers Association and of the Ministerial Advisory Committee on Energy, and he has held many other positions. He most recently authored an assessment of ovine Johne's disease [OJD] management in New South Wales. He was appointed to chair an interim steering group that will implement a new OJD approach for our State's sheep producers. We have informed the Commonwealth and Victorian governments of Mr Bull's appointment, and we hope they will take the same bipartisan approach in their respective appointments. The Snowy and Murray rivers are true Australian icons. The State and Commonwealth governments are committed to ensure they continue to thrive for the benefit and enjoyment of future generations. The Joint Government Enterprise will play a key role in achieving this goal, and I look forward to Mr Bull's contributions on these matters.

#### LICENSED CLUBS MANAGEMENT PAYMENTS

**The Hon. MICHAEL GALLACHER:** Treasurer, can you explain why you have sought the disclosure of payments to club executives and directors for public scrutiny when the Premier has refused to provide to the House any details of the salary of his own staff despite being asked to do so during budget estimates committee hearings?

**The Hon. MICHAEL EGAN:** I think the Leader of the Opposition is confusing two quite different things. First, a Minister's staff are not public office holders.

**The Hon. Michael Gallacher:** They are taxpayer funded.

**The Hon. MICHAEL EGAN:** They might be taxpayer funded but they are not public office holders. In relation to club management, there is a requirement—I think the threshold is \$100,000—for declarations for the salaries of club managers. There is also a great deal of concern about some recent revelations that various club directors and managers have private companies that are dealing with their clubs. Of course, all honourable members would be aware that that is not something that we would be entitled to do.

**The Hon. John Ryan:** You have known about that for more than 12 months.

**The Hon. MICHAEL EGAN:** I haven't.

**The Hon. John Ryan:** Your government has known about it.

**The Hon. MICHAEL EGAN:** I haven't. In fact, I became aware of it when the *Sydney Morning Herald* revealed that Mr Roger Cowan had a private company that was receiving some \$2.9 million a year from his club for goods and services rendered by his company. I regard it as entirely undesirable that senior managers or staff of clubs in management positions, or directors of clubs, should have private companies that are dealing with those clubs. That simply creates a commercial conflict of interest. It simply means that there is no way that club members can be satisfied that the purchase of goods and services is either warranted or at the best available price. There is no way that club members can be satisfied that the contract is being properly monitored when there is a commercial dispute between the supplier of those goods and services and the club.

Let us say, for example, that there is a dispute between Penrith leagues club and Phyro Pty Ltd about some of the \$2.9 million worth of goods and services provided by Phyro to Penrith Panthers. How can club members be satisfied that Mr Cowan or the board members of Penrith Panthers are acting in the best interests of the club and its members when obviously Mr Cowan has a huge financial interest in those contracts? I regard

that as entirely unsatisfactory. Following claims by Mr Cowan that there are oodles of clubs engaging in this practice, the Minister for Gaming and Racing wrote to the 100 biggest clubs to ascertain whether there were oodles. As I understand it from a report published in the *Sydney Morning Herald* yesterday, a very large proportion of clubs are dealing with companies that are owned by the clubs' senior managers or directors. I think that is entirely inappropriate.

**The Hon. MICHAEL GALLACHER:** I ask a supplementary question. Does the Treasurer maintain that on the issue of public scrutiny there is a standard for his Government and a standard for everybody else? I ask the question given earlier answers in the estimates committee hearing when the Premier refused to give specific amounts relating to staff payments and a large amount of other budget costs, and in view of the answer just given by the Treasurer.

**The Hon. MICHAEL EGAN:** Obviously the Leader of the Opposition has not listened to my answer.

### WAGGA WAGGA TAXIDRIVER SAFETY

**The Hon. DAVID OLDFIELD:** I direct my question to the Minister for Transport Services. Is he aware that Wagga Wagga taxidrivers are largely unprotected from attacks by violent passengers? Is he aware that Wagga Wagga police appointed a liaison officer in December 2001 to facilitate communications regarding security with the Wagga Wagga Taxi Driver's Association? Is it correct that that liaison officer is long gone and has not been replaced? Is the Minister aware of allegations that requests for urgent assistance by taxidrivers under threat go unanswered because of a lack of police resources? Will he inform the House when he expects taxidrivers at Wagga Wagga to have security arrangements equivalent to those of taxidrivers in Sydney, Newcastle, Wollongong, Gosford and Wyong?

**The Hon. MICHAEL COSTA:** I am aware that the Hon. David Oldfield has written to me regarding security of Wagga Wagga taxidrivers. In response to those letters, I have advised the Ministry of Transport, which is in the process of overseeing improvements to safety in the taxi industry in Wagga Wagga. In addition, the Taxi Advisory Council has been reconvened and has this matter before it as one that it ought to address. Given that the Taxi Advisory Council is reconstituted and that that body comprises representatives of country taxidrivers and the relevant trade union, it is appropriate that it have the opportunity to deal with this matter. I will advise the House of the council's action in due course.

### DEPARTMENT OF COMMUNITY SERVICES CASEWORKERS RECRUITMENT

**The Hon. KAYEE GRIFFIN:** I address my question to the Minister for Community Services. What action is being taken to recruit additional Department of Community Services caseworkers?

**The Hon. CARMEL TEBBUTT:** I thank the honourable member for her extremely important question. I am pleased to be able to give the House further information about the recruitment of additional caseworkers for the Department of Community Services [DOCS]. Last week the Department of Community Services began a massive recruitment drive over five years for 875 caseworkers. It is part of a broader plan that the Government announced in December 2002. By 2008 DOCS will have an additional 875 caseworkers throughout the State—which will nearly double the current number of caseworkers. That will result in the provision of additional help for thousands of families, and better care and protection for their children, including those at risk of harm and those who cannot live with their parents.

Over the next five years the Government aims to employ 375 caseworkers to work on the highest-priority child protection cases, 350 early intervention caseworkers to work with families and stop potential problems escalating, and 150 out-of-home care caseworkers to improve the provision of safe, stable placements for children and young people in out-of-home care. In addition, casework managers, client service managers and clerical support staff, plus teams of psychologists and legal officers, will be employed to support them.

The first round of recruitment began on 22 October and should see the department recruit 150 new caseworkers this financial year. There will be 100 for child protection, of which 50 will be devoted to high-priority cases and 50 to intervention, and 50 to out-of-home care.

Advertisements have appeared in all major papers and on the Government's recruitment web site. The department has also been working with universities to recruit new graduates. There has already been strong interest from potential recruits. The department is taking a planned, co-ordinated, strategic approach to

improving the child protection and out-of-home care system. DOCS is using a location-by-location approach to build the organisation, and test new ways of working and delivering services. Filling child protection caseworker positions in Maitland, Bankstown, Blacktown and Tweed Heads community services centres [CSCs] is the Government's first priority, based on needs and practical considerations.

**The Hon. Catherine Cusack:** What about Walgett?

**The Hon. CARMEL TEBBUTT:** Those four locations will see a range of new approaches come together for the first time. However, I assure the House that not all of the first round of caseworkers will go to those four locations.

**The Hon. Catherine Cusack:** Have you given up on Walgett?

**The Hon. CARMEL TEBBUTT:** DOCS will allocate caseworker resources to other high-demand locations as well in the first round, and over the next five years will allocate caseworkers throughout New South Wales. In this particular round, 50 out-of-home care caseworkers will be allocated across the State, either in centralised teams in regions or working from individual CSCs. The department hopes to have the first round of caseworkers ready to start work in early 2004. In February 2004 the department expects to launch its second round of recruitment by advertising for a further 100 caseworkers.

**The Hon. Catherine Cusack:** What about Walgett?

**The Hon. CARMEL TEBBUTT:** Furthermore, I advise the House that in addition to the 875 caseworkers in child protection, early intervention and out-of-home care, a further 35 caseworkers will be recruited to strengthen the DOCS role in the Joint Investigation Response Team.

**The Hon. Catherine Cusack:** What about the hard-to-staff areas?

**The Hon. CARMEL TEBBUTT:** These are the joint DOCS-police teams that work on cases in which children are at risk of serious sexual or physical assault, or have been assaulted. I note the interjections made by the Opposition. Quite frankly, if I were a member of the Opposition and I had the Opposition's record of not promising the additional 875 caseworkers, which is what happened two days before the recent State election, I would not dare interject because the Opposition has no credibility on this issue—none whatsoever. If I were the Hon. Catherine Cusack, I would just listen to what the Government is doing, sit back and remain quiet, because everybody knows what the Opposition policy was—to slash DOCS, as the Coalition did the last time it was in office.

**The Hon. Patricia Forsythe:** Point of order: The Minister is clearly misleading the House about the facts of the Opposition's commitment. I ask that the Minister refrain from misleading the House.

**The Hon. Michael Egan:** To the point of order: The Minister is not misleading the House. On the Thursday before the election, the Opposition produced its costings document and in that document were savings of \$700 million that it was going to achieve by slashing the extra DOCS workers. The Opposition announced that two days before the election, on the very day that both Houses rose. The Opposition left it to the last minute, so that nobody in New South Wales would know anything about it. It is no wonder that every time this is mentioned, Opposition members go red in the face. They have every right to feel utterly and completely ashamed by what their leader did. But I assure them that they will wear it forever.

**The Hon. Patricia Forsythe:** Further to the point of order: The Treasurer and Leader of the Government has now also misled the House. The Minister said that the Opposition was going to slash the budget. That is not the commitment made by the Opposition. The Opposition in fact intended to increase the budget for DOCS. I ask the Minister not to mislead the House.

**The Hon. Michael Egan:** Further to the point of order: The fact of the matter is that the funding for the additional 700 DOCS workers was in the forward estimates. In the Opposition's costings document, members opposite declared that they would save \$700 million to help fund their other unbelievable proposals.

**The Hon. Dr Arthur Chesterfield-Evans:** To the point of order: Madam President, I put it to you that the Government is not speaking to the point of order but is merely wasting the time of this House. The debate should be brought to an end.

**The PRESIDENT:** Order! I have warned the Hon. Patricia Forsythe and other members on numerous occasions not to take points of order in order to make debating points. There is no point of order.

### COUNTRYLINK RAIL SERVICES

**Ms LEE RHIANNON:** My question without notice is addressed to the Minister for Transport Services. Will the Minister confirm that an internal memo has gone to some CountryLink staff informing them that the Government is considering discontinuing all CountryLink rail services from January 2004? Are any CountryLink rail services slated for axing next year? If so, which ones?

**The Hon. MICHAEL COSTA:** Point of order: The question contains an absolute assertion and speculation. It is not an appropriate question. I have been asked whether I can confirm that a memo has gone out telling staff that we are going to cancel all CountryLink services. It is absurd. I have not seen such a memo. If the honourable member has a memo, she should produce it and I will obtain relevant advice.

**The Hon. John Ryan:** To the point of order: The member asked whether a memo was circulated. That is a legitimate question and it is in order.

**The PRESIDENT:** Order! The standing orders are quite clear: a question must not contain inferences or imputations. The Minister may answer that part of the question that asks about a memorandum, but that part of the question which contains inferences and imputations is out of order.

**The Hon. MICHAEL COSTA:** If the honourable member can produce the memo, I am certainly happy to get advice on it.

### DISABLED SUPPORTED ACCOMMODATION

**The Hon. JOHN RYAN:** My question is directed to the Minister for Community Services. How many additional permanent accommodation places have been created for people with a disability since the social issues committee made the key recommendation in December 2000, which stated:

The Ageing and Disability Department should adopt a growth target of 200 additional permanent supported accommodation places for people with a disability for five years from the date of tabling this report.

What response has the Government made to that specific recommendation? Why has the Government not implemented another of the committee's recommendations, namely, to publish regional and State plans for numerical targets for growth in supported accommodation?

**The Hon. CARMEL TEBBUTT:** The Government has provided a response to the social issues committee report into disability services in New South Wales. The response sets out the Government's response to a range of issues that were raised in the report. There is no question that the need for accommodation services is significant to people with a disability, not the least because people's needs are often complex. We need to find appropriate ways to support people with a disability. I advise the House that the Government will spend \$446 million on supported accommodation in the current financial year. I have been advised that that is an increase from the \$424 million provided in 2002-03. That information was provided to the honourable member in response to a series of questions asked during the estimates committee hearings. Nonetheless, I am happy to provide that information once again.

**The Hon. JOHN RYAN:** I ask a supplementary question. The Minister supplied some information about the amount of funding spent by the department. I ask the Minister: How many additional permanent supported accommodation places will that money provide? I imagine it provides for other things besides accommodation. Will the Minister give the House specific information on how many additional permanent supported accommodation places have been created each year since 2000, when the report was tabled?

**The Hon. CARMEL TEBBUTT:** I do not have that information. I have provided the House with information that indicates the funding allocated for supported accommodation. However, I am happy to take the question on notice. I undertake to get a response, if possible in the form that the honourable member asked.

*[Questions without notice interrupted.]*

### DISTINGUISHED VISITORS

**The PRESIDENT:** I welcome to the public gallery a trade delegation from the Beijing Ministry of Agriculture.

## QUESTIONS WITHOUT NOTICE

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*[Questions without notice resumed.]*

### WATERFRONT PROPERTY LEASES

**The Hon. AMANDA FAZIO:** My question is directed to the Minister Assisting the Minister for Natural Resources (Lands). Will the Minister advise the House of the latest information on leases of exclusive waterfront property in Sydney?

**The Hon. TONY KELLY:** I am pleased to report to the House that today the Minister for Transport Services, the Hon. Michael Costa, and I announced that the Independent Pricing and Regulatory Tribunal [IPART] will review the rents charged for all domestic waterfront tenancies. The Department of Lands and the Waterways Authority are responsible for almost 8,000 waterfront licences and residential leases across New South Wales. The Government is concerned that waterfront rents have not increased in 15 years. In fact, honourable members would be interested to know that it was a friend of mine, Bruce Baird, who last decided not to increase rents on those exclusive properties; that was in 1989. He was closely advised by the Deputy Leader of the Liberal Party in the other place, Barry O'Farrell.

That decision meant that the taxpayers of New South Wales were effectively subsidising exclusive waterfront property owners in Sydney, in areas such as Potts Point and Pittwater. I was also concerned to learn that some of these property owners are making a profit on the back of cheap rents. In other words, they are subletting their jetties to neighbours to moor their yachts and speedboats. Therefore, the owners of some of the most premium property in the State are charged a pittance in rent for waterfrontage that adds hundreds of thousands of dollars to the value of their property.

**The Hon. John Ryan:** What about the pittance in service? What service are you providing?

**The Hon. TONY KELLY:** They are leasing the land, not asking for service. The Government estimates that waterfrontage in certain areas can add up to \$800,000 to the value of a property. Clearly the situation cannot continue, and that is why the Government has asked IPART to review it. I notice that the Treasurer is particularly interested in this answer. The IPART inquiry will investigate the recommendations of a joint review by my department and the Waterways Authority. The joint review found that rents were inconsistently applied and did not reflect their market value. Members from country areas will be interested to know that while market-based rents are already in place in regional areas such as the North Coast, Sydney rents are stuck in a time warp. It is about time that Sydney rents caught up with country rents.

The Government sees no reason why Sydney waterfront properties should not be subject to the same market values as regions outside of Sydney. The Opposition seems to disagree. The honourable member for Southern Highlands, Peta Seaton, thinks it is okay for New South Wales taxpayers to continue subsidising the privileged few. Crown land, along with all our natural resources, needs to be efficiently and sustainably managed. The proposed whole-of-government approach will deliver a fairer rental regime when private benefits gained are factored into the rents charged. IPART will also consider submissions from those directly impacted by the proposals, up to 5 December. I expect the final report to the Government, Minister Costa and me to be available in about April next year.

### FIREARMS REGISTRY

**The Hon. JOHN TINGLE:** My question without notice is addressed to the Minister for Justice, representing the Minister for Police. Is it a fact that the NSW Police firearms registry is now incapable of properly carrying out its function because of a grave shortage of resources, including funding, personnel and equipment? Is it a further fact that because of this, the registry's database of firearms licence holders and registered firearms is up to 60 per cent corrupt and many months out of date, and therefore unreliable? Has anything been done to correct that situation? If not, and if the Government is unwilling to meet the cost of repairing and maintaining this unproductive system, will the Minister consider abandoning the registration of longarms in New South Wales?

**The Hon. JOHN HATZISTERGOS:** I will refer the question to the Minister for Police for an answer, and will advise the House in due course.

### FREIGHTCORP PRIVATISATION

**The Hon. CATHERINE CUSACK:** My question is directed to the Treasurer. Will the Treasurer advise the House on the fate of the proceeds from the sale of FreightCorp? Given the Treasurer's promise on 24 August 2001 that the sale of FreightCorp would assist with the funding of a \$6 billion upgrade for the State's rail network, will he now confirm to the House that the \$6 billion plan did commence with the sale of FreightCorp? Given that the \$6 billion plan was to pay for a four-year program of rail maintenance and new capital expenditure, how much of the money approved and announced by him was to be allocated to the upgrading of country tracks? How much has been spent?

**The Hon. MICHAEL EGAN:** At the time of the sale of FreightCorp I announced the amounts that were spent on country rail maintenance. I do not, off the top of my head, remember what those figures were, but they were a significant increase on rail maintenance expenditure up until that time. My recollection is—and I will have to check these figures—that we increased rail maintenance by approximately \$80 million a year. I will ascertain those figures for the honourable member and provide them to the House in due course.

### MANNUS CORRECTIONAL CENTRE INMATE PROGRAMS

**The Hon. HENRY TSANG:** My question without notice is directed to the Minister for Justice. Will the Minister advise the House what initiatives and programs the Department of Corrective Services is providing for inmates at the Mannus Correctional Centre?

**The Hon. JOHN HATZISTERGOS:** The honourable member asked a good question.

**The Hon. Duncan Gay:** You wrote it.

**The Hon. JOHN HATZISTERGOS:** Last week I visited Mannus Correctional Centre. I could do with a bit of assistance from the Deputy Leader of the Opposition in the agricultural area. When I toured some of the orchards and vineyards at Mannus I thought of him. I just had this vision that he could be useful.

**The Hon. Duncan Gay:** I have been there.

**The Hon. JOHN HATZISTERGOS:** I do not know why the Deputy Leader of the Opposition did not assist me at this inspection, which was well advertised during the week. The honourable member is distracting me from answering the question. Last week, when I visited the Mannus Correctional Centre, I saw some of the great work that is being done at that facility. In 1927 the complex, which was proclaimed as an afforestation camp for minimum-security inmates, could accommodate up to 164 inmates. The strongest trait of the correctional centre is its strong ties with the local community. The complex is involved in many community projects, including the maintenance of local hospital grounds, aged care facilities—though it appears as though Opposition members have an objection to it assisting aged care facilities—public buildings and the Mannus community hall. A number of people have commented quite favourably on the work that that centre has done. I read from a letter written by Ms Jan Walker, President of Rotary at Tumbarumba, who said:

Many more business and professional people in this community are now more informed about the Work Release Program run by the Mannus Correctional Centre.

Mrs Flo Lauder from the St Vincent de Paul Society said:

On behalf of the St Vincent de Paul... many thanks for the donation of wood for use in the Centre which is greatly appreciated. The donation is a great help to... the society.

Julia Ham, Director of the Carcoola Children's Centre at Tumbarumba, said:

We have always appreciated the support from Mannus especially during our building time.

The Secretary-Manager of Tumbarumba Bowling Club stated:

... the Board of the Tumbarumba Bowling Club instructed me to write to you to express the appreciation of the Club for the excellent work done by Charley Dowell and his helpers in producing bowls carry boxes. The work is of a very high standard and reflects very favourably on what you achieve at Mannus.

Those are just a few of the comments that have been received from members of the Mannus community about work that has been done in that area. A great deal of the community work that has been carried out by that centre, but that has not yet been acknowledged, includes various building work and restoration and maintenance work. I draw to the attention of the House an interesting program—the restoration of the police memorial at Munderoo, the site where the first policeman in New South Wales was killed on duty. That maintenance work was carried out by inmates from Mannus Correctional Centre. While I was at Mannus I saw the successful work that is being undertaken for inmates with drug and alcohol-related problems. The Restart Program is designed to provide inmates in custody for drug and alcohol-related convictions with services and programs that effect meaningful changes in their behaviour. Approximately 80 per cent of the inmate population's offence behaviour is linked to alcohol and drug use.

The program involves the provision of intensive therapeutic programs and regular testing of urine samples. To date, none of the inmates participating in the program has returned a positive urine result. My impression of the inmates participating in the program was that they exhibited a more positive attitude. I spoke to a number of them and ascertained that they valued the opportunity to be part of that program. That cost-effective program is run solely in-house by an existing staff member. The emphasis throughout the program is on positive peer support and preparation for a future that does not include returning to prison. One of the inmates who praised the program commented on how he has been educated to avoid, once he is released, placing himself in situations that would tempt recidivism. The Restart curriculum uses as its core a problem-solving program that is underpinned by both educational and social skills interventions. [*Time expired.*]

**The Hon. HENRY TSANG:** I ask a supplementary question. Will the Minister provide the House with additional information?

**The Hon. JOHN HATZISTERGOS:** The program is supported by relevant modules from the Adult Education and Vocational Training Institute and TAFE vocational training packages. The program, which runs for 22 weeks, is available to minimum security inmates approaching release. Mannus has shown other correctional centres what excellent work can be done when inmates are put to positive use in the community. The Restart Program offers inmates a chance to address their offending behaviour and return to society as law-abiding citizens.

#### CABONNE SHIRE COUNCIL AMALGAMATION

**The Hon. Dr PETER WONG:** My question without notice is directed to the Minister for Local Government. Is the Minister aware that in 2002, at the opening of the new Cabonne Shire Council offices in Molong, the Premier made a promise in the presence of 150 witnesses that Cabonne Shire Council would not be amalgamated with Orange City Council? Can the Premier's promise in relation to Cabonne Shire Council be trusted, or do his pre-election words carry less weight?

**The Hon. TONY KELLY:** I attended the opening by the Premier of the new \$1 million Cabonne Shire Council chambers, which were funded entirely through cash payments, and not through any loans. The only thing I can remember—and I think my eyes glazed over after I heard this statement—was the suggestion by Mayor Robert Wilson from Parkes Shire Council that if Harry Woods was resigning or retiring as Minister for Local Government at the next election he could do no better than recommend the appointment of one of the people in the room to his position.

#### FISHERIES MANAGEMENT ADVISORY COMMITTEE FEES

**The Hon. JENNIFER GARDINER:** My question without notice is directed to the Minister for Agriculture and Fisheries. Will he consider adjusting fees paid to Fisheries Management Advisory Committee [MAC] representatives so that they keep pace with changes in the consumer price index? Why has the MAC fee of \$150 not been increased for a number of years so that these important representatives in industry are better resourced to carry out their duties? How can he justify not adjusting that fee when this Government does not hesitate in raising its revenue annually by increasing the 92 fisheries fees and charges so that they change in line with the consumer price index?

**The Hon. IAN MACDONALD:** I am aware that matters similar to those raised today by the Hon. Jennifer Gardiner have been raised with the department. The director-general advised that in the past MACs have been given the opportunity to consider an additional charge, but there has not been general support for that proposal. In my experience, most committee members undertake this role because they have a genuine interest

in creating a better industry, not because they want large payments. The Government has made a commitment not to increase total cost recovery for traditional services in commercial fisheries, but if industry recommends an additional charge I will give it proper consideration.

### AUSTRALIAN TECHNOLOGY SHOWCASE EXPORT AWARDS

**The Hon. PETER PRIMROSE:** My question without notice is directed to the Treasurer, and Minister for State Development. Will the Minister advise the House of the export achievements by companies in the New South Wales Government's Australian Technology Showcase program?

**The Hon. MICHAEL EGAN:** It is a long time since I have been asked a question about the successful Australian Technology Showcase [ATS] program. I am pleased to have this opportunity to update the House on the successes of that program. The New South Wales Australian Technology Showcase program continues to actively support innovative New South Wales technologies with a view to growing exports and jobs in New South Wales. The New South Wales ATS has directly contributed \$500 million in additional sales exports and investments for member technology since the program began in late 1997. Of this amount, \$327 million was from new ATS members' exports, won with the support of the ATS program.

In a further example of the export performance of ATS technologies, four ATS technologies were recognised among the winners at the 2003 Premier's Exporter of the Year Awards that were held in Sydney last Thursday night. The four ATS technology companies were as follows. Citect from Gordon in Sydney is the largest independent supplier of industrial automation software in the world, exporting its technology to 50 countries worldwide. Its technology is used by many of the world's largest manufacturing corporations. Laservision Macro-Media Pty Ltd from Dural won the arts and entertainment category of the 2003 Premier's New South Wales Exporter of the Year Awards. Over the past five years 70 per cent of the company's turnover has been derived from exporting products and services for major events, using its highly sophisticated laser light and sound technology.

Chadwick Technology of Forestville, and winner of the Asian Exporter of the Year Award, has developed a stunning portfolio of regional success over 15 years for its innovative roofing technology. The technology has allowed award-winning designs to be completed at major venues throughout the region, such as the Kuala Lumpur International Air Terminal and the Expo Railway Station in Singapore. The Emerging Exporter of the Year Award was won by the ATS company Sportstec in recognition of its rapid export achievements. With a distribution network in 21 countries and direct operations in the United States of America, Europe, New Zealand and Australia, Sportstec is now recognised as a global leader in sporting technology, with its video software that allows sophisticated analysis of games and player performance. Sportstec's technology is being used by eight of the rugby nations competing in the 2003 Rugby World Cup, which is taking place in Australia but mainly in New South Wales. I am sure that members opposite will agree that it is proving to be a fantastic competition. These four companies are but a small sample of the export successes achieved by ATS companies, and I wish every other ATS company good luck in next year's Premier's Exporter of the Year Awards.

### PRISON POPULATION

**The Hon. PETER BREEN:** My question is directed to the Minister for Justice. Did the Minister in his response to the annual report of the Serious Offenders Review Council indicate that the prison population of New South Wales includes more serious offenders than ever before? Did the Minister attribute this increase in the number of serious offenders in custody to better policing and longer sentences? Why did the Minister fail to mention as an additional reason for the increase in the prison population the large number of serious offenders who remain in custody even though they have served their sentences and are no longer a threat to the community?

**The Hon. JOHN HATZISTERGOS:** The answer to the first part of the question is yes. The answer to the second part of the question is yes. The answer to the third part of the question is that it is not relevant.

### WATERFALL RAIL ACCIDENT INQUIRY

**The Hon. DON HARWIN:** My question is directed to the Minister for Transport Services. Will the Government require that the letters patent of the waterfall inquiry, which state that the interim report is to be presented to the Governor by this Friday, 31 October, be abided by? If not, what action will be taken to vary the letters patent?

**The Hon. MICHAEL COSTA:** That is a matter for the Premier as the inquiry is constituted under an Act for which he is responsible. I am happy to refer the question to the Premier to get a response.

## SUSTAINABLE ENERGY TECHNOLOGIES

**The Hon. IAN WEST:** My question is directed to the Treasurer, and Minister for State Development. Will the Minister inform the House about initiatives to develop sustainable energy technologies in regional New South Wales?

**The Hon. MICHAEL EGAN:** Sustainable technologies involve the use of innovative science to encourage economic growth and effective protection of the environment. I draw to the attention of the House two initiatives from the growing sustainable energy technology industry in the Hunter region. Newcastle-based Quantum Energy develops products based on the heat-pumping technologies that absorb heat from the air. The company manufactures solar-powered hot water heaters, central heating systems and pool heating. Its patented systems can operate in a wide range of weather conditions and save up to 80 per cent of running costs compared with electric systems.

Quantum relocated to Newcastle four years ago and upgraded its manufacturing operations with support from the New South Wales Government Hunter Advantage Fund. The company established its Newcastle manufacturing plant with 20 staff and Quantum now employs more than 50 people, with offices in Sydney, Brisbane and Melbourne. Quantum is now exporting its products to Europe and North America and recently established two joint ventures with China. China is committed to finding environmental alternatives to oil-powered, diesel-powered and coal-powered central heating boiler systems in residential and public buildings. Quantum has partnered with Sinopec, China's largest oil producer, to establish a manufacturing plant in Shandong Province in China's north. Quantum also recently commissioned a manufacturing plant in the southern province of Yunnan with joint-venture partner Yunnan Metallurgical Group Company. Products manufactured by these facilities will supply the Chinese market, including Hong Kong, Macau and Taiwan.

Another major win for the Hunter region is the establishment of CSIRO's Energy Technology Centre on the Steel River site at Mayfield West. The new state-of-the-art \$28 million Energy Technology Centre is expected to employ more than 100 staff directly and inject \$11 million into the local economy each year. I am pleased to say that support for the CSIRO Energy Technology Centre also came from the Hunter Advantage Fund. The new centre will house the core of CSIRO's scientific effort in sustainable energy technologies. It will also serve as a national and global showcase for the Australian energy industry and its latest technologies. CSIRO energy technology looks at ways to ensure the sustainability of energy production into the foreseeable future. It is hoped that the establishment of the new centre in Newcastle will also attract other companies with a focus on sustainable energy. It is great to see that the Hunter is fast becoming the base for the growing Australian sustainable energy industry, and I congratulate these two excellent initiatives.

## OVERSEAS STUDENTS PUBLIC TRANSPORT CONCESSION FARES

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** My question is directed to the Minister for Transport Services. Is the Minister aware of any private English language colleges that are informing overseas fee-paying students that their student identification cards entitle them to student concession fares on New South Wales State transport services when they are not entitled to student concessions? What enforcement measures has the State Transit Authority taken with regard to private language institutions that may be misleading overseas students studying English as a second language in New South Wales? Is the Minister aware that many European countries give transport concessions to international students? Does the Government want to help these students—

**The Hon. Amanda Fazio:** Point of order: Madam President, I believe this question is out of order because under Standing Order 65—

**The Hon. John Ryan:** You don't know so you're just going to have a go.

**The Hon. Amanda Fazio:** I do not need the Hon. John Ryan's advice. Standing Order 65, "Rules for questions", states:

- (1) Questions must not contain:
  - (a) statements of fact or names of persons unless they are strictly necessary to render the question intelligible and can be authenticated ...

The standing order goes on to outline a range of other criteria that I believe are relevant to the Hon. Dr Arthur Chesterfield-Evans's question. Furthermore, Madam President, I draw your attention to the requirement that a member who asks a question must be prepared to take responsibility for the authenticity of any issues, imputations or facts raised in the question. Madam President, the Hon. Dr Arthur Chesterfield-Evans's question is clearly out of order.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** To the point of order: My question is entirely in order.

**The PRESIDENT:** Order! I remind members of a number of previous rulings and conventions in other Houses on this issue. The twenty-second edition of Erskine May's *Parliamentary Practice* states:

The facts on which a question is based may be set out as briefly as practicable within the framework of a question, provided that the Member asking it makes himself responsible for their accuracy ... Where the facts are of sufficient moment the Speaker has required prima facie proof of their authenticity.

I make these statements because it is not just this question that is obviously at issue.

[*Interruption*]

Order! I call the Hon. John Ryan to order.

The *House of Representatives Practice* states—

[*Interruption*]

Order! I call the Hon. John Ryan to order for the second time. Members must be aware that their questions must comply with the standing orders. The *House of Representatives Practice* states:

The requirement that information contained in a question be authenticated by the questioner is rarely applied unless the accuracy of the information is challenged. In such cases the Speaker simply calls on the questioner to vouch for the accuracy of the statement and, if the Member cannot do so, the question is disallowed.

I will therefore ask the question: Can the Hon. Dr Arthur Chesterfield-Evans vouch for the authenticity of the information supplied in his question?

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** Yes. I believe, therefore, the question is in order.

**The PRESIDENT:** Order! The question is in order. The Minister may reply.

**The Hon. MICHAEL COSTA:** If the honourable member can produce evidence of people using concessions not in line with the regulations, I am happy to take that matter on board. I also note the interest of the Hon. Dr Arthur Chesterfield-Evans in public transport. Some of my spies told me that the honourable member was looking at the most expensive motor vehicles at the Motor Show. His interest in public transport does not translate to him purchasing an expensive motor vehicle.

### MILLENNIUM TRAINS

**The Hon. PATRICIA FORSYTHE:** My question without notice is directed to the Minister for Transport Services. Will the Minister explain why New South Wales taxpayers are being forced to pick up more than \$100 million in additional contract costs for the Millennium trains? Is it the result of the Government's decision to fasttrack the project before the State election? Was Downer EDI asked to accelerate its delivery program prior to the election in return for an extension of time and pricing?

**The Hon. MICHAEL COSTA:** This question has been asked on a number of occasions by members of the Opposition. I refer to my previous responses. I again make the observation that the Opposition is researching the daily media for its questions and is running out of questions at this late stage of question time. The Opposition is using its extensive resources to research the media. If the Opposition had spent more time doing research it would have seen that yesterday afternoon EDI put out a clarification of the statements made by its managing director, to which I refer the Opposition.

### COUNTRY ENERGY APPRENTICESHIPS

**The Hon. JAN BURNSWOODS:** My question is directed to the Minister for Rural Affairs, representing the Minister for Energy and Utilities. What is the Government doing to provide more jobs for young people in the energy industry in country New South Wales?

**The Hon. TONY KELLY:** Today I welcome the announcement by the Minister for Energy and Utilities in the Legislative Assembly that Country Energy will employ an additional 49 apprentices next year. The 49 new apprenticeships include 36 for powerline workers, 10 for electrical technicians and 3 in the communications field. The apprenticeships are being offered in 45 different country communities, from Kyogle to Cobar in the State's north, and from Bombala to Albury in the State's south. The apprenticeships will allow skills and jobs to stay in country New South Wales. Importantly, they will also allow young people to find employment in their home towns. Country Energy has a highly successful apprenticeship program, which has seen more than 140 new apprentices receive training and work over the past two years. This year alone 54 apprentices and trainees—30 per cent of whom come from indigenous backgrounds—have been given new opportunities. Country Energy has been so successful in attracting indigenous youth to its apprenticeship program that it has been nominated for the prestigious Premier's Public Sector Award.

Applications for the apprenticeships closed on 12 September, and I understand that a high-quality field of candidates applied. The Government has a proven track record in providing job opportunities for young people in country New South Wales. My Department of Local Government recently transferred to Nowra, injecting approximately 60 new pay packets into the area. They will be spent in local shops, restaurants and small businesses, generating new economic growth and opportunities. Country Energy is an industry leader. Apprentices with Country Energy training will stand themselves in good stead for a future in the electricity industry. Country Energy employs more than 2,700 people countrywide. I wish all candidates for the apprenticeships the best of luck. I congratulate Country Energy on its commitment to provide new training and job opportunities for young people in country New South Wales.

### GREY-HEADED FLYING FOXES

**Mr IAN COHEN:** My question is directed to the Minister for Justice, representing the Minister for the Environment. Will the Minister investigate the deterioration in the number of saplings, particularly Sydney peppermints, in some New South Wales forests, particularly on the Central Coast, due to flying fox colonies sites being wiped out by orchardists who are shooting the vulnerable species, the grey-headed flying fox?

**The Hon. JOHN HATZISTERGOS:** I will refer the question to the Minister for the Environment, obtain an answer and advise the House.

### MILLENNIUM TRAINS

**The Hon. MELINDA PAVEY:** My question without notice is directed to the Minister for Transport Services. In the past 24 hours has the Minister sought to ask the former Minister for Transport whether he ordered the fast-track delivery of Millennium trains prior to the election or does the Minister intend to maintain his claim that he has no knowledge of the matter?

**The Hon. MICHAEL COSTA:** I refer to my previous answer.

### MILLENNIUM TRAINS

**The Hon. GREG PEARCE:** My question is directed to the Minister for Transport Services. Why are there still only eight Millennium train four-car sets in revenue service, even though State Rail has accepted 18 sets to date?

**The Hon. MICHAEL COSTA:** I take great pride in—

**The Hon. Melinda Pavey:** Your looks!

**The Hon. MICHAEL COSTA:** Certainly, my looks. A few members of the Opposition are trying to emulate me.

**The Hon. John Ryan:** Certainly not me.

**The Hon. MICHAEL COSTA:** No, you could not do it, but I notice that you are not wearing white shirts anymore. I told you about the white shirts.

**The Hon. Melinda Pavey:** This is a serious matter, Minister.

**The Hon. MICHAEL COSTA:** It is a serious matter.

**The PRESIDENT:** Order! I call the Hon. Melinda Pavey to order.

**The Hon. MICHAEL COSTA:** I take a lot of pride in the fact that we have been able to achieve—

**The PRESIDENT:** Order! I call the Hon. Greg Pearce to order. I call the Hon. Greg Pearce the order for the second time.

**The Hon. MICHAEL COSTA:** I take a great deal of pride in the fact that one of the things we have been able to do whilst I have been the Minister for Transport Services is to provide more information to the public than it has ever received before—in fact, so much information that the shadow Minister for Transport Services was quoted in the media as saying, in one of his more brilliant statements, "There's too much information, I don't know what the answer is." The poor thing!

**The Hon. Michael Gallacher:** That's right, stick the knife into Carr.

**The Hon. MICHAEL COSTA:** I am talking about you, the shadow Minister. I am not sticking the knife into anybody other than you—and I am very much enjoying doing that, because you do lead with your chin on a number of matters, such as your great commitment to the people of Armidale about restoring their train services. You went to Armidale and were confronted by a number of people calling for a return of the rail service. You said, "I can't give you a commitment. I don't know what is going to happen in three years time. I do not know whether we will be in government." He could not give a commitment. I note also that the shadow Minister for Transport Services was on the top 40 of the Opposition. He said that his three best performances were—

**The Hon. Greg Pearce:** Point of order: My question asked about the number of Millennium trains in revenue service. Clearly, the Minister is not addressing the question.

**The PRESIDENT:** Order! I remind the Minister that answers must be relevant to the questions asked.

**The Hon. MICHAEL COSTA:** As I was saying, I have provided a great deal of information while I have been Minister for Transport Services—and I have provided it in a form that is readily accessible by anybody who chooses to put the time and effort into finding it. It is on the web. If the honourable member goes to the CityRail web site, the section on the Millennium train will give him all the information he requires. All of that is available on the web site. It has a day-by-day analysis of issues relating to the Millennium train and the most recent press releases from the State Rail Authority on the Millennium train. I suggest the honourable member spend some time and examine it in detail.

**The Hon. MICHAEL EGAN:** If honourable members have further questions, they might like to place them on notice.

#### DEFERRED ANSWERS

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

#### PRIVACY COMMISSIONER

On 16 September Ms Lee Rhiannon asked the Minister for Justice, a question without notice concerning the Privacy Commissioner. The Attorney General provided the following response:

On 14 October 2003 the Government gave notice of motion in the Legislative Assembly of a bill to transfer the functions of the Privacy Commissioner into a separate Division of the Ombudsman's Office. Transfer of the Privacy

Commissioner's functions to the Ombudsman will improve privacy outcomes, complaints handling, and public administration.

The Government is strongly committed to the protection of privacy in New South Wales. The Bill does not affect the information protection principles and enforcement provisions in the Privacy and Protection of Personal Information Act 1998.

#### **DR YOLANDE LUCIRE CORRECTIONAL CENTRES ACCESS**

On 16 September the Hon. Catherine Cusack asked the Minister for Justice, a question without notice concerning the Dr Yolande Lucire correctional centre access. The Minister for Justice, provided the following response:

Control of access to and contact with inmates is important in maintaining the security and good order of correctional centres. The Department follows the strict guidelines set under the Crimes (Administration of Crimes) Act/Regulation 2001 regarding access to inmates and correctional centres.

In reference to the matter raised I have been advised that the answers to the specific questions are:

- (a) No.
- (b) No.
- (c) Not applicable.
- (d) Not applicable.

#### **MENTAL HEALTH SERVICES**

On 16 September Reverend the Hon. Dr Gordon Moyes asked the Minister for Community Services representing the Acting Minister for Health a question without notice concerning mental health services. The Minister for Community Services, provided the following response:

The Government is responding to the growing supported accommodation demand with an accelerated program of building and refurbishing beds for mental health care. From 1997 to 2001 the Government opened 86 new mental health beds. In 2002 and 2003 we will open nearly 250 new beds.

The new beds include:

- 16 additional beds for children and adolescents at the Sydney Children's Hospital and the Children's Hospital at Westmead;
- 20 additional beds for people with acute mental health episodes at St George, Sutherland, Morisset and Cumberland Hospitals;
- 64 additional beds for people requiring longer admissions at Bloomfield, Prince of Wales and Macquarie hospitals;
- 118 places of supported accommodation.

In 2002, \$5 million was allocated for non-government organisations to provide accommodation support. The 118 supported accommodation places are being established for people with a mental illness requiring high-level accommodation support.

Provided under tripartite agreements between the Department of Housing, NSW Health and non-government housing and accommodation support providers, the supported accommodation initiative is spread across 9 Area Health Services in New South Wales, targeting areas with greatest need.

Future planning of housing and accommodation support for people living with mental illness is a priority for NSW Health. In 2004 and 2005, nearly 200 more beds have been approved and are currently being planned or built.

#### **KINGS CROSS MEDICALLY SUPERVISED INJECTING ROOM**

On 18 September Reverend the Hon Dr Gordon Moyes asked the Special Minister of State, a question without notice relating to the Kings Cross medically supervised injecting room. The Special Minister of State, provided the following response:

I am advised by the Cabinet Office that pursuant to section 36H of the Drug Misuse and Trafficking Act 1985, the Licence issued to the Uniting Church in Australia Property Trust to conduct the Medically Supervised Injecting Centre provides, "that access to the centre's needle and syringe exchange program will be limited to persons who are using that part of the centre used for the purpose of the administration of prescribed drugs".

The Internal Management Protocols for the Medically Supervised Injecting Centre, developed by the licensee and approved by the Responsible Authorities prior to the granting of the licence pursuant to section 36F of the Drug Misuse and Trafficking Act 1985, provide that needle and syringe services will be available to registered clients of the Centre from the After Care area of the Centre.

Needles and syringes are made available to registered clients only. The Medically Supervised Injecting Centre is not a 24 hour facility and I am advised that needles and syringes are made available in order to minimise the health risk of these clients should they inject drugs outside normal operating hours of the Centre.

The Evaluation report and regular process reports have provided regular public information on this part of the program since the Centre commenced. I am advised that the number of needles and syringes distributed from the Centre represents less than two percent of the number distributed in the South Eastern Area Health Service in the corresponding period.

One of the aims of the Medically Supervised Injecting Centre Trial is to help reduce the spread of diseases such as HIV and Hepatitis C. The Needle and Syringe Program is one of the most effective tools to prevent the spread of these diseases amongst injecting drug users, their families and the wider community.

The evidence supporting the value of these types of programs was released last year by a Commonwealth Government funded study entitled "Return on Investment in Needle and Syringe Programs in Australia" and jointly released by the Australian National Council on Drugs (ANCD) and the Australian National Council of AIDS and Hepatitis Related Diseases (ANCAHRD) in October 2002. It reported that in the ten years between 1990 and 2000, the investment in the needle and syringe program in Australia resulted in:

- 25,000 cases of HIV avoided;
- 21,000 cases of Hepatitis C avoided;
- Over 4,500 lives saved by 2010;
- An estimated return of between \$2.4 billion—\$7 billion on an investment of \$150 million.

#### **CORRECTIONAL CENTRES SEXUAL ASSAULT**

On 17 September Reverend the Hon. Dr Gordon Moyes asked the Minister for Justice, a question without notice concerning the correctional centres sexual assault. access. The Minister for Justice, provided the following response:

It is not clear from the question what the Honourable Member means by detention centres. I include periodic detention centres within my comments on correctional centres but I make no comment on sexual assaults in immigration detention centres since that is a Commonwealth issue.

I reiterate my comment when the question was asked that sexual assault is a crime wherever it occurs including in a correctional centre, and that if sexual assault is reported it is handled by police. It follows that any punishment for sexual assault arises from the criminal justice system itself.

I am advised that the "study" the Honourable Member refers to may be a study conducted in 1994, and published in 1998, of 183 inmates, which received wide publicity last year. The Department of Corrective Services does not support the findings of this study, and regards its conclusions as significantly flawed.

The author did not indicate the timeframe during which his respondents were reporting their experiences. The author also did not indicate whether the reported sexual assaults occurred in New South Wales correctional centres, or in police custody in New South Wales, or in custody outside New South Wales. Twenty four per cent of the survey's participants reported that they had been subject to unwanted sexual advances but, given the survey's broad definition of sexual assault, it is not possible to gauge how many may have been the victim of rape.

The Department publishes serious assault rates in its Annual Report. The category "serious assault" includes sexual assault. The Steering Committee for the Review of Commonwealth/State Service Provision also publishes serious assault rates in its annual Report on Government Services. Sexual assault rates are not published separately by either body. As previously advised, the Department does not have statistics on the actual number of inmates raped in custody.

The Corrections Health Service publishes data on sexual assaults in correctional centres in its New South Wales Inmate Health Survey, available on its website. The latest available edition (2001) surveyed 550 men and 150 women who were asked whether they had been sexually assaulted while in custody. Three men and one woman said they had been sexually assaulted. When the same group was asked whether they were aware of anyone ever who had been sexually assaulted while in custody, 24 per cent of the women and 15 per cent of the men reported they were aware of such an incident occurring.

The Department of Corrective Services is committed to the safe, secure and humane management of offenders, and has a number of strategies to minimise sexual assaults in correctional centres. Any inmate can request protection status at any time.

There is a full induction and reception process for all new inmates, designed to ensure that at-risk or vulnerable inmates receive appropriate placement. Reception inmates are physically examined by medical staff and assessed by a psychologist and, if considered physically or mentally vulnerable, are offered protection status.

Individual case management allows closer association between inmates and correctional staff. As a result, correctional officers can quickly identify changes in an inmate's behaviour (particularly when the inmate is a vulnerable inmate) and inmates can more readily confide in their case workers.

#### **COCA-COLA AMATIL WATER ACCESS**

On 17 September Mr Ian Cohen asked the Minister for Local Government, representing the Minister for Energy and Utilities, a question without notice concerning Coca-Cola Amatil water access. The Minister for Local Government provided the following response:

The Independent Pricing and Regulatory Tribunal (IPART) sets the prices for bulk water supplies in New South Wales.

As part of the New South Wales Government's role as manager of the state's water resources, a water sharing plan has been gazetted for the Kulnura Mangrove Mountain groundwater source. The plan was prepared in consultation with the local community.

The water sharing plan, which is based on the sustainable yield of the water source, defines the water shares for the environment and all other competing interests. Given the sustainable yield of the Kulnura Mangrove Mountain groundwater source is above the existing entitlements of water users, the plan provides for some potential growth in water use.

The water sharing plan also includes water level triggers for implementing extraction restrictions on water users (eg, during a drought). The triggers are based on water level data collected from an extensive bore monitoring network established within this aquifer system.

Current levels of water usage from the Kulnura Mangrove Mountain source are considered to be sustainable.

There is no reason to try to redirect the water bottling industry to utilise Sydney's drinking water supply. I am not aware of any research of people living in Sydney and their water and drinking habits.

#### **GOVERNMENT-OWNED LANDS REGISTER PUBLIC DISCLOSURE**

On 17 September the Hon. Dr Arthur Chesterfield-Evans asked the Minister Assisting the Minister for Natural Resources (Lands) a question without notice concerning Government-owned lands register public disclosure. The Minister Assisting the Minister for Natural Resources provided the following response:

The information featured recently in the Sydney Morning Herald did not emanate from the Government Property Register, but rather from the Crown Lands Information Database. This database contains both public and confidential information about all of the Crown tenures administered by the Department of Lands. Selected information is made available to the public for a fee, usually in response to a search application by a prospective purchaser, or an FOI application.

#### **DEPARTMENT OF COMMUNITY SERVICES CHILD PROTECTION STATISTICS**

On 18 September the Hon. John Ryan asked the Minister for Community Services, a question without notice concerning the Department of Community Services child protection statistics. The Minister for Community Services, provided the following response:

I am advised that the child protection statistics for the June quarter should be available in October 2003.

I am further advised that the Department will endeavour to post the September quarter child protection statistics on the website in accordance with departmental protocols.

#### **Questions without notice concluded.**

### **SYDNEY WATER AMENDMENT (WATER RESTRICTIONS) BILL**

#### **Second Reading**

#### **Debate resumed from an earlier hour.**

**The Hon. JOHN HATZISTERGOS** (Minister for Justice, and Minister Assisting the Premier on Citizenship) [5.02 p.m.], on behalf of the Hon. Tony Kelly: As Minister Kelly has had to leave, I will continue the response to the debate and reply to a couple of matters raised in it. The Deputy Leader of the Opposition raised a number of issues arising from the report of the Legislation Review Committee. I seek leave to incorporate in *Hansard* the response to the committee by the Minister for Energy and Utilities on 27 October 2003.

#### **Leave not granted.**

The Minister for Energy and Utilities responded to the Chair of the Legislation Review Committee, Mr Barry Collier, on 27 October 2003 as follows:

Dear Mr Collier

I refer to your letter dated 24 October 2003 and the Report of the Legislation Review Committee (the Committee) on the Sydney Water Amendment (Water Restrictions) Bill 2003 (the Bill).

I wish to respond to the matters raised in your letter and also to provide further information in relation to the operation of the Bill.

### **1. Commencement upon proclamation**

The Committee has expressed a concern that, because the Bill commences upon proclamation, this may give rise to "an inappropriate delegation of legislative power" as the Government may choose the date of proclamation or may choose not to proclaim a Bill at all.

I wish to assure the Committee that the Government intends to proclaim the Bill as expeditiously as possible after passage by the Parliament. This is necessary to facilitate the implementation of penalties for compulsory water restrictions.

### **2. Definition of "authorised person"**

The Committee has referred to Parliament the question whether "an unfettered discretion to appoint authorised persons under the Bill makes rights, liberties or obligations unduly dependent upon insufficiently defined administrative powers".

Under section 50 of the Sydney Water Act, the Minister is already empowered to appoint "authorised persons" for the purposes of enforcing water restriction offences.

The Bill inserts a new Division into the Act relating to the enforcement of water restriction offences. The amendment proposed by the Bill clarifies that the existing reference to "authorised persons" in section 50 of the Bill also applies in the new Division of the Act.

On 10 September 2003, I appointed certain Sydney Water staff holding certificates of authority under section 39 of the Sydney Water Act and local councils in Sydney, the Illawarra and Blue Mountains as authorised persons under section 50 of the Sydney Water Act for the purpose of issuing penalty notices for breaches of water restrictions.

Sydney Water's Water Restrictions Patrol members are being trained in appropriate practices and are required to comply with Sydney Water's Guidelines for the Enforcement of Water Restrictions.

Local councils have been notified of their appointment and the subsequent need to delegate this power to serve penalty notices for water restriction offences to appropriate employees. Any delegation by local councils must be in accordance with the provisions of the Local Government Act 1993.

In the event that any member of the community is concerned that authorised persons are acting inappropriately in carrying out their enforcement activities, transparent complaint processes will be available.

For Sydney Water, initial complaints will at first instance be considered by a senior Sydney Water manager. If the complainant is not satisfied, then a complaint can be made to the Energy and Water Ombudsman (EWON) for external consideration.

Complaints about council rangers can be made in accordance with existing complaints procedures established by the relevant local council. If the complainant is not satisfied, then the matter can be further considered by the NSW Ombudsman or the Department of Local Government.

The Government's view is that both the power to appoint authorised persons and the way in which that power has been exercised is entirely appropriate.

### **3. Provisions relating to liability of owners and occupiers**

The Committee has referred to Parliament the question whether the provisions of the Bill which establish liability for owners and occupiers are "undue, given the object of facilitating the enforcement of water restrictions".

The Sydney Water Regulation 2000 permits the Minister to impose water restrictions on the basis that "it is necessary in the public interest for the purpose of maintaining the water supply".

In order to have an effective water restrictions enforcement regime, it is necessary that the current method of issuing penalty infringement notices be improved.

Under the present system, where an inspector finds that a sprinkler has been left on, but nobody is present at the premises at the time of the offence, it is not possible to issue a penalty notice for the offence.

The Government's view is that the community would expect that if somebody turns on a sprinkler all day and then leaves home, they should not be able to escape liability because there appears to be no-one at home to issue a penalty notice to.

For this reason, the Government has proposed that owners and occupiers of premises will be held responsible for water restriction breaches committed at the premises where it is not possible to establish the identity of the offender.

As the Committee has observed, this is similar to the system which currently applies for traffic offences. With respect to the position of occupiers of land, I do not accept the Committee's observation that the burden on occupiers is "far more onerous" than that borne by owners.

In all instances where an owner or occupier was not responsible for a water restriction offence, that person will be able to provide an appropriate statutory declaration.

Proposed section 53B(4)(b) of the Bill provides that an occupier may avoid liability for the offence if he or she provides a statutory declaration that he or she did not commit the offence and did not know, and could not with reasonable diligence have

ascertained, the name and address of the person who committed the offence. Unless there is evidence to the contrary, such a statutory declaration will be sufficient to avoid liability for the offence.

Any person served with a penalty notice who wishes to challenge the notice is also entitled to elect to have the matter heard in the Local Court.

The Government's view is that the measures in the Bill are appropriate and necessary for the proper enforcement of the mandatory water restrictions.

#### **4. Powers of entry**

The Bill provides for a very limited power of entry for authorised persons to investigate water restriction offences.

The Committee has referred to Parliament "the question whether this power of entry unduly trespasses on personal rights".

As the Committee is aware, the following significant constraints apply to the proposed power of entry:

- it only allows entry onto land, not dwellings or any enclosed structure on the land such as a shed or a garage;
- the entry must be for no longer than is reasonably necessary for the investigation of the offence;
- entry can only be made where there is a reasonable suspicion that a water restriction offence is being committed at that time—random searches will not be permitted;
- the power of entry may only be exercised at a reasonable time; and
- an authorised person is required to produce identification on request to any occupier of the land.

I am pleased that the Committee has recognised that the power of entry is required by the nature of the offences which it is to be used to enforce. As the Committee noted in its report:

"Unlike offences committed under existing legislation... the relevant conduct for offences relating to unlawful use of water in gardens can usually be terminated as quickly as it takes to turn off a tap, and potentially incriminating evidence of past wrongdoing can be explained away as stemming from lawful use..."

Another factor to be considered is that if authorised persons did not have the power of entry, the legislation would have the potential to interfere with personal rights and liberties in an arbitrary and discriminatory manner by only exposing to criminal liability those owners and occupiers whose land is visible from public areas.

Without this power, it is likely that water restriction offences could only be enforced against owners and occupiers of secluded land if evidence was provided, or investigation facilitated, by neighbours...

There will be a significant gap in the enforcement of the legislation if it is difficult to enforce it at a time when there is the strongest temptation to breach it (under the cover of darkness)."

The Government's view is that the limited power which has been provided is reasonable and necessary for the effective enforcement of water restrictions.

Specific issues raised by the Committee in relation to the power of entry are addressed below.

##### *4.1 Time that the power may be exercised*

The Government's view is that it would not be appropriate to confine the exercise of the power only to daylight hours.

This would send a clear signal that people could breach water restrictions at night in the knowledge that the capacity to prove offences would be severely hampered.

It is anticipated that most enforcement activity will occur during daylight hours. There may, however, be exceptional circumstances that justify entry outside daylight hours.

This includes circumstances where Sydney Water has received advice of repeated breaches of the restrictions at night. If such an offence is suspected, an authorised person may enter the property to confirm that an offence is taking place.

Under the enforcement guidelines which are being developed by Sydney Water, the hours within which any attempt to approach the occupier to ascertain the name of the offender will be limited.

Where necessary, the authorised person will visit the property again during daylight hours within 24 hours to attempt to ascertain the name of the offender.

##### *4.2 Production of identification by authorised persons*

The Committee has also expressed concern whether persons other than tenants would be entitled to demand identification from water inspectors.

The Bill includes a provision under which authorised persons are required to display identification on request to any occupier of the land. The term "occupier" is defined inclusively in the Bill. I am advised that this would include any person who is lawfully on the land—including visitors, housesitters, babysitters, concerned neighbours and property managers.

Sydney Water's Guidelines will state that authorised persons must provide proof of identification on request by any person on the land.

I trust that this assists the Committee in any further consideration it gives to the Bill.

Yours sincerely

Frank Sartor MP  
Minister for Energy and Utilities

The Opposition also raised concerns in the debate about the liability of children. I can advise the House that it is proposed that the same principles relating to offences committed by minors that are applied by the Sydney Catchment Authority in enforcing offences in the catchment areas will be applied to the enforcement of water restrictions. Under New South Wales legislation, only children aged 10 years and over are responsible for their actions under the criminal law. This means that penalty notices cannot be given to children who are younger than 10 at the time of the offence. Under Sydney Water's "Guidelines for Enforcing Water Restrictions", children under the age of 14 will not be fined for breaching water restrictions. Instead, written reprimands will be sent to their parents. If a child is over 14 the penalty notice may be issued to the child. This applies to situations where the child is observed committing the offence and where a statutory declaration is completed by an owner or an occupier stating that the child was responsible for committing the offence. I commend the bill to the House.

**Motion agreed to.**

**Bill read a second time.**

#### In Committee

**Clauses 1 to 4 agreed to.**

**Mr IAN COHEN** [5.19 p.m.]: I move Greens amendment No. 1 on sheet C-011a:

No. 1 Page 3, schedule 1. Insert after line 6:

[2] **Section 50A**

Insert after section 50:

50A Provision of information

- (1) If an authorised person serves a penalty notice under section 50 in relation to a water restriction offence within the meaning of Division 6A, the authorised person is also to provide the person on whom the penalty notice is served with approved information relating to water conservation.
- (2) A contravention of this section does not affect the validity of any penalty notice.
- (3) In this section:

*approved information* means information that has been approved by the Minister from time to time.

This amendment ensures that educational material about water conservation measures must be provided with penalty notices for water restriction offences. In some cases people may breach the restrictions because they do not appreciate how important water conservation is or because they do not understand how to adjust their water use behaviour to satisfy the water restrictions. The provision of such material would therefore raise community understanding about the importance of water conservation and result in higher levels of compliance with water restrictions.

Such measures have been successfully deployed by Armidale council, which has the responsibility for enforcing local air quality standards and has a policy of issuing educational material with warning notices to householders who have unsatisfactorily smoky fireplaces. This education material has proved to be a valuable source of information to households that have not previously understood how to best maintain their fireplaces and store their wood, et cetera, to maximise the efficiency of their fireplace combustion. I commend Greens amendment No. 1 to the Committee.

**The Hon. DUNCAN GAY** (Deputy Leader of the Opposition) [5.19 p.m.]: While the Opposition shares the concerns of the Greens in this instance, we do not think these provisions are appropriate. The Hon. Ian Cohen used the example of Armidale, where education material accompanies a warning. In this instance it is not a warning but an infringement notice. The logic behind suggesting that that is an appropriate time to educate people in preventive measures escapes me. I cannot believe that a realistic conservation message can be conveyed at the same time that an infringement notice is issued. It just does not add up.

**The Hon. JOHN HATZISTERGOS** (Minister for Justice, and Minister Assisting the Premier on Citizenship) [5.20 p.m.]: The Government supports education on water conservation and recognises that community education is very important in reducing the demand for water, especially during the hottest months of the year. Sydney Water has advised that when a penalty notice is issued for breaches of water restrictions, Sydney Water will follow up by sending water conservation education material to the offender. I will read a letter addressed to the Minister for Energy and Utilities, Mr Frank Sartor, dated 28 October 2003 from Mr Greg Robinson, the Director of Sydney Water. The letter states:

Dear Minister

I wish to advise that Sydney Water will provide all recipients of penalty notices for breaches of water restrictions with additional material relating to water conservation.

This information will include suggestions on how the residents can save water both indoors and outdoors.

This will reinforce the importance of water conservation and enable greater community understanding of the practical ways to save water.

This includes both offenders fined by local councils and those fined by Sydney Water's Water Restrictions Patrol.

Furthermore, Water Restrictions Patrol officers will continue to use their contact with the community as an opportunity to promote understanding of the water restriction measures and the need for water saving and conservation.

On that basis, the Government's view is that it is not necessary legislatively to require Sydney Water to provide water conservation material when penalty notices for water restrictions are issued. For the record it should be noted that Sydney Water currently does a considerable amount of work to educate the community about water conservation, including participating in the Environment Protection Authority campaign "It's a Living Thing", developing a comprehensive education package for use in schools, running a speakers program whereby Sydney Water employees address local social clubs on matters relating to Sydney Water, including water conservation, conducting information stalls and participating in community events, conducting the "Go Slow on the H<sub>2</sub>O" campaign and the public information campaign on water restrictions, and providing a great deal of information about water conservation on its official web site, [www.sydneywater.com.au](http://www.sydneywater.com.au). For these reasons the Government does not support the amendment.

**Amendment negatived.**

**Mr IAN COHEN** [5.23 p.m.]: I move Greens amendment No. 2:

No. 2 Page 6, schedule 1 [4]. Insert after line 13:

**53E Water restriction penalties**

It is the wish of the Parliament that all penalties recovered for water restriction offences be used for the promotion of water demand management activities and programs nominated from time to time by the Minister.

For the new mandatory water restrictions to be as effective as they could be, penalty moneys collected for breaches should be hypothecated to a demand management fund that aims to educate on reduced domestic water use. Raising community understanding of the importance of water and the importance of adopting conservation measures is essential to reducing domestic water consumption. Although applied in a somewhat different way, the spirit behind such hypothecation would reflect that of the existing waste fund whereby landfill deposits are hypothecated to a fund that supports initiatives to reduce waste generation such as recycling. Similarly, the hypothecation of penalty moneys collected by those who breach water restrictions could make a valuable contribution to educational efforts to reduce domestic water consumption.

While I would like to move an amendment that ensures that all penalty moneys be fully hypothecated in a water demand management fund, such an amendment raises constitutional issues and is therefore not likely to be passed by this Committee. I will therefore follow the lead of the Deputy Leader of the Opposition, the

Hon. Duncan Gay, and move an amendment that will ensure that it is the clear wish of this Parliament that all penalty moneys recovered for water restriction offences be used for the promotion of water demand management activities and programs. I commend Greens amendment No. 2 to the Committee.

**The Hon. DUNCAN GAY** (Deputy Leader of the Opposition) [5.24 p.m.]: It is pleasing to note the reconstruction of the Hon. Ian Cohen in using the example of an amendment I moved to other legislation as a guideline for proper behaviour by the Greens. He quite correctly cited an amendment I successfully moved to electricity legislation that I had carriage of in this Chamber as the shadow Minister. Though I have the carriage of this bill, I am not the shadow Minister, and my recommendation is that the Opposition should not support the amendment. I have to say that the shadow Minister and the Opposition would have been much more enthusiastic about hypothecation here if the funds were to be applied towards infrastructure.

Currently, 10 per cent of the water in Sydney Water's system is lost through leaking pipes. From economic and conservation points of view that is a total waste of resources. Stormwater has been untreated, and recently the Minister refused to help farmers in southern New South Wales. If the amendment had been framed to direct hypothecation to infrastructure it would have been much more persuasive. But, sadly, on this occasion the Opposition cannot support it.

**The Hon. JOHN HATZISTERGOS** (Minister for Justice, and Minister Assisting the Premier on Citizenship) [5.26 p.m.]: The Government is unable to support this amendment. The enforcement of water restrictions is not a revenue-raising exercise; it is about ensuring effective compliance with restrictions across the whole community. The experience of the water restrictions patrol since 1 October is that, overwhelmingly, people understand water restrictions and are complying with them. It is not expected that a large number of penalty notices will be issued, and therefore only a small amount of money is likely to be collected.

The cost of administering a hypothecated scheme, including the necessary accountability mechanisms, may exceed the amount raised by the fines. It should also be noted that to ensure that local councils participate in the water conservation effort by assisting in the enforcement of water restrictions income from penalty notices issued by councils will be paid to local councils. For these reasons the Government does not support the amendment.

**Amendment negatived.**

**Schedule 1 agreed to.**

**Schedule 2 agreed to.**

**Title agreed to.**

**Bill reported from Committee without amendment and passed through remaining stages.**

## **BUSINESS OF THE HOUSE**

### **Postponement of Business**

**Government Business Order of the Day No. 2 postponed on motion by the Hon. John Hatzistergos.**

### **EVIDENCE LEGISLATION AMENDMENT (ACCUSED CHILD DETAINEES) BILL**

#### **Second Reading**

**The Hon. JOHN HATZISTERGOS** (Minister for Justice, and Minister Assisting the Premier on Citizenship) [5.30 p.m.]: I move:

That this bill be now read a second time.

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

**Leave granted.**

The Evidence Legislation Amendment (Accused Child Detainees) Bill 2003 proposes amendments to the *Evidence (Audio and Audio Visual Links) Act 1998* to provide for the use of audio visual links by accused children in custody appearing before New South Wales Courts. The Bill also makes consequential amendments to the *Evidence (Children) Act 1997*.

Briefly, the amendments will create a presumption in favour of physical attendance at court for children in custody, in but provide for the Court to order that a child appear by way of an audio visual link in certain circumstances. In deciding to make such an order, the Court will be required to have regard to relevant factors set out in rules of court made under the Act.

The *Evidence (Audio and Audio Visual Links) Act 1998* facilitates the appropriate use of audio and audiovisual technology in our courts and allows New South Wales to participate in a substantially uniform interstate scheme for the taking or receiving of evidence and the making or receiving of submissions from or in other participating States.

The Act was amended in 2001 to clarify the type of evidence or submissions that can be given by audio visual link where an adult accused person is held in custody in New South Wales. Those amendments created a presumption in favour of using audio visual links for certain preliminary criminal proceedings and a presumption in favour of physical attendance at court for substantive criminal proceedings.

In recognition of the special nature of proceedings before the Children's Court, the presumptions established by the 2001 amendments did not apply where the accused person was a child. Amendments contained in the current Bill extend the application of the Act to Children's Court proceedings while at the same time recognising the special needs of children in obtaining legal advice and representation.

The amendments recognise the particular vulnerability of a child defendant and the fact that a child in custody should be treated differently to an adult in custody. The amendments seek to fulfil the *UN Convention on the Rights of the Child*, and are consistent with the general principles underpinning the exercise of the criminal jurisdiction in relation to children set out in the *Children (Criminal Proceedings) Act 1987*. In particular this includes the principle that children should have a right to participate in processes that lead to decisions that affect them and have the fullest opportunity practicable to be heard.

Nevertheless, while the proposed amendments to the Act will create a presumption in favour of physical attendance by accused children, the Court will retain the power to make an order requiring that a child appear by way of audio visual link in certain circumstances.

This discretion will ensure that, wherever appropriate, the interests of the child in physically appearing in court are able to be balanced with general considerations of cost and convenience, including the need to avoid unnecessary travel for brief appearances and disruption to the child's participation in programs at detention centres.

Video conferencing facilities are currently available in Children's Court proceedings at Bidura, Campbelltown, Lidcombe, Woy Woy, Dubbo, Lismore and Goulburn. Links from these courts are able to be made to juvenile justice facilities across the state including the sites of Acmena, Cobham, Frank Baxter, Orana, Reiby, Riverina and Yasmar. The Children's Court has made an express commitment to utilise these facilities wherever possible to ensure the benefits of reduced travel costs and use of court time are maximised.

It is anticipated that audio visual links will be used most frequently in proceedings involving bail reviews, parole matters, mentions to confirm a hearing date, adjournments for the prosecution to reply to defence representations and mentions to review youth justice conferencing outcome plans.

Rules made under the proposed legislation will identify relevant factors that the presiding judicial officer should consider when deciding whether it is in the "*interests of justice*" for a child to appear by way of an audio visual link. In addition to taking into account the nature of the proceedings involved, other relevant factors may include:

- the need for the child to provide instructions to counsel or discuss a brief of evidence,
- the distance the child would need to travel and the expense and inconvenience involved in a physical appearance,
- the maturity of the child and their capacity to satisfactorily use an audio visual link; and
- the child's need for the support of parents, carers or other support persons during proceedings.

The content of the rules will be finalised following further consultation with relevant stakeholders and the input of the Children's Court Advisory Committee.

A number of different people and agencies have been consulted about the changes proposed by the bill. These include the Senior Children's Magistrate, the Legal Aid Commission, the Commission for Children and Young People, the Department of Juvenile Justice, the Law Society of NSW and the NSW Police. Where appropriate, their comments have been taken into account and each of those agencies has indicated its support for proceeding with the proposed amendments.

It is proposed that the amendments to the Act be trialled and evaluated after twelve-eighteen months, with data to be maintained in relation to the frequency with which audio visual links are used in Children's Court proceedings and the factors motivating the Court to make an order on each occasion.

The amendments contained in the Bill will resolve the continuing uncertainty about the application of the *Evidence (Audio and Audio Visual Links) Act 1998* to children and ensure savings to be made from the use of the available facilities are maximised wherever possible.

I commend the bill to the House.

**The Hon. GREG PEARCE** [5.31 p.m.]: The Opposition does not oppose the bill, which amends the Evidence (Audio and Audio Visual Links) Act 1998 with respect to the giving of evidence by accused child detainees, to make consequential amendments to the Evidence (Children) Act 1997, and for other purposes. The bill provides for the use of audiovisual links by accused children in custody to match the general adult provisions under the Evidence (Audio and Audio Visual Links) Act 1998. The amendments establish a presumption in favour of physical appearance in court but provide for the court to order that a child appear by way of an audiovisual link in certain circumstances. When that occurs the use of audiovisual links will be governed by rules specifying the factors that the court must first take into account. The substance of those rules is the subject of further consultation with relevant stakeholders, including the Children's Court Advisory Committee.

It is anticipated that audiovisual links will be most commonly used for bail reviews and parole factors motivating the court to make an order on each occasion. The bill clarifies the approach to audiovisual links with respect to accused children. The amendments recognise the particular vulnerability of a child defendant and that a child in custody should be treated differently from an adult in custody. The proposed amendments will mean that the use of available court time and facilities can be maximised. The bill is supported by various stakeholders including the Legal Aid Commission, the Senior Children's Magistrate, the Commission for Children and Young People, the Department of Juvenile Justice, the Law Society of New South Wales and NSW Police.

A number of speakers have referred to the good work currently undertaken by the Legislation Review Committee on other bills. The committee raised one concern with this bill—it is effectively retrospective to March 1999. The conclusion of the committee was that the provisions of the bill are essentially for the benefit of the accused child detainee, and to facilitate the court exercising its duty to ensure the fairness of proceedings, and for the court's discretion to take into account the relevant circumstances of each case. In those circumstances the committee was of the opinion that retrospectivity is unlikely to adversely affect the personal rights of accused child detainees. The Opposition accepts that conclusion and, therefore, does not oppose the bill.

**Ms LEE RHIANNON** [5.34 p.m.]: The Greens support the bill, which we understand was introduced at the request of the judiciary. Its purpose is largely to codify existing practices in the court system. The Greens are pleased to see a bill that treats children's needs with some deference and sensitivity. That is a change from the usual sledgehammer-like approach to law and order which we often see from both the Labor Party and the Coalition. It should be remembered that the get-tough approach—let us call it the Carr-Brogden consensus—applies to children as well as adults. Children who are accused of crimes have the most to lose when the Brogden-Carr model of restricted legal rights and tough sentences kicks in. Tough, draconian punishments are more likely to push children away from the institutions and people who can help them, and increase the risk that those children will reoffend. We have all heard time and again of children being on the wrong side of the law, and too often that is where they stay.

Children are most likely to benefit from alternative approaches that focus on constructive reform rather than on harsh punishment. Minister Debus referred to this bill as a "small but significant improvement" to criminal justice in this State. Over the years I have had some disagreements with Minister Debus, but I am pleased to be able to congratulate him on this initiative. The Greens hope the next youth justice bill that Parliament deals with will be a large and important improvement, and will deliver real and lasting reform. Certainly the Government has many laws on the books that if repealed, as they deserve to be, would greatly benefit young people.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS** [5.35 p.m.]: I support the bill and congratulate the Government on this small but significant step in the right direction regarding children's justice. The amendments to the Evidence (Audio and Audio Visual Links) Act 1998 created a presumption in favour of using audiovisual links for preliminary court proceedings, and a presumption in favour of physical attendance at court for substantive criminal proceedings. In recognition of the special nature of proceedings before the Children's Court, the presumptions established by the 2001 amendments did not apply when the accused person was a child. It should be recognised that children in custody should be treated differently from an adult in custody. The amendments in this bill will fulfil the United Nations Convention on the Rights of the Child. The Democrats believe that the amendments should be supported. Kids should not have to go to court unless there is an absolute necessity for them to do so in serious matters or substantive hearings. We believe that this bill is a step forward and we congratulate the Government on introducing it.

**The Hon. JOHN HATZISTERGOS** (Minister for Justice, and Minister Assisting the Premier on Citizenship) [5.37 p.m.], in reply: I thank honourable members for their contributions and commend the bill to the House.

**Motion agreed to.**

**Bill read a second time and passed through remaining stages.**

**GAMING MACHINES AMENDMENT (MISCELLANEOUS) BILL****Second Reading**

**The Hon. JOHN HATZISTERGOS** (Minister for Justice, and Minister Assisting the Premier on Citizenship) [5.40 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 Gaming Machines Act, which commenced on 2 April 2002 introduced a wide range of gaming machine reform measures for the New South Wales club and hotel industry. The Act contains extensive harm minimisation and responsible gambling measures and introduced a new scheme permitting the transfer of gaming machine entitlements between venues.

The Gaming Machines Amendment (Miscellaneous) Bill contains a range of miscellaneous amendments to the Gaming Machines Act. These amendments have been identified as necessary to the proper functioning of the Act, as experience is gained in the administrative and operational side of administering this legislation. While many of the amendments are minor, they are worthwhile and achieve a greater clarity for the operation of the Act as a whole.

A number of clarifications are proposed to provisions relating to large-scale clubs. Eighteen Clubs in New South Wales hold more than 450 poker machines and are referred to as large-scale clubs. Under the Act, these clubs must reduce the number of entitlements they hold by 10 per cent, or by such number as would result in the club not exceeding 450 entitlements, over a five-year period commencing in 2002.

Due to refinements aimed at providing these clubs with flexibility in the annual reduction process, there is now a need to clarify an end date by which time all of the required entitlements must be transferred, including those for which an additional short period of time has been given under regulations.

This time limit is proposed as three months after the end of the five-year period. The end date will be July 2007.

The Bill also clarifies that the number of gaming machines held by each large-scale club once the reduction obligations are met, is to be the maximum number of machines that may be held by each large-scale club from then on.

The insertion of a specific limit for large-scale clubs is considered appropriate, given the special exemption already extended to the number of machines that may be operated in large-scale clubs and the strict limits imposed on all other gaming venues.

The Bill will amend the Act to clarify that the special arrangements put in place to ensure the efficient and appropriate reduction of gaming machine numbers in large-scale clubs will cease to apply once the club concerned has met its 10 per cent reduction requirement under the Act. This will allow equality in the transfer arrangements that apply to large-scale clubs and all other clubs once the specific requirements for large-scale clubs are discharged. It will also provide an incentive for large-scale clubs to meet the 10 per cent reduction target earlier than 2007.

The Bill seeks to recognise the specific circumstances faced by non-metropolitan clubs. The Parliament has previously recognised this difference during the debate on the Gaming Machines Further Amendment Bill 2002. A proposal was passed that extended from 1 kilometre to 50 kilometres the distance within which two premises of a non-metropolitan club can be located in order to be allowed to transfer poker machine entitlements between, the premises without forfeiture of any entitlements to the State.

This Bill proposes an amendment in the same spirit. The Act currently requires a comprehensive social impact assessment to be undertaken if a club wishes to transfer gaming machine entitlements to another of its premises which is more than one kilometre away.

While this distance may be appropriate in metropolitan areas, the one kilometre restriction is considered inappropriate in relation to non-metropolitan areas, where the distances between two premises of the one club can be significantly greater.

This Bill will amend the Act to enable non-metropolitan clubs to undertake a more routine social impact assessment when transferring entitlements between premises, provided the club premises are within 50 kilometres of each other. The clubs will still be required to do a social impact assessment, as this is an important part of the gaming machine control framework established by the Act, but this amendment will allow them to do a standard class one rather than a more onerous class two social impact assessment. This amendment will recognise the different geographical circumstances faced by non-metropolitan clubs and facilitate the management of gaming machine entitlements between relevant non-metropolitan club premises.

The Bill will make it clear that the pooling of video-style approved amusement devices - which may be exchanged for a poker machine entitlement at the rate of three approved amusement devices to one esker machine entitlement, in metropolitan hotels, and a rate of two approved amusement devices to one poker machine entitlement for country hotels - is to apply only when the hoteliers are down to their last remaining approved amusement devices [AADs] and hold an insufficient number to form an appropriate block of machines for transfer by themselves.

The Act does not currently specify this restriction for left over or remnant devices, but the legislation has been administered this way in line with the intention, as described in the second reading speech for the Gaming Machines Further Amendment Bill 2002.

Several hotels have approached the Liquor Administration Board to approve the exchange of approved amusement devices that are not remnant devices.

The scheme permitting an exchange of AADs for poker machine entitlements was provided on the assumption that the total number of machines in a venue would go down. Through allowing non-remnant AADs to be exchanged, a significant number of additional poker machines would be moved into a venue but without an associated drop in the overall numbers of gaming machines, as was intended.

Equally importantly, through this proposed method of exchange, the hotelier would be able to increase the number of poker machines in the venue but avoid the established social impact assessment requirements, usually needed for such an increase.

To allow these approaches to be approved, when others have not exploited this loophole, would be to disadvantage hoteliers who have been involved in previous exchanges, done in the spirit of the legislation. The Bill will ensure all hoteliers with these devices are treated in an equal manner.

The Act currently provides that new and small clubs that had less than 10 gaming machines at the time of the club freeze in 2000 can apply for a number of 'free entitlements' that would bring their total number of entitlements to 10.

The Bill will prevent new and small clubs from transferring entitlements to another venue then claiming more 'free entitlements' to bring their-total number back to 10. That will prevent exploitation of the 'free entitlement' scheme.

The Bill will insert a definition of public holiday for the purposes of the legislation. A reduction in the mandatory shut down period for gaming machines can be sought for public holidays. For the sake of clarity, a definition of what is meant by public holiday will be inserted into the Act.

The Bill provides that if a registered club ceases to trade, the club will still be able to transfer its poker machine entitlements within 12 months, or any such longer time as approved by the Liquor Administration Board. This time limit will promote the re-allocation of gaming machine entitlements from closed premises. It will also provide consistency with the requirement that clubs have 12 months to transfer entitlements if a club registration is cancelled or surrendered.

The Bill enables a complaint to be made to the Licensing Court on the ground that a hotelier or club has not paid gaming machine tax or a penalty or interest is due for late payment of any such tax. The Bill provides that the disciplinary action the Court can impose in relation to such a complaint includes cancelling, suspending or modifying the venue's authorisation to keep gaming machines.

It is important for the Court to be able to impose disciplinary procedures for the non-payment of gaming machine tax, as compliance with such requirements is important in determining the appropriateness of a hotelier or club being allowed to operate gaming machines.

The Bill seeks to rectify an ambiguity in the legislation that treats gaming-related licences and work permits differently.

The Act currently allows the Board to cancel a gaming-related licence for the non-payment of a gaming-related fee and reinstate the licence on payment of the fee. The Bill will make it clear that an interim work permit may also be cancelled for non-payment of a gaming-related fee and reinstated upon such payment.

The Bill provides a regulation making power that allows a time period to be stipulated within which the Liquor Administration Board must consider a social impact assessment. It is intended that such a regulation making power will only be used if proposed administrative measures do not achieve the intended result.

A number of minor miscellaneous amendments are proposed in the Bill which deal with drafting errors, minor wording changes or similar clarification. I will not go into the detail of all of these amendments other than to note that they are important to the effective operation of the Act.

I note that it is now the practice that all bills will be scrutinised by the Legislation Review Committee. The Committee's obligations are set out in the Legislation Review Act 1987 and I believe that this Bill does not contain any provisions that fall within the areas of interest to the committee.

The Bill does not contain any provisions that trespass on personal rights or liberties. It does include a number of provisions which close loopholes. The closing of these loopholes may be seen by some, particularly those who seek to exploit them, as restricting their ability to act in a certain way. However, it is considered that closing these loopholes will ensure that the legislation applies in a more equitable fashion across those businesses that it affects.

There is only one regulation making power in the Bill and it is narrow and specific and as such it is not considered that it would inappropriately delegate legislative powers or insufficiently subject the exercise of legislative power to Parliamentary scrutiny.

The Bill does not contain any provisions that make rights, liberties or obligations unduly dependent upon insufficiently defined administrative powers or upon non-reviewable decisions.

I commend the Bill to the House.

**The Hon. MELINDA PAVEY** [5.41 p.m.]: The Gaming Machines Amendment (Miscellaneous) Bill makes numerous changes that are relevant to the management and implementation of the existing Act. These amendments relate to a revision of arrangements for the forfeiture and transfer of gaming machines, bringing large clubs more into line with the rest of the industry and recognising that country clubs face circumstances that are different from the circumstances faced by metropolitan clubs. This bill will attempt to ensure that non-metropolitan clubs are not disadvantaged, by allowing a 50-kilometre limit within which country clubs need apply only for a class one social impact statement in order to transfer poker machine entitlements, as opposed to a one-kilometre limit for city clubs.

The Opposition will not oppose the bill. I will not go into the minor details of the amendments as honourable members well remember that the Opposition supported the existing Act. As I stated in June when we debated the Gaming Machines Amendment (Shutdown Periods) Bill, the Opposition is committed to responsible gaming and to harm minimisation policies that work. However, unlike Labor, we do not support quick-fix and short-term thinking or policy. By now it should be as obvious to the Carr Government as it is to the Coalition and to the rest of the community that clubs are not simply black holes into which gambling addicts throw their pay cheques. Clubs are far more than that.

Clubs and hotels across New South Wales, which are a vital part of our social fabric, play an important part in the provision of facilities and social funding, especially in country and coastal communities. Furthermore, clubs are important in the provision of social recreation, which includes a number of activities in addition to gambling. Social recreation and the venues in which it occurs should not be taken away from the people of this State. The current and calculated attacks on clubs and their financial survival are illogical and irresponsible. There is an inherent contradiction in these flawed Labor policies. On one hand the Government is claiming that gambling is a serious health problem in New South Wales and it is trying to address that problem, but on the other hand it is increasing the State's reliance on gambling by increasing gambling taxation revenue. Those conflicts of interest were recognised in the 1999 Productivity Commission's report into Australia's gambling industry. The report states:

... poorly defined policy rationales... reflect tensions between different policy objectives of government. The most fundamental of these has been the incentive to exploit gambling as a source of taxation revenue.

That is certainly correct. This Government is committed to exploiting every cent that it obtains from our clubs, to the detriment of those clubs, which are at risk of closing. The Productivity Commission report also found that gambling taxation is regressive, with lower income groups generally spending more on gambling and thus shouldering more of the burden. The 10 worst-hit electorates as a result of Labor's regressive poker machine tax are: Cabramatta, Penrith, Bankstown, Lakemba, Smithfield, Mount Druitt, Tweed, Parramatta, Strathfield and Campbelltown, all of which are Australian Labor Party seats. Those electorates will be damaged as a result of this tax.

Enormous amounts of money that will be taken from community and sporting organisations in those electorates will go straight into this Government's coffers and subsequently be wasted. The Government continues to deny that these taxes will have a devastating impact on ordinary, hard-working people. It will hurt its own heartland. Every voter in the Tweed electorate will receive \$941 less in the years 2005 to 2011 as a result of this proposed tax. The honourable member for Murray-Darling, Peter Black, claims to represent the hard-working Labor people in his electorate.

**The Hon Charlie Lynn:** Hard drinking.

**The Hon. MELINDA PAVEY:** The honourable member for Murray-Darling might be hard drinking, but the people in his electorate are hard working. His constituents will be lucky if they have clubs to go to after the introduction of this tax. From 2005 to 2011, \$467 for every voter in that electorate will go into the State Government's coffers in Macquarie Street, Sydney, instead of being spent in the Murray-Darling electorate. The Australian Labor Party member for Monaro, Steve Whan, did not support Opposition members in the other place last week when they tried to emulate the motion that went to caucus. From 2005 to 2011, \$278 for every voter in the Monaro electorate will be paid to the State Government—money that should go towards funding community groups in that electorate. An amount of \$223 for every voter in the Port Macquarie electorate will be paid into the Government's coffers in Macquarie Street, Sydney—money that will be wasted by this Government.

In the Tamworth electorate, a seat that is held by Independent member Peter Draper, \$95 for every voter will be paid to the Government from 2005 to 2011—instead of going to people in that electorate. In the

Northern Tablelands electorate, \$61 for every constituent will be paid to the Government. Those significant amounts of money will not be spent in these electorates; they will be wasted by the Government, which is renowned for its waste and mismanagement. Earlier today the Minister for Transport ridiculed Opposition members for asking some legitimate questions about the Millennium train, upon which \$100 million has been wasted—and that is just one area of administration! The Minister said that he could not be held to account because he was not the responsible Minister at the time.

This Government has blown a great deal of money on the Millennium trains. It has already blown \$1 billion on the Pacific Highway upgrade, and because of Carl Scully's mismanagement we are only halfway through that program. The Government wants to take more and more money from sporting clubs and community groups, which provide much-needed infrastructure in our community. That money will be wasted and spent on consultants, media monitoring and other projects for which the Government is not prepared to be accountable. Many clubs across New South Wales will be forced to close but the Government does not seem to be too concerned about it. The motion in caucus was lost as the vote was 34 all. The Labor members who stood up to the Premier in caucus are not willing to stand up in this place to reverse the tax.

**The Hon. Jan Burnswoods:** Point of order: I sort of listened earlier to the honourable member's contribution. I remind the honourable member that she is reflecting on a vote of the House. The tax that she is talking about, which was included in the Appropriation Bills, was agreed to unanimously. It certainly had the unanimous support of the Opposition and the total support of the Hon. Melinda Pavey. The honourable member is out of order in relation to everything that she has said. She is reflecting on a vote of this House and of the other place. As I said earlier, the bill received unanimous support.

**The Hon. MELINDA PAVEY:** To the point of order: I am not reflecting on a vote of the House; I am reflecting on the vote of caucus.

**The Hon. John Ryan:** To the point of order: From what I heard of the honourable member's speech, she was not reflecting on vote of the House. The Hon. Jan Burnswoods, who took the point of order, admitted that she had not listened to everything that the honourable member had to say. She said, "I sort of listened to the honourable member's contribution." The honourable member's point of order is hardly based on accurate information. Traditionally, second reading debates allow members to refer to a wide range of issues. I am sure that the honourable member was well within the scope of this debate.

**The DEPUTY-PRESIDENT (The Hon. Tony Burke):** Order! I am advised that it is disorderly to reflect on legislation that has been agreed to previously by the House. I caution the member to avoid doing so during the remainder of her speech.

**The Hon. MELINDA PAVEY:** As I said earlier, there is really something wrong when the Government relies on gaming machine tax to make up for its appalling mismanagement of the finances of this State. It is one of highest taxing and most wasteful governments in the history of New South Wales. It has wasted millions of dollars on roads, trains and health, and it is now trying to recoup those mismanaged funds by leeching off the profits from gambling. Furthermore, I am not sure whether the Government understands that the provision of adequate health services to people in this State is not negotiable; rather it is a necessity and the responsibility of this State. It is certainly not some kind of bonus to be dangled as bait to encourage people to accept a highly unpopular club tax.

Decent health care should be provided by the State, with or without the implementation of the club tax. As many others have pointed out, health spending should increase naturally year by year. There will never be any way of demonstrating that New South Wales hospitals are receiving more money under the tax than they would have received otherwise. The statements linking the club tax with increased health expenditure are extremely cynical. Given the Carr Government's unfortunate and well-documented propensity for wasting money, it will be interesting to see how the extra funds raised by this tax will be wasted in the future. The Opposition will not oppose the Gaming Machines Amendment (Miscellaneous) Bill as it introduces some commonsense changes to the management of poker machines across New South Wales.

**Ms LEE RHIANNON [5.50 p.m.]:** The Gaming Machines Amendment (Miscellaneous) Bill is, by the Government's own admission, highly complex and technical. This reflects the complexity and difficulty of the original Gaming Machines Act 2001, which tries to do two things at once. First and foremost, the intention of the Act—remember this is a law that encourages gambling—is to spread the poker machine riches and entrench the Government's addiction to gambling tax revenue. The Government's hunger for gambling dollars means that

it is prepared to let the scourge of problem gambling fester in the community. Make no mistake, responsibility for the huge social damage caused by gambling lies directly at the feet of the Carr Government and the Coalition, which has supported this sort of legislation time and again whenever it has come before the House.

I am sure the Government knows that it is culpable, and that is where the Act's second purpose comes in. On the one hand the Act encourages gambling but, on the other hand, it vainly seeks to mitigate and regulate gambling. This is legislation with a split personality, and the result is complex and confusing. Its complexity has not helped to solve the problems. We know that the gambling regime has failed. The number of poker machines is increasing, more people are gambling and problem gambling is wrecking more families and hurting our communities. Huge clubs are sucking money from communities in southern and western Sydney, and they give back only a fraction of that revenue to good causes. This bill does nothing more than fiddle at the edges of our State's gambling problem. But that is all the Government is capable of. When it has the chance to do more than just tinker, the Government fudges it. That is what happened with the Gaming Machines Amendment (Shutdown Periods) Bill.

Honourable members will recall that the Gaming Machines Amendment (Shutdown Periods) Bill was supposed to enforce a six-hour shutdown of all poker machines except those at Sydney Casino. The Greens supported that initiative. However, the Government delivered a bill that was riddled with loopholes and exemptions. It backed off to the benefit of the gambling industry and allowed the poker machine problem to continue unabated. This year the Government has decided to take on the clubs by taxing them more. The Greens support the need to tax gambling profits fully, although we are concerned in equal measure about the consequence of this initiative—namely, a further increase in government dependence on gambling revenue.

The tax issue, like the Gaming Machines Act 2001, reveals that the Government cannot win when it comes to gambling if it sticks to its current policy. If the Government raises taxes, it increases its dependence on gambling revenue. If the Government treats the clubs leniently, it encourages them to promote gambling even more. With the Gaming Machines Act the Government sought to legitimise its actions by turning New South Wales into another Las Vegas.

**The Hon. Ian Macdonald:** Have you read this bill?

**Ms LEE RHIANNON:** Yes, I certainly have read the bill.

**The Hon. Ian Macdonald:** The bill is about winding back the number of poker machines.

**Ms LEE RHIANNON:** I have said that the Greens support the bill but that we are once again putting on record the limited—

**The Hon. Jan Burnswoods:** You were never one to let the facts get in the way of a good story.

**Ms LEE RHIANNON:** That is totally wrong. It sounds from the interjection of the Hon. Jan Burnswoods that she is defending the legislation. I am surprised that a member from the left of the Labor Party would do that. Gambling is doing enormous damage to our communities yet two members of the Labor left have gone into bat for a bill that is limited by the Government's dependence on gambling. The Greens will support the bill because the amendments are mostly technical in nature and some of the changes will toughen certain provisions of the Act. However, our support should in no way be seen as condoning gambling or the revenue that it provides. That is where I part company with the two Labor members who just interjected. They apparently condone gambling.

**The Hon. Ian Macdonald:** I didn't say that at all.

**Ms LEE RHIANNON:** The Minister for Agriculture and Fisheries defended the Government's position. I invite the Minister to take this opportunity to put on record his concern about gambling and his Government's dependence upon it.

**The Hon. Ian Macdonald:** I have done so many times.

**Ms LEE RHIANNON:** But you are not doing it now. The Greens will continue to work on the Government to persuade it to shed its poker machine addiction and begin repairing the damage that poker machines have done, and are doing, to our community.

**The Hon. CHARLIE LYNN** [5.56 p.m.]: I am not sure whether to congratulate the Treasurer or commiserate with him over the Gaming Machines Amendment (Miscellaneous) Bill, which contains a number of important amendments designed to overcome anomalies in the Gaming Machines Act 2001 and make some adjustments that the industry, the Government and the Opposition agree are necessary for the better management of the Act. The bill provides revised arrangements for the forfeiture and transfer of gaming machines, particularly as they apply to large clubs, and brings large clubs into line with the rest of the industry. Unfortunately, the Government seems to have formed the adamant intention of imposing a substantial increase in gaming machine tax, which will make many clubs non-viable or unable to continue to assist the community in the way they have done in the past.

If the Treasurer's intention is to fill the Government's coffers by providing yet another tax opportunity for the highest-taxing State government in Australia and the third highest-taxing government in the world, I commiserate with him because he has incurred the wrath of the very people who voted him into office. However, if the Treasurer has taken a deliberate stand to force the club industry to re-evaluate its role and its links with government and the community and to examine its management practices, I am inclined to congratulate him on his courage—even though I think there are ways other than the blunt-instrument approach of making the necessary changes. The final call as to whether I should congratulate the Treasurer or commiserate with him will not be made until the tax's full impact on the viability of our clubs is determined.

Clubs in New South Wales form a vital part of our social fabric. A quick review of the web sites of ClubsNSW and the Services Clubs Association of New South Wales reinforces this statement. Clubs comprise groups of people who share a common interest and who combine to provide facilities to promote and pursue that interest. ClubsNSW claims that clubs are the major social outlets for the people of New South Wales. Clubs are non-profit organisations whose income cannot, by law, be distributed to their members, corporations or any individual. All surplus revenue is reinvested in club facilities or donated to charities and community organisations. Almost all the sporting and community facilities provided by clubs have non-income earning capacity and are funded from their popular income-generating activities. The bulk of this revenue is derived from income from gaming machines.

In New South Wales clubs are registered under the Registered Clubs Act 1976 through the Licensing Court of New South Wales. Clubs cater to a vast array of interests and include sporting, social, community, workers, national, religious, RSL and ex-services clubs. Sporting clubs constitute approximately half of all registered clubs in New South Wales. Almost every club comprises several subsidiary clubs and organisations that pursue special interests, such as indoor bowling, snooker, hockey, darts, euchre, bridge, backgammon, travel and external sporting activities, including cricket and croquet. Until the early 1900s clubs in New South Wales consisted mainly of exclusive sporting and business clubs, including a small number of unique clubs such as Tattersalls and City Tattersalls, which date back to the foundation of the colony. These are the sorts of clubs the chardonnay socialists sitting opposite belong to today.

**The Hon. Ian Macdonald:** No, sauvignon blanc.

**The Hon. CHARLIE LYNN:** Is that the new one, since you have got your ministerial car and your increased allowance?

**The Hon. Ian Macdonald:** No, sauvignon blanc is cheaper than chardonnay.

**The Hon. CHARLIE LYNN:** Not the vintage you drink! The introduction of the New South Wales Liquor Act in 1905 licensed 85 clubs for trading. It was not until the amendment to the Act in 1946 that new clubs were permitted. By 1950 there were 350 legalised clubs made up of bowls, golf, RSL, ex-service, leagues, workers, community, sporting and ethnic clubs. Further restrictions on the number of clubs were lifted as a result of the 1954 Maxwell royal commission into liquor licensing, which removed the existing ration requirements between clubs and hotels. This, combined with the 1956 legislation of gaming machines for exclusive use in registered clubs, led to a dramatic escalation of the club movement. By 1958 there were 1,050 registered clubs in New South Wales.

Today more than two million people from all walks of life are members of New South Wales clubs. This membership figure has only recently been challenged by the Point Piper branch of the Liberal Party. There are now 1,512 clubs in the State and it is said that a town with a population of more than 400 people will have a registered club. Some 330,000 people use the services provided by clubs every day. The club industry employs more than 65,000 people and, in addition, each of the 1,512 registered clubs has a board of directors. The

number of directors ranges from 5 to 23, so there are a further 15,000 people who are directly involved in the industry and its management on an honorary voluntary basis. Volunteers contribute more than 2.8 million hours to their communities across New South Wales.

Millions of dollars are provided annually by clubs directly to charities and to community organisations. Beneficiaries have included the aged, handicapped, youth and hospitals, as well as organisations such as Legacy and the Salvation Army. The New South Wales club industry is also committed to supporting all forms of sport. The sporting facilities maintained by the club movement include more than 1,600 bowling greens, hundreds of golf courses, cricket pitches, football fields, and tennis and squash courts. It is estimated by the club industry that the total annual expenditure by registered clubs on providing and maintaining sporting facilities is approximately \$200 million. Approximately \$500 million of club industry profits is distributed to community support each year. This surplus is primarily drawn from the income of gaming machines. Registered clubs also provide free or subsidised meeting places for Lions, Rotary, Rotoract, political parties, community groups and so on.

I understand that the club movement is the fourth largest tax contributor to Treasury, after payroll tax, stamp duty and land tax. It is understandable that the bean counters in Treasury will always seek ways to increase the tax take so they can satisfy the increasing demands of government—but it beggars belief that a Labor Premier and a Labor Treasurer would allow them to start feeding off their own heartland. The Premier and the Treasurer have been in office too long. They have become addicted to the trappings of the trough, and have grown distant to the workers and the feedlot. Overseas trips, A-list tickets, chauffeur driven cars, minders and presidential dining rooms have blinded them to the plight of the people they used to claim to represent. If they no longer understand the esprit de corps of the club industry they can no longer claim to be the custodians of the battlers in our towns and cities. The RSL and ex-services clubs with which I am more familiar are represented by the Service's Clubs Association, whose mission is:

... to represent our members through effective communication, ongoing research and provision of quality resources and services that enhance the image and growth of our members business.

The association is the link between its members, the Government and the community while fostering the spirit and heritage of the Anzac tradition. The main activities of the association are to foster and protect the interests of its members; to act in the interests of registered RSL, ex-services, memorial, legion clubs or like clubs; and to promote the ideals of the Anzac spirit and heritage of member clubs. These ideals go to the heart of what our communities are all about: the Anzac ideals of mateship, courage, endurance and sacrifice that are carved in granite on the new memorial at Isurava. We see these ideals manifest themselves on a daily basis in the RSL club movement. One cannot deliver value on those ideals to prove they are part of the 1.5 per cent obligation to the community. These are community activities that operate below the financial radar and involve the assistance club members give to each other when one is admitted to hospital or a nursing home, for example. They provide meeting facilities for local community groups and sporting teams, a home for volunteers, who perform a host of valuable community activities and so on.

The highly respected honourable member for Lachlan, Ian Armstrong, gave an excellent first-hand assessment of these values in his contribution to the debate in the Legislative Assembly. I am sure members of all political persuasions will agree that Ian Armstrong has his finger on the pulse in his local electorate. He is certainly a well-respected elder statesman in the Coalition. He spoke of the situation in Forbes where there is an RSL club and a leagues club of about the same size. About 12 months ago the leagues club got itself into financial difficulty so the RSL looked at the leagues club. Meanwhile, the leagues club entered into a venture with the Newtown Jets. That venture did not come off but the leagues club put in \$600,000. What is the position today? The leagues club and the RSL club are under administration. The golf club and the bowling club are both hanging on. In Forbes the golf club was taken over 12 months ago by the RSL club because it could not function. The West Wyalong RSL club took over the golf club about four or five years ago, but lost \$90,000 in that venture last year. Ian Armstrong went on to state that the situation in towns such as Harden, Cootamundra, Young and Grenfell is replicated right across the State. He then made the most poignant point in the whole debate when he said:

Unless local clubs can sustain both their sporting activities and their cultural and social contributions, many towns will lose much of their heartland.

I am currently a member of a general purpose standing committee looking into local government reform. Last Friday we held our committee deliberations in the Orange Ex-Servicemen's Club, where we met shire presidents, mayors, deputy mayors, councillors and community representatives from Bathurst, Orange,

Wellington, Evans, Blayney and Cabonne. The recurring theme in the hearing was the need to protect their local community identity, which involves their heritage values from yesterday, their economic cultural and social values of today, with bright opportunities for tomorrow. Another recurring theme is that big is not necessarily better for local communities. The contributions could be summed up in two words "community pride".

One of the most fundamental elements within these communities is the local club. Some are run almost entirely with volunteers but they provide a place for entertainment, a place for meeting, a place for youth activities, a place for the aged to gather, and a place to obtain assistance and support for worthwhile community causes. Ian Armstrong mentioned the Crookwell club, which maintains holiday units on the South Coast in which older people can enjoy a holiday for approximately \$10 per week. A widow in a local town can obtain advice and assistance from a club when she has to organise her husband's funeral. A lot of those activities cannot be shown in the balance sheets of clubs because, as I said before, they operate beneath the financial accounting radar. The Treasurer's crude claim that the club industry contributes only \$22 million of its profits to the community does not stand up to scrutiny. The Government will certainly find out about it if these clubs go to the wall and overstretched government agencies have to pick up the bill.

A report commissioned by ClubsNSW, in response to the various tax increases announced by the Treasurer and prepared by the Allen Consulting Group, found that all clubs with gaming revenue—approximately 1,375 clubs across New South Wales—will be disadvantaged by the combined impact of the new gaming machine taxes and withdrawal of GST compensation. On average, clubs face a 49 per cent increase in taxation. The increased taxes are equal on average to about 70 per cent of the estimated operating profits for clubs, posing a serious threat to the financial viability of many clubs. The full impact of the increased taxes in 2010 will result in a significant reduction in the financial viability of clubs, with only 55 per cent of clubs with gaming revenues remaining financially viable—that is, being marginally profitable or profitable—compared to the 75 per cent of clubs estimated as being financially viable in 2000. It is estimated that nearly half of all clubs, 45 per cent, will not be profitable in 2010 compared with 24.6 per cent in 2000.

[*Interruption*]

The Hon. Dr Arthur Chesterfield-Evans interjects. I appreciate that there are plenty of services in Hunters Hill, which is probably the wealthiest part of this country. But I am not talking about the residents of Hunters Hill. I am talking about residents in Western Sydney and rural and regional New South Wales who rely on community esprit de corps. In total, the new tax regime will take an additional \$1.5 billion from clubs over the period 2004 to 2010. This must impact on the clubs' capacity to provide services, support and employment for their members and community. The changes in taxation will have important social implications as New South Wales clubs are a very important part of people's lives, contributing to social and economic capital throughout the State.

Where clubs shrink or close there will be a loss of jobs and social benefits to members and the community. The tax changes are regressive and disadvantage individuals who are the least well off—and they do not live in Hunters Hill! The combined impacts of the changes in taxation also will result in additional negative spill-overs that will adversely affect the local communities in which clubs operate. There will be reduced economic activity and employment in associated businesses and industries—for example, the construction industry, which builds new club facilities—and reduced infrastructure available for use by the local community for other activities.

The following points were made in the executive summary of the report. First, the Treasurer announced in the 2003-04 budget a phased increase in club and hotel gaming machine tax rates to take effect from September 2004 through to 2010. Second, the Treasurer has made no provision for continuing the GST compensation payments for clubs on the first \$200,000 of gaming revenues earned. The Allen report also claims that the combined impact of the new tax rates and withdrawal of GST compensation will disadvantage all clubs in New South Wales with gaming revenues. About 92 per cent of the 1,500 clubs in New South Wales rely on gaming revenue to some extent. The executive summary then continues with some serious warnings, and says:

All clubs with gaming revenue in NSW will face increased taxation, with an average of 49 per cent increase in taxation.

The 417 smallest clubs (30 per cent of the total) earning less than \$200,000 in gaming revenue will move from paying no tax to paying an average \$7,826 a year, due to the withdrawal of compensation for GST paid on the first \$200,000.

Tax paid by the 442 clubs (32 per cent of the total) with gaming revenues between \$200,000 and \$1 million will increase on average by 28 per cent.

Tax paid by the 375 clubs (27 per cent of the total) earning gaming revenues in the \$1 million to \$5 million range will increase on average by 23 per cent.

Tax paid by the 77 clubs (6 per cent of the total) with gaming revenues between \$5 million and \$10 million will increase on average by 23 per cent.

For the 64 largest clubs (5 per cent of the total) earning gaming revenues greater than \$10 million, tax paid, will increase by 66 per cent on average.

The October 2003 issue of the ClubsNSW journal *Club Management*, which I received only yesterday, makes the following comments regarding the Allen report and the Treasurer's response:

These are the figures. Some critics have brushed them off. So did the Treasurer. But so far nobody has found factual flaws in the figures, which then can be taken as correct. Only their significance has been questioned.

The Allen Report also delves deep into the financial infrastructure of the club industry. It warns that to meet increased taxation, clubs will have to consider all sorts of measures such as reducing cash donations and in-kind support provided to the community and reduce the services provided to members.

This kind of argument has already been thrown at Mr Egan by numerous club managers lately but the Treasurer has kept his stoic pose and parried the onslaught.

I suppose the Treasurer can do that. Being a member of the upper House, he does not have to face electors.

**The Hon. Duncan Gay:** But it is not what he says from the safety provided by being a member of this place.

**The Hon. CHARLIE LYNN:** That is right. The article continues, referring to the Treasurer:

Neither is he moved by the fact, quoted in the Report, that clubs in NSW are currently employing just under 40,000 people and at least some of them are likely to lose their jobs if and when a club experiences a sharp downturn.

It's certain that the facts and figures in the Allen Report are correct and the arguments valid. So the bitter argument is not along economic lines—about money—but on philosophical principles.

The clubs, Mr Egan seems to say, have grown to be too big, too prosperous, too comfy. Far too good for the undeserving poor, as G. B. Shaw called them.

Then there are the club general managers, the CEOs, the superstars who appear to seek and get salaries in line with the success of their clubs.

Some, says Mr Egan, have the cheek to earn more than the Prime Minister and at least two of them take home more than George W. Bush.

But could Bush run the Panthers or the Bulldogs, without Chaney, Wolfie, Rummy and Condy? Or would they lose one or two members a day, killed on the floor, at the pokies or at the bar, the way they lose their troops in Iraq?

Good point! It continues:

It is an inane argument anyway who earns what in the club world. Those seeking total justice should remember the tax some billionaires get away with in tax havens, the millions average tennis players and footballers make, the \$30 million or more some US basketball stars pocket, in one year.

So what? Each to his or her worth. Surely we don't want to introduce equal poverty for all, in Soviet style, replacing our free enterprise system?

We think it's time to end this unseemly donnybrook and call the house to order. The good old British art of compromise can now be dusted off and reapplied.

The Government should acknowledge the many positive features, nay virtues, of the club industry and its two million members. It has to admit that this is a unique network well worth preserving.

The club industry must face the fact that the government has all the legislative power, if not all the wisdom, to regulate its operations.

Surely there is a solution to all this if the protagonists—after all, most of them from the same social and political spectrum—are willing to exchange ideas instead of insults.

That is a timely warning from the club industry. The current situation cannot be allowed to continue. If the Treasurer does not take a hard look at the outcomes as reported by the Allen Consulting Group, he will be responsible for the unforgivable destruction of an essential economic and social unit in communities throughout

Western Sydney and rural New South Wales. The Treasurer's first reaction to this report does not indicate that he appreciates the gravity of his decision. He reacted in typical fashion by devising a stunt designed to deflect attention from his ill-considered decision by announcing that the increased revenue will go to hospitals. This simply does not pass muster in Western Sydney and rural New South Wales because they know that the provision of a proper and adequate health system is a core responsibility of this State Government. The fact that the projected funds were not included in the recent budget papers is proof of the fact that this was a panic reaction to widespread community outrage over this tax grab.

When the Treasurer realised this hasty excuse did not wash, he turned his attention to club directors—some who used arrangements with family companies to increase their income, and some who took overseas study trips to clubs and casinos. This was another clever distraction, but again—apart from the unfair individual embarrassment it caused—it did not work, because all those activities were conducted within the codes and the laws developed by the Government. There is also a great deal of hypocrisy in the Treasurer's attack on the financial activities of directors in the club industry when he refuses to answer questions in regard to the number of staff he employs in his office and the money they get from the public purse. I can only assume they are being paid obscene amounts of money, otherwise why would somebody as garrulous as the Treasurer want to hide this from New South Wales taxpayers? The Treasurer cannot have one rule for club industry officials and another for his own fat cats.

It took the Minister for Gaming and Racing, the Hon. Grant McBride, to regain some credibility for the Government when he announced a club industry task force to help establish guidelines for clubs in New South Wales. I congratulate the Minister on this initiative, which will look at a broad range of issues, including a code of conduct for clubs, a statement of objectives, reporting procedures, governance, probity for club directors, contract arrangements and management agreements. I note the Government has appointed the Chairman of ClubsNSW, the former Labor member for East Hills, Pat Rogan, to chair the task force. This is a very clever appointment, which the Government obviously hopes will take some heat out of the issue. I regret to say that it will not. All the establishment of this task force indicates is that the Government has been asleep at the wheel for the past 8½ years in regard to the operation of the club industry.

I believe this is an industry the Government has taken for granted by assuming the majority would support the Labor Party. But the reaction of the clubs, and the reaction of Labor members in caucus, to a Premier and Treasurer who have become increasingly arrogant, has provided a sharp wake-up call. The hasty formation of a club industry task force will not address the challenges facing the club industry. There will undoubtedly be some good, albeit overdue, outcomes in the area of governance, probity, reporting procedures and management arrangements, but these alone will not allay their concerns. A proper review of the club industry is required, as promised by the Government prior to the last election. I have tabled petitions signed by hundreds of members of various clubs from around the State calling for the Government to repeal the new gaming taxes and undertake the promised review before any further tax increases are considered. Thousands more signatures are in the pipeline.

If the Government does not heed the call for review I believe we should perhaps conduct an upper House inquiry to allow us to closely examine the role of clubs in local communities throughout New South Wales. I have come to this conclusion after my experiences with the committee looking at the reform of local government. We need to visit clubs in Western Sydney and rural and regional New South Wales to examine the social linkages they have to their local areas and try to assess the real economic and social benefits of the industry. We will achieve this only by talking to club presidents and community representatives who rely on the social compassion and the economic support of the local clubs. The Government has a legislative responsibility to ensure that club management operates within the law but it should not destroy the industry in the process of trying to achieve this.

**The DEPUTY-PRESIDENT (The Hon. Tony Burke):** Order! I acknowledge the presence in the gallery of a large number of people participating in the program A Little Night Sitting and extend the warmest of welcomes.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS [6.22 p.m.]:** The Australian Democrats support the Gaming Machines Amendment (Miscellaneous) Bill, though somewhat reluctantly. Like much Government legislation, it tinkers around the edges of a large problem and does not do very much about the real problem. It amends the principal Act on gaming machines. Gambling does social harm, it is hard to quantify that harm and it is necessary to do research to quantify that harm. In the end, we have to minimise gaming to achieve the objective of minimising the harm caused by gambling. The Government says that it wants to reduce gambling

but in fact its objective is getting money, but it should only do so if it tries to reduce gambling. It is all very well to say that if something is legal people can do what they like. We have been down this track with tobacco, which is legal for historical, accidental reasons. As long as everything was done in co-operation with the tobacco industry no progress was made.

Poker machines are totally unnecessary, as tobacco is totally unnecessary. But the difference is that the medical system produced evidence against tobacco as part of the normal process of researching disease. In the case of gambling such research is not normally done, and unless money is dedicated to doing that research we will not be able to see how much harm gambling does. At the moment poker machines are being shuffled around but the objective of the poker machine makers is to get more money per machine per hour. That is quite inconsistent with what our objectives should be. All the Government wants to look at is the number of machines. It is tinkering around the edges with the number of machines, who owns them, their profits. What has to be looked at is the technology of those machines, how much money they are making and how much harm they cause. Anyone who looks at the issue rationally has to say that people playing machines lose money, and the longer they play the more money they lose. That is what the machine is there for.

What is not as widely known is that there is a thing called the central monitoring system. All the machines are connected so that the system can tell exactly what every gambler is doing. That technology could send messages back to the gambler saying, "Hey, why don't you stop? Look how much money you have lost in this session." But, of course, people do not want to publicise the fact that the technology has the ability to send those messages. They do not want anyone to interfere in the technology. In fact, there are loyalty schemes whereby people insert their card and are given brownie points or free meals depending on how much they have played. This system could be used to tell people, "Hey, come on! Tonight you have lost this much. In the last month you have lost 10 times more, and in the last 12 months you have lost even more than that." It could be personalised, telling the gamblers how much money they have lost. They would then realise that they cannot afford it because their salary is much less than the amount they have lost. But the Government never takes this on.

The question has been asked as to whether things should be legal or illegal. It is more subtle than that: there are things we want to encourage and things we want to discourage, even within the framework of legality. It is time the Government took the bull by the horns and asked where we want to be in relation to gambling and did not merely tinker around with the number of machines. Each time I talk about bringing in amendments in this regard I have to do all the research myself because the Government has not done any. Then Government members say that it is beyond the leave of the bill because the bill merely tinkers with the numbers and ownership of poker machines. This Government does not do enough to deal with problem gambling, and it never has. Although the Opposition gives a great spiel about how wonderful clubs are, it will not bite the bullet on gambling either. I do not know whether it makes much difference but the amendments in the bill provide that clubs that are currently licensed to have more than 450 machines—do you mind—must now reduce their entitlements by 10 per cent over a five-year period. What a big change! The 18 large-scale clubs cannot increase the number of gaming machines over the next five years.

Under clause 5, if a large-scale club does not reduce the number of machines by 2 July 2007 any extra machines will be forfeited to the Liquor Administration Board. The board will allow the transfer of any number of poker machine entitlements between different premises owned by the same registered club if the premises are situated within 50 kilometres of each other in a non-metropolitan area. The transfer of more than four machines between premises will allow a class two social impact assessment, which must provide information about the total number of gaming machines that are authorised to be kept for the time being in all hotels and registered clubs in the relevant local government area. As I said, these are minor changes to transfers of machines. That can be supported, but more needs to be done about gambling in New South Wales. Sadly, this Government is not doing anything about it and neither is the Opposition. A much stronger position needs to be taken, and that is what the public actually wants.

**The Hon. IAN MACDONALD** (Minister for Agriculture and Fisheries) [6.27 p.m.], in reply: I thank all honourable members for their contributions to a debate that had nothing to do with the Gaming Machines Amendment (Miscellaneous) Bill.

**The Hon. Charlie Lynn:** I know that it is a sensitive issue.

**The Hon. IAN MACDONALD:** In particular, the contribution from the Hon. Charlie Lynn had precisely nothing to do with the bill. I point out to honourable members that some of the amendments in the bill

will have an impact on the reduction of machines available. For instance, clubs with more than 450 machines are required to shed 10 per cent of their machines over a five-year period except when to do so would result in the club having fewer than 450 machines. To date, a reduction of 71 gaming machines has been achieved under the proposal. I am advised that since the commencement of the process more than 1,700 entitlements have been forfeited to the Government. As I said, this figure includes 71 involved with larger clubs. At the beginning of October 2003 there are approximately 1,600 fewer gaming machines installed than there were when the scheme commenced.

I think honourable members have glossed over the very real impact of the bill on the gaming effort in clubs across the State. Having said that, I note that the Opposition was concerned about issues other than those contained in the bill but because of the tolerance of the Government, which was shown at all times here this afternoon, we allowed honourable members considerable licence to talk about something that really was not before the House. The Government is absolutely committed to a harm minimisation review. As honourable members know, the Productivity Commission conducted its inquiry into Australia's gaming industries in 1999. Dr Tom Parry and the Independent Pricing and Regulatory Tribunal are conducting a further review for the Government at the moment. I commend these measures to the House for their consideration. I am sure they will be supported.

**Motion agreed to.**

**Bill read a second time and passed through remaining stages.**

[*The Deputy-President (The Hon. Tony Burke) left the chair at 6.29 p.m. The House resumed at 8.15 p.m.*]

## **POLICE ASSOCIATION EMPLOYEES (SUPERANNUATION) AMENDMENT BILL**

### **Second Reading**

**The Hon. JOHN HATZISTERGOS** (Minister for Justice, and Minister Assisting the Premier on Citizenship) [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.**

This bill amends the Police Association Employees (Superannuation) Act 1969 to ensure there is a valid mechanism for Police Association employees who are under the age of 60, and who were police officers prior to April 1988, to be medically certified as incapable of performing their duties and to access their annual superannuation allowance.

The 1969 Act allows Police Association employees who were police officers prior to April 1988 to maintain a number of the Police Superannuation Scheme benefits payable to pre-April 1988 police under the Police Regulation (Superannuation) Act 1906.

Such officers who are under the age of 60 and who are certified by the SAS Trustee Corporation [STC] as incapable of performing their duties for the Association are entitled to receive the annual superannuation allowance that would be payable under the 1906 Act.

The 1906 Act was amended in 1987 to enable STC certification on the basis of medical advice provided by one or more medical practitioners nominated by STC—previously STC could only certify on the basis of advice provided by 2 or more members of the Police Medical Board.

There was no corresponding amendment made to the 1969 Act, which means the STC cannot certify Police Association employees without the advice of 2 members of the Police Medical Board.

STC prefers the flexibility of nominating practitioners with specialist expertise in the type of illness the subject of any claim for early retirement on medical grounds. The Police Medical Board was not able to provide the same standard of specialist assessment.

As a result, the Police Medical Board is no longer used for medical assessments and the appointment of Board members has lapsed, meaning that there are no longer 2 members of the Board who can provide advice as to whether a Police Association employee is incapable of performing their duties. This means that officers who are incapable of performing their duties are unable to access their annual superannuation allowance.

This has not been an issue until recently, as no relevant Police Association employee has ever sought a medical assessment for the purposes of accessing the allowance.

However, a well-respected and long-serving employee of the Association has recently suffered serious heart disease and has had to cease his duties. He is unable to access his superannuation allowance, which is a cause of some stress. This is obviously particularly undesirable, given his medical condition.

The bill therefore amends the 1969 Act to bring it into line with the 1906 Act, enabling the STC to nominate the medical practitioner or practitioners that will advise on whether a relevant Police Association employee is unfit for service.

All affected parties believe this amendment is preferable to reconstituting the Police Medical Board to deal with this one matter, given the Board does not have the same expertise as specialist STC assessors and the Association employee would have to submit to two medical examinations, rather than one.

The bill still maintains the option of matters being assessed by the Police Medical Board, as does the 1906 Act, this being necessary to deal with any medical conditions that may have had their genesis prior to 1988.

The Government has given consideration to the issues to be considered by the Legislative Review Committee in scrutinising bills, and is of the view that the bill will not raise any issues of concern for the Committee.

Whilst the Government would normally introduce non-controversial amendments of this kind through the Statute Law Revision Program, it does not wish to wait until later this session, given the immediate needs of the Police Association employee in question.

I commend the bill to the House.

**The Hon. DAVID CLARKE** [8.16 p.m.]: The Opposition does not oppose the passing of the Police Association Employees (Superannuation) Amendment Bill. The current position is that under the Police Association Employees (Superannuation) Act 1969, which provides superannuation for certain employees of the Police Association of New South Wales, a person is not entitled to an annual superannuation allowance if that person ceases to be employed by the Police Association while under the age of 60, unless the person is certified by two members of the Police Medical Board to be unfit for service. The bill amends the Act to bring it into line with the Police Regulation (Superannuation) Act 1906 and allows the SAS Trustee Corporation to certify that an employee of the Police Association is unfit for service, having regard to the medical advice of two members of the Police Medical Board or any one or more medical practitioners nominated by the SAS Trustee Corporation.

The bill is necessary and, as the Government indicates, urgent because at least one employee of the Police Association cannot be certified as being medically incapable of performing duties, because the Police Medical Board is no longer used to undertake medical assessments. The bill will remedy that situation, and it will allow certain medically unfit Police Association employees who were formerly serving officers to more easily access their superannuation benefits before turning 60. The Opposition has been assured by the Government that there is some urgency about this matter and, as I said, it does not oppose the bill.

**Ms LEE RHIANNON** [8.18 p.m.]: The Greens do not oppose this bill. As the Government has said, the bill makes some administrative changes to the 1969 Act. It also addresses the concerns of a Police Association employee with a serious heart condition who cannot access his superannuation. On behalf of the Greens, I wish that employee all the best. I commend the Government for making a quick legislative response to his position. Again, it is good to be able to congratulate the Government when it does the right thing.

**The Hon. John Hatzistergos:** Is this the first police bill you have supported?

**Ms LEE RHIANNON:** No, not at all.

**The Hon. John Hatzistergos:** How many others have there been?

**Ms LEE RHIANNON:** I am on record as having supported measures to ensure that police adhere to their motto of "protect and serve". However, the Greens have always said that there is no need for the police to break the law, and that the Government should not have law and order legislation that puts the police in an impossible position. However, I congratulate the Government on this bill.

**The Hon. JOHN HATZISTERGOS** (Minister for Justice, and Minister Assisting the Premier on Citizenship) [8.20 p.m.], in reply: I commend the bill to the House.

**Motion agreed to.**

**Bill read a second time and passed through remaining stages.**

**BUDGET ESTIMATES AND RELATED PAPERS****Financial Year 2003-04**

**Debate resumed from 24 June.**

**The Hon. PETER PRIMROSE** [8.22 p.m.]: Obviously it is a matter of concern that the Opposition is not ready to debate this matter.

**The Hon. Rick Colless:** You are here.

**The Hon. PETER PRIMROSE:** As a member of the Government, I am quite prepared and happy to talk about the budget and how this Government has delivered on its 2003 commitments.

**The Hon. Rick Colless:** You do not have any business to put before the House.

**The Hon. PETER PRIMROSE:** The Government has business. The Opposition is complaining that the Government does not have business, yet it also complains that the Government has not allowed time for the budget take-note debate. The budget take-note debate is listed on today's *Notice Paper*, but the Opposition is not ready to speak to it. The Opposition is constantly saying that it has big hits to make against the Government's budget. We are ready to discuss it but the Opposition has fudged it again; it is not ready. Members opposite are complaining. I tell them that I am ready, willing and able, as are other Government members, to talk about the achievements of the Carr Labor Government and the value of the budget.

**Reverend the Hon. Dr Gordon Moyes:** Don't give him a chance.

**The Hon. PETER PRIMROSE:** Reverend the Hon. Dr Gordon Moyes says not to give me a chance. I have taken this opportunity, I have the chance. I am happy and delighted to talk about the budget, unlike those opposite, who constantly gripe and complain that they want to talk about the budget. They say they have big hits to make against the Government, but where are they? Of those presently in the Chamber, not one sought the call to speak in this debate. Obviously they cannot find anything wrong with the budget, despite all their complaints. Although they have been big-noting themselves they are not ready and cannot think of a budget problem to speak about. Members of the Opposition will go away, do their usual research, go through their papers and media clips, and find issues on which to take points. However, tonight, they are not ready. They should go away, take their time, and try to find some problems to raise.

**The Hon. Henry Tsang:** They have no policies, they are not interested.

**The Hon. PETER PRIMROSE:** The Opposition has had all day to prepare to speak in this debate, but it is not ready. So much for the Opposition's big hits! I will outline some of the achievements of the Carr Labor Government since the March election. This year the Government is spending a record \$9.267 billion on Health. That is an increase of \$900 million, or 11 per cent, on last year's budget. This year \$456.7 million will be spent on new capital works for hospitals, and 845 additional nurses have been employed since March 2003 at hospitals including Lismore and Orange. More doctors have been employed at John Hunter and Tamworth hospitals, to name just two. New South Wales nurses are now the highest paid in Australia following a 5 per cent pay boost in July. Currently 56 nurses are working as nurse practitioners providing expert advanced nursing care, including referring patients directly to specialists for high-level care.

During the \$2.6 million trial of mobile operating theatres in seven rural towns, 335 people underwent surgery. A plan is being finalised for 32 additional ambulance officers to be appointed this year as part of the phased introduction of 235 additional staff in rural and regional areas over the next four years. I am delighted that Opposition members are taking the opportunity to listen to my contribution and are taking notes. Maybe they will hear something they can discuss later. At the successful Alcohol Summit in August, 318 recommendations were made, one of which was for a zero blood alcohol limit for learner drivers and P-plate drivers. That recommendation has been implemented.

The summit's recommendations included a review of alcohol products that may appeal to young drinkers or minors, and called for an additional \$230 million over four years be spent to fund drug prevention, education, treatment, and law enforcement. The summit recommended that the Cabramatta anti-drug strategy be extended for two years. This year \$5.3 million will be spent on reducing crime and drug problems in that area.

Since 2001, 39 drug houses have been closed in Cabramatta. This year the Carr Labor Government has allocated \$450 million in the fight against cancer. I note that members of the Opposition have decided to leave the Chamber; I well understand their reasons for doing so.

**The Hon. Michael Gallacher:** Your speech is that bad.

**The Hon. PETER PRIMROSE:** No. I am delighted to welcome the Leader of the Opposition to the Chamber; hopefully he will have his media clips ready to speak to the budget. Obviously his loyal backbenchers have left the Chamber in anticipation of his speech. The Government has established the New South Wales Cancer Institute. Current developments in regional services include the Wagga Wagga Riverina Cancer Care Centre, which will provide more chemotherapy services; a new chemotherapy clinic in Lithgow, with extra services at Parkes and Cowra; new chemotherapy outpatient clinics at Gunnedah, Moree, Inverell, Narrabri and Glen Innes; two extra haematology and oncology clinics at Lismore Base Hospital; expanded oncology clinics at Goulburn, Moruya and Bega hospitals; a new medical oncology clinic at Young; and a new linear accelerator at Campbelltown hospital.

The Government has kept the Transport commitments it made prior to its re-election in March, including the appointment of the Independent Transport Safety and Reliability Regulator, who will commence operations in January 2004. An additional 107 new transit officers will patrol trains and stations, bringing the total to 300; and 40 mobile train cleaners will target hot spots during peak periods. The Government has doubled spot fines for fare evasion, graffiti, and antisocial behaviour.

A review of bus services has been undertaken to improve private bus service levels, and performance and safety statistics are now available on the Internet. The Government has allocated \$323 million for Windsor Road—\$53 million this year alone for the upgrade of Windsor Road and old Windsor Road. A total of \$815 million has been allocated for the building of the 3.4 kilometre Lane Cove tunnel. The Government has announced the successful tenderer. An amount of \$680 million has been allocated for the building of the cross-city tunnel which will connect Darling Harbour to Kings Cross. Construction on that tunnel began in May. The Government has allocated \$315 million for the Liverpool to Parramatta bus transitway. An additional lane will be built on Hoxton Park road, a car park has been completed at Miller transitway station, and 17 transitway stations have been completed. A six-lane addition to Hoxton Park Road will be completed later this year.

The construction of the north-south and east-west sections of the Bangor bypass, which was commenced in June 2003, will cost \$115 million. An amount of \$360 million has been allocated to upgrade the Greater Western Highway, and \$32 million was spent this year to upgrade sections of the roads linking Woodford and Hazelbrook, Leura and Katoomba, and Wentworth Falls and Lawson. There is an allocation of \$2.2 billion to upgrade the Pacific Highway, and that work is under way. Work has also commenced on the Karuah bypass, on sections of the road at Halfway Creek, and on the Taree to Coopers Creek road. An amount of \$78 million has been allocated for the north Kiama bypass. The contract for that work was awarded in August and the project is expected to commence later this year. An amount of \$40 million has been allocated in the budget for a major upgrade of Lawrence Hargrave Drive, Wollongong.

The Government has also allocated \$2 million for school and community transport and promotions due to road closures. There is an allocation of \$13.2 million for The Entrance Road, on the Central Coast. Work on the Avoca Drive intersection at Erina, which began in July, is expected to be completed in December 2003. An environmental assessment of the Terrigal Drive intersection at Erina is under way. Opposition members, who are huddled together, are obviously worried about these budgetary allocations. I assume they are huddled together because they are concerned about and fearful of these issues. Another commitment of the Carr Labor Government is to help first home buyers. Since March 2003 it has helped 9,799 first home buyers through the allocation of \$25 million in stamp duty concessions.

*[Interruption]*

The Leader of the Opposition has commented on my tie, which I find interesting. Of the many issues to which he could have referred—for example, the economy of this State—he chose to refer to the fact that we have called on the budget debate. The Leader of the Opposition, who was not in the Chamber earlier, is concerned because we brought on that debate. Opposition members do not want to participate in this debate because they have nothing to contribute. They are not able to criticise the Government on any of its budget allocations. Opposition members have nothing to talk about. We are debating the debate, and the only contribution the Leader of the Opposition can make is a reference to the colour of my tie. What a great criticism

of the Carr Government that was! A few days ago I had a haircut. The Leader of the Opposition might like to refer to that when he speaks in the debate. He should go through all his media releases and see whether there is anything in the budget he can criticise.

The Carr Labor Government allocated a record \$2 billion this year to the Police portfolio. On 29 August this year 423 new police officers were sworn in, and 2,291 new officers were recruited, trained and employed in the 12 months to August 2003. An amount of \$3 million was allocated for Operation Viking to ensure there is high visibility policing in hot spots. The Government unveiled a new plan to combat the possession of illegal hand guns and it has taken a stronger approach to the detection and prosecution of that crime. A new police headquarters is to be built at Parramatta. The first stage of that project has been completed and a section of it was occupied in August. An amount of \$13 million has been allocated to build a new police station and headquarters for the Western Sydney task force at Cabramatta. The Government will spend \$9 million on counter-terrorist equipment, including world-leading bomb disposal robots. A specialist helicopter is soon to be delivered. The Government has introduced special initiatives to encourage experienced former police officers back to the force.

I refer briefly to crime prevention. The Government has introduced a number of new laws, including tougher bail laws to deal with serious personal violence, higher penalties for child sex offenders, and no periodic detention. Accused persons will be prevented from directly questioning sexual assault victims, victims of serious violence can read out impact statements in court, the Parole Board will be held more accountable for its decisions, and it has to provide written explanations. A new legal aid office opened in Dubbo, and family, civil, criminal, child services and mediation services are now available for Aboriginal family law clients.

The indigenous circle sentencing trial at Nowra has achieved a dramatic reduction in the incidence of reoffending. Similar trials will be conducted in Dubbo and in Walgett in late 2003. The Government introduced a new statewide youth program for offenders and at-risk groups. They will be provided with new skills and training to assist them in their long-term employment. That program is now operating in Nowra, Bourke, Wagga Wagga, Dubbo, Kempsey, Newcastle, Taree, Campbelltown, Blacktown, Fairfield, and inner Sydney.

The Carr Labor Government is maintaining its support for pensioner rebates on water rates. This year there will be a \$67.2 million saving on water rates and an \$82 million saving on energy bills. The Government has extended its rebate for rainwater tanks in Sydney, the Blue Mountains, and the Illawarra. The Government has created 15 new national parks and State conservation areas in north-east New South Wales. It has reached agreement on the national water initiative, and it has allocated \$500 million for the restoration of the Murray River. The Government declared Bushy Island and One Tree nature reserves in Port Stephens to be protected, and it has added 388 hectares to the Tiligerry Nature Reserve on the southern shores of Port Stephens. The Government has preserved 308 hectares in Myall Lakes National Park, thus protecting the spectacular coastal landscape and littoral rainforest at Seal Rocks.

The Government established the 178-hectare Woollahra National Park at Caves Beach near Lake Macquarie. It has expanded by 302 hectares one of the State's iconic coastal parks at Bouddi. An amount of \$4.4 million was allocated this year to compensate commercial fishers as a result of the creation of the Cape Byron Marine Park at Byron Bay. The Government has established energy and water use targets for new homes to be implemented from July 2004. Over 10 years that project will save 182 billion litres of water and 8.3 million tonnes of greenhouse gas emissions. There was an allocation this year of \$15 million for farmers to manage, conserve, and restore native vegetation on their properties, as part of the Government's \$120 million allocation over four years for native vegetation reform. An amount of \$11.7 million has been allocated this year to combat salinity as part of the New South Wales Government's \$198 million commitment to the national action plan on salinity and water quality.

The Government opened more regional community technology centres this year in Mathoura, Murrurundi, Tea Gardens, Sussex Inlet, Denman, Ganmain, Kyogle, Old Bar, Tenterfield, and in other locations. The Government allocated \$722,000 for five more centres at Dorrigo, Doyalson, Gerringong, Nahiab, and Wallaga Lake. There are allocations in this budget to improve education in this State. The Government is spending a record \$8.7 billion on education, which is a 7 per cent increase on the allocation for previous years. Best-ever results were received for year 7 and year 8 students during the English language literacy assessment; a class size reduction unit was established; and the need for additional teachers and classrooms will be assessed for 2004 as part of the \$329 million plan to reduce class sizes in kindergarten to year 2.

Stage one of a project to provide 70 additional classrooms for 429 schools is under way. That contract was awarded in August. A 24-hour security hotline has been established to link all schools to their local police

station. An amount of \$5 million—part of a \$20 million allocation over four years—has been allocated for security fences at 50 schools, the construction of which will be completed by the end of 2003. A rental subsidy boost—from 20 per cent to 90 per cent—has been introduced for teachers in 33 remote schools. A rental subsidy boost—from 20 per cent to 70 per cent—has also been introduced for teachers in 80 outback schools.

The Government has allocated \$4.7 million for 200 scholarships for the teaching of English, maths, science and technology and applied sciences. A total of \$368 million has been allocated for schools capital works and \$72 million for TAFE capital works. There is an allocation of \$205 million for schools and TAFE maintenance and upgrades. Some \$10.5 million has been allocated for airconditioning in demountable and permanent classrooms in 240 schools in 2003-04. A total of \$18 million will be spent on 11,250 new computers with lock-down devices. There are almost 150,000 computers in public schools.

**The Hon. Rick Colless:** What sort of take-note speech is this?

**The Hon. Michael Gallacher:** You are reading the Treasurer's Speech.

**The Hon. PETER PRIMROSE:** I am not reading the Treasurer's speech. I acknowledge those interjections because I have clearly stung Opposition members. My name was some way down the list of speakers for this debate but I was ready. I had prepared my speech but unfortunately those Opposition members who were in the Chamber were not prepared.

**The Hon. Don Harwin:** Point of order: Mr Deputy-President, I draw your attention to the standing orders which require a member's contribution to debate to be not tedious and repetitious. I think this particular part of the contribution by my colleague and friend the Government Whip is bordering on being tedious and repetitious.

**The Hon. PETER PRIMROSE:** To the point of order: I am stunned that my good colleague and learned friend opposite would regard improvements to education and my many other points as being tedious and repetitious. If the Hon. Don Harwin is referring to the comments made by the Leader of the Opposition, I agree with him.

**The Hon. Don Harwin:** Further to the point of order: My point of order related to the Hon. Peter Primrose's remarks about the list of speakers, not to any of his substantive remarks about the budget appropriations.

**The Hon. PETER PRIMROSE:** To the extent that I am able, I accept the point of order and ask that you rule accordingly, Mr Deputy-President.

**The DEPUTY-PRESIDENT (The Hon. Tony Burke):** Order! I remind the Hon. Peter Primrose not to be repetitious in the course of his remarks.

**The Hon. PETER PRIMROSE:** I might begin my speech again.

**The Hon. Rick Colless:** Go back to page 1.

**The Hon. PETER PRIMROSE:** I will stick with page 4.

**Ms Lee Rhiannon:** You're not up to Macca's standard.

**The Hon. PETER PRIMROSE:** That is interesting: a member of the Greens accuses me of filibustering. As I said before, my name appeared some way down the list of speakers and now I am being criticised for delivering my speech. If other members had been prepared when the debate was called on, they could have made their speeches.

**The DEPUTY-PRESIDENT (The Hon. Tony Burke):** Order! I remind the Hon. Peter Primrose of my previous ruling.

**The Hon. PETER PRIMROSE:** I apologise and will proceed. The disorderly interjections obviously rile me because I believe this is an important speech and an opportunity to highlight vital information. Some \$10.5 million will be spent on airconditioning in demountable and permanent classrooms in 240 schools in

2003-04. As I said before, \$18 million has been allocated for 11,250 new computers—I highlight that important point—and there are almost 150,000 computers in public schools. An overhaul of the years 7 to 10 curriculum will include teaching about the Anzacs. The Hon. Charlie Lynn raised that issue this afternoon. He is nodding his head and I thank him for his congratulations. The new curriculum will commence in 2004-05. New mandatory computer skills testing will be part of the 2003 Higher School Certificate [HSC]. Some \$8 million has been allocated for TAFE scholarships for up to 5,000 year 12 students for HSC vocational courses and \$3.2 million will be given to 29 training organisations across New South Wales to expand their apprenticeship and training programs.

Some \$803 million will be spent on community services this year—a 25 per cent increase—as part of the Carr Government's \$1.2 billion funding boost to occur over five years. This is the largest ever overall annual budget increase for community services and is designed to strengthen support services for children and young people. Some 150 new child protection caseworkers will be employed this year and 875 new child protection workers will be employed over five years. This contrasts with the Opposition's last-minute announcement before the State election that it would slash the number of child protection workers in New South Wales. It was announced in September that vulnerable families would receive \$107.5 million. This funding is the first significant roll-out from the \$1.2 billion boost for community services.

Since February 2003 the Government has allocated \$6.75 million to preschools throughout New South Wales to provide fee relief and to improve facilities. The Government will spend \$1.6 million to provide 40 additional respite care places for younger people with a disability. The budget also allocates \$2.8 million this year for dementia services. Six Better Futures projects running in Broken Hill, Penrith, Cessnock, Menai, Wollongong and Gosford will encourage young people to remain in education or link those who have left school with services, training and recreational programs. Crisis accommodation has been purchased in a number of locations in the Hunter, Illawarra, South Coast, Clarence, Narrabri, Bathurst, Lithgow, Mudgee and Orange.

The Government has introduced a number of new fair trading protections. Dummy bidding has been outlawed and real estate agents' standards have been improved. The Government has introduced gaol sentences for shonky traders who reoffend and has raised the professional standards of conveyancers and valuers. The sale of spray cans has been banned to those aged under 18 years in an attempt to combat graffiti. I will not outline the other protections that have been introduced in fair trading as I do not wish to rehash the many issues that I am sure honourable members are aware of and support. The Government has allocated \$12 million this year to commence major planning reforms, cut red tape and make the planning system simpler for all.

This year's \$597 million allocation to the New South Wales Fire Brigades, the Rural Fire Service and the State Emergency Service is a 94 per cent increase since 1994-95. Some \$439.7 million has been allocated to the New South Wales Fire Brigades to pay for counter-terrorism training and equipment, additional firefighters and new and renovated fire stations. An allocation of \$18 million will buy 40 new or refurbished fire engines. The Rural Fire Service will receive \$125 million for more than 200 new and high-quality reconditioned bushfire tankers and \$3 million for new and upgraded fire stations and fire control centres. A statewide fire mitigation unit will be established to issue hazard reduction approval certificates. The budget provides \$32.7 million to the State Emergency Service to upgrade communications systems and to help councils buy 50 new operational response vehicles.

The Government is continuing its drought support for New South Wales farmers. It has committed \$90 million since the drought began in July 2002. Since March 2003 the State Government has helped 55 projects bring \$22.2 million worth of investments and almost 1,500 jobs to regional New South Wales. The Government secured 300 additional jobs in Wagga Wagga with the opening of the Salmat Call Centre. Trend Laboratories relocated to Berkley Vale, 65 jobs were created on the Central Coast and the \$5 million Amdel laboratory in Cardiff brought 70 jobs to the Hunter. The Government is supporting drought-affected business by doubling the amount of relief available and it will provide an extra \$5 million for 2003-04. There will be a \$4.2 million communications upgrade at the University of Wollongong to ensure faster Internet access and to support Wollongong as a regional innovation centre. The Government has also appointed new Ministers for the Illawarra, the Hunter and the Central Coast. In relation to boosting sport and tourism, the current 2003 Rugby World Cup is estimated to attract 40,000 international visitors and inject \$300 million into the New South Wales economy by creating more than 2,500 direct and flow-on jobs.

The Government has begun the \$23.6 million redevelopment of the Energy Australia Stadium at Newcastle, about which there are still ongoing negotiations with the Howard Government. This year, \$5 million has been allocated to commence the upgrade of the Mount Panorama racing circuit at Bathurst, part of a

\$10 million Government commitment. An extra \$1.7 million will upgrade essential safety and rescue equipment and meet operating costs for surf lifesaving clubs. On track for a Christmas handover is a \$28 million Western Sydney international dragway at Eastern Creek, and \$1 million will be made available over two years for a Country at Heart Program to help build regional and country tourism after the drought ends. I commend the budget to the House.

**The Hon. MICHAEL GALLACHER** (Leader of the Opposition) [8.50 p.m.]: I apologise to members of the Coalition that they had to listen for 35 minutes to the Hon. Peter Primrose repeat a speech that was given by the Treasurer about six months ago.

**The Hon. Peter Primrose:** I am stunned!

**The Hon. MICHAEL GALLACHER:** He refers to being stunned. It is disappointing that on quite a number of occasions the Opposition has been brought up to the starting blocks for the take-note debate on the Budget Estimates only to have the Government on every occasion pull the debate and put it over to another day. Time and again over the past six months the Government has denied us the opportunity in this House to debate the budget. Is it any wonder that tonight members of the Coalition did not take the Hon. Peter Primrose or his cronies seriously? We thought that once again we would be faced with the facade that we have faced often over the past six months. We thought that the speakers' list that was published was the speakers' list for the next budget because the Government did not appear to be sincere about this year's budget!

**The Hon. Don Harwin:** We didn't have a take-note debate last year.

**The Hon. MICHAEL GALLACHER:** That is so. The Hon. Peter Primrose should apologise to the House for his maladministration of the business of this House. Not one Minister is present. The Hon. Peter Primrose said that the Opposition is not prepared to debate the budget. In fact we have been prepared for the past six months. Members of the Government have simply not been prepared to stand up to any scrutiny with regard to the budget and its administration of New South Wales. I am pleased that you, Madam President, were not in the chair and forced to listen to 35 minutes of drivel from the Hon. Peter Primrose. I will deliver a very honest appraisal of how the budget has let down transport in New South Wales. I will refer also to a number of matters that affect the Central Coast and the Hunter. I am sure that the Hon. Ian West is keen to ensure that the Coalition gets a very broad opportunity to debate the budget.

**The Hon. Don Harwin:** He was higher up the list of speakers than the hon. Peter Primrose was.

**The Hon. MICHAEL GALLACHER:** I know, but the Hon. Peter Primrose wants to be in the limelight. When was the last time the Hon. Peter Primrose contributed to a serious debate in the Chamber? It is obvious that the honourable member has taken the opportunity to filibuster. The Hon. Ian West is trying to whip up the Hon. Henry Tsang but he should leave him alone because the Hon. Henry Tsang is a decent bloke and he does not need advice from the left. I advise my fellow colleague the Hon. Henry Tsang to stick with the right. If he does, he will do okay. The Hon. Ian West wants the Hon. Henry Tsang's doctorate. I hate to see the left lead the Hon. Henry Tsang astray as the Hon. Peter Primrose did earlier with regard to his responsibility as acting Minister in this Chamber.

The budget details disclose the inability of the Government not only in the past 12 months but also for many years to identify problems across a wide range of portfolios. This evening I take the opportunity to talk briefly about transport services and its extremely important infrastructure, which the public wants to be assured is being addressed. In this budget the Government has stripped away almost \$50 million from the bridge replacement program to upgrade unsafe rail bridges. I am not talking about tiny road bridges that are occasionally crossed by the odd car or tractor with a slasher in tow. I am talking about significant bridges on main transport routes in New South Wales—for example, the infamous Menangle Bridge, and bridges at Bathurst, Wagga Wagga and Wellington. The public wants to know about the replacement program that has been promised by this Government for some years.

The problems with these bridges have been foremost in the minds of many, especially those who regularly travel over them. In the past few years the Government has promised infrastructure and rail services. I will not labour the point about the performance of the Hon. Carl Scully, but the budget discloses reductions in important infrastructure projects. The Government has simply walked away from its commitments and responsibilities. The Treasurer, the Leader of the Government in this Chamber, is yet to respond to the call by this Chamber to apologise to the people of the Central Coast and the Hunter for the way his Government has misled them since November 1998 in relation to a high-speed rail link to the Central Coast.

This is all about truth in advertising. The Government would expect the same from any private company that advertised a product but did not deliver on it at the end of the day. It has been caught out deceiving the public for a number of years. It published documents through the Labor members of Parliament representing electorates on the Central Coast, as well as would-bes if they could be such as Barry Cohen, promising the high-speed rail link. The Government was caught out badly with this false promise, and this House resolved that the Treasurer must apologise to the people of the Central Coast and the Hunter. The comments earlier by the Hon. Peter Primrose were shallow. He regurgitated a speech given by the Treasurer in the other place—a speech that was read in this place by the Hon. John Della Bosca at the same time as it was being delivered in the other place by the Treasurer. We know the words of the Hon. Peter Primrose were shallow, because if he were serious he would stand up for the people of the Central Coast and say that they have a legitimate beef. They have been misled since 1998.

**Reverend the Hon. Dr Gordon Moyes:** They were duded!

**The Hon. MICHAEL GALLACHER:** They were duded. They committed themselves to journeys of up to 2½ hours each way, everyday, on a promise of the Government. Many believed that at long last they could see some lights at the end of the tunnel. In fact, many moved to the Central Coast—and some even further north than they otherwise would have—believing the Government's promise that a high-speed rail link was just around the corner. This House has exposed the fraud and sham that was perpetrated on the people of the Central Coast. The Government has refused to acknowledge that it has been caught out. The Hon. Peter Primrose was spruiking about his concern about Terrigal Drive and Avoca Drive. His performance was shonky; yet again he was misleading the people of the Central Coast into thinking that the Government is concerned about them.

The Government's bridge replacement program, which is significant, has a broad impact on this State's ability to maintain trade because many of the bridges are on our main transport routes. But there is also the rail issue. Honourable members would be aware that I and a number of other Coalition members have endeavoured, where possible, to expose examples of rail infrastructure that is showing signs of utter neglect. We believe that in exposing these areas of neglect we have been acting in the community's best interests. The Government's response is not one that we would have expected. It did not respond by giving a commitment to replace stretches of rail that the Coalition has exposed as literally falling to pieces. Honourable members might recall that we saw bridge sleepers at Stony Creek, near Wauchope, that had holes in them that we could literally put our leg through. We saw pins that were supposed to hold rail lines down literally out of the ground. In one stretch, we pulled one in three of the pins from the ground by hand. They were not holding down the rail lines.

What was the Government's response? Was it to ensure that money would be made available to address the problem? Was it to say, "These matters need to be addressed as a priority," and put in place a time frame for the works? No. The Minister's response was to report me and others for trespassing—basically inferring that we were committing a criminal act by exposing what we considered to be instances of dangerous neglect of our rail infrastructure. Rather than meet the challenge, Minister Costa thought it would be better to shoot the messenger, to stop us from going onto any other bridges in this State. The Minister knows that Opposition members will not be thwarted in their task. We will continue to expose the neglect of our rail infrastructure wherever we deem that necessary. At the end of the day, this is about representing the public. We are attempting to ensure that the public's interests are protected when it comes to rail—which is part of my portfolio—and that is exactly what I intend to do.

We all know the truth about the Millennium trains. The only person in this Chamber who refuses to accept that the Millennium train has systemic problems—which stem from this Government trying to get these trains onto the tracks before they were tested properly—is the current Minister for Transport Services. We all know why the Government did that. Privately, not a day goes by that the Minister does not stick the knife into the Hon. Carl Scully. That is common knowledge; we all know it is taking place. Each day the House sits poor old Carl needs to nip across to the Sydney Blood Bank for a transfusion because Michael Costa is giving him such a workout. When the Hon. Michael Costa comes into this Chamber he transforms into Dudley Do-right: he refuses to accept there are problems with the Millennium trains. He claims they are working well and were not rushed onto the tracks.

**The Hon. Charlie Lynn:** The virtual trains!

**The Hon. MICHAEL GALLACHER:** Yes, the virtual trains. We all know the truth. The Government wanted these trains to be known as the Olympian trains. Former Minister Brian Langton wanted them on the tracks before the Olympic Games. When he was told that was unrealistic he saw the next important dateline as

the 2003 State election campaigns. Really, the Government's dateline for the 2000 Olympics was all about the 2003 State election campaign. If the Government could not get these trains in service before the Olympic Games to allay concerns about the rail system's inability to carry the extra passenger load, it certainly wanted the trains running by the 2003 State election campaign. That is exactly why the Government pushed the trains onto the tracks before they had been properly tested. The Coalition said so at the time, and continues to say so.

You cannot blame the builder if the designer who has been involved throughout the manufacturing process keeps making adjustments along the way, and ultimately says, "That's fine. I'll take that product." That is what the Government did when it put the Millennium trains on the tracks. I draw an analogy. If you design your home, you will give the builder plans and say, "This is what I want my home to look like." The builder starts work, but during the building work you come in and make a few adjustments—put a window here and a door there, alter the layout and include features that were not in the original plan. At the end of the day you cannot complain if the view from your main bedroom window is your neighbour's toilet.

That is similar to what happened with the Millennium train. The Government interfered, through StateRail, all the way along the process. In its attempts to get these trains onto the track, it pushed and pushed. Early on, EDI was doing the best it could to meet the Government's wishes. Later EDI put in writing its concerns about the Millennium train. But the Government was not interested in hearing about concerns. It kept saying, "Continue, continue." At the end of the day, the Government got the train it asked for. I am sure EDI will say it should bear some of the blame; I think it would do that even if this matter goes to court and the matter is under public scrutiny. Be that as it may, the Government was the architect of its own project; it has the Government's fingerprints on the entirety of the project, right through to this very day.

Even today the Minister for Transport Services, the Hon. Michael Costa, was asked a question about the number of Millennium car sets in service on the system. He tried to make out that he did not know. He referred honourable members to StateRail's web page to obtain the information they sought. That would be the last place the Government should want to look, because it gives more information that underscores how much of a flop the Government has been in maintaining and managing this project. I note the Hon. Tony Catanzariti is smiling.

**The Hon. Rick Colless:** He knows.

**The Hon. MICHAEL GALLACHER:** He would be aware of what is happening. This Government is not able to manage its projects. He would be aware of the old Italian saying that a fish rots from the head down. The honourable member would not want to be part of this rotting fish; he knows its head is Bob Carr and the fish continues to rot all the way down. Luckily for the Hon. Tony Catanzariti, he was not a member of this place when a lot of these decisions were made. It will not be long before he walks away from many of those decisions. He knows that they are having a devastating effect on country New South Wales. Only a couple of days ago I was in his home town of Griffith. The people who met me at Griffith railway station are seriously concerned about what the Government proposes to do with their CountryLink services.

The Hon. Tony Catanzariti should be the champion of the Griffith people with regard to CountryLink services. He should be the champion of Griffith in this Chamber. He should stand in this place and condemn any plan to cut any CountryLink services in Griffith. The Coalition is going to put pressure on the Hon. Tony Catanzariti to stand up for the people of Griffith. They have an outstanding member of the Legislative Assembly representing them. Here is an opportunity for a Government member in this Chamber to do the right thing for the people of Griffith. But, of course, he says nothing on this issue. I look forward to his contribution to this debate and to hear him say, "Keep your hands off our trains, Michael Costa." I look forward to him saying to Treasurer Egan, "Leave our CountryLink services alone because Griffith and many towns like it rely very heavily on the remaining services that they have."

When talking about rail, how could I not mention the fraud of the Epping to Parramatta rail link? That was an absolute ripper of a fraud perpetrated on the long-suffering people of Parramatta, who were looking for a respite from the dearth of transport available to them. Like the people of the Central Coast, they were promised this rail service for years. Carl Scully was out there turning sods and saying the Government was going to do many wonderful things for them. He was saying that everything was under way. But deep down he and the Government knew then that they had absolutely no intention of fulfilling any commitment to the Parramatta to Epping rail link. There has been a blow-out in the cost of the current project, from Epping to Chatswood. But what hurts most is that for years and years the people from Parramatta to Epping were promised this rail link.

Now we are being told that the land along the corridor that would otherwise have been used is being acquired as part of a future Government program. But when we ask questions in regard to it we get no detail. The Government needs to understand the problem it has with Michael Costa at the helm of transport: there is never any detail. It does not matter whether it is proposals to take future rail links out to Parramatta—we all know that they are complete fabrications—or the port strategy, the Parry inquiry or the CountryLink services, there is never any detail. He carries on in this Chamber like a Rhode Island red chicken. He looks quite flash with his smarty answers. But people in the community are not taking very kindly to his approach. At Armidale 2,000 people turned up. They were not there to cheer Michael Costa on and say, "Good on you. You are doing a great job." They wanted to know exactly what is happening to their CountryLink services. They wanted a strong commitment. All he did was come up with a proposal to buy himself some time so that he could get out of town without being lynched. The people of Armidale and surrounding areas knew that Michael Costa was there to buy a little time before bringing down the axe on CountryLink services around New South Wales.

I have spoken about the fraud perpetrated with the Parramatta rail link and the blow-outs in the costings of the Millennium trains. We still do not have half the trains running. It is not just Opposition members saying these things. Newcastle is Labor's heartland, we are told. The Hon. Patricia Forsythe is a daughter of Newcastle. She can talk about the changes she has seen in the area recently in the attitude of people toward the Australian Labor Party. The same has happened in Wollongong. Labor supporters from the steel city of Wollongong have backed the Government up hill and down dale. They were promised a high-speed rail link. It was a centrepiece in the Action for Transport 2010 Plan—or as it is now known "inaction for transport 2003". The people of Wollongong believed the Labor Party when it said that the money was there and it would be only a short time before a high-speed rail link would give the people of Wollongong an opportunity to spend more time at home and less time commuting between the Illawarra and Sydney.

But, as with the Central Coast high-speed rail link, it was all about buying time. The Government had no intention of fulfilling its promises; it just wanted to give itself a bit of playing room to get through the 2003 State election campaign. The sad thing is that if the Government could get away with it again in 2007 it would. If it had the opportunity to put out the same promises, the same press releases—just change the name; same story, different actors—it would. But the problem is that the Government has a very proactive Opposition that will hold it to task for all the promises it has made. Opposition and crossbench members of the Legislative Council will work together to hold the Government accountable for the promises it has broken and to ensure that people throughout New South Wales know that Government members are the frauds that we know they are.

The Hon. Peter Primrose rabbitied on about a speech that the Hon. Michael Egan gave. Here is someone who purports to represent the Camden south-western area of Sydney. He could not even give a speech off the cuff about what this Government has done for his area, because he knows that it could be written on the back of a postage stamp. He knows that it is all smoke and mirrors: the promises are hollow. The Hon. Ian West wants to hear more about what we are doing in exposing the fraudulent basis of this budget. I thank him for reminding me about the Hunter Valley rail cars. They are another example of complete mismanagement by the Government. In 2001-02, not very long ago, they were costed at about \$61 million. The cost is now \$102 million—a massive explosion in cost. The trains are being built by Goninans, which is another good Hunter company. But the project is taking a long time. There has been mismanagement and a blow-out of the budget.

I am sure the Hon. Ian West would be nodding in agreement with me that the \$40 million blow-out could be used to put additional police resources on the streets of New South Wales. We could have provided more teachers. A raft of things could occur had the Government—in particular former Minister Scully—managed the portfolio. Government members did not have their eye on the ball from the start, let alone take their eye off the ball. They completely mismanaged things upon being elected. They let the rail infrastructure run down. Look at what is happening with the XPTs. The end of their lifespan is rapidly approaching and the Government has no proposal to put in place a replacement or upgrade of those trains to keep them safely operating on country rail services. Members opposite who purport to represent country areas would be very interested to hear that the trains that they are travelling on are rapidly approaching their expiry date and the Government has no proposal to upgrade or replace the rolling stock.

If it is not the Hunter Valley rail cars it is the Millennium trains. If it is not the Millennium trains it is the rail infrastructure. It does not stop under these guys. It is all smoke and mirrors. Anyone who reads the budget needs to look between the lines to see what is really happening. The biggest victims are people in country and regional New South Wales. As I said a few minutes ago, I visited Griffith. I then went to Henty. I was told that the people of Henty are pretty passionate about the train service that goes through the town. I

expected 10 or 20 people would be at the station to meet me and Greg Aplin, the member for Albury. Approximately 200 people were waiting for us. Henty is a passionate small town that I was proud to address. I assured the people that we will continue to fight to maintain the train service. People of Henty understand, as indeed the members behind me also understand, that trains are the lifeblood of country towns.

For example, about three weeks ago I was in Tamworth. The Hon. Michael Costa keeps telling us that the service is uneconomical. There were so many people waiting for the 10.55 service from Armidale to Tamworth to Sydney that I had trouble getting down the platform. It was absolutely chock a block full. The Hon. Jennifer Gardiner was also there and Andrew Fraser had come across from Coffs Harbour. We walked along the railway station speaking to person after person about the rail service. It probably comes as no surprise that not one person believed that the service should go. I spoke to a very elderly gentleman and his wife who were sitting quietly waiting for the train. I asked, "Are you on your way to Sydney to meet with relatives?" He said, "No, we go down to Sydney regularly for a medical appointment." I asked, "How would you feel if you could not travel by train any more and you had to go by coach?" He said, "My wife is blind. Because of my condition I cannot move around a bus. There is no way in the world that I could travel to Sydney on a bus." I asked, "If you cannot travel by bus and the train does not operate how will you get to Sydney? What will you do?" He said, "We go home and die because we cannot afford to move to Sydney. Nor should we be forced to move to Sydney. We have no other way of getting down to Sydney. We have nobody down there." That is just one story.

That was from just one couple that I spoke to on that railway station. I can assure honourable members that the people of Henty feel exactly the same way. The challenge I put to the Hon. Michael Costa is, "When you come to tell the people of Henty the bad news do not do it by fax. Do not send some public servant down there to stand in the middle of the town and speak about it. Go down to Henty like I did, stand on the back of a ute outside Henty railway station and tell the 200 people there what you intend to do with the rail service." To deliver the message in any other way would be complete and total gutlessness. The Minister for Transport Services should go to Henty as a matter of urgency. A lot of elderly people who live in Henty want to know what is happening to their trains. They do not ask for much, just some indication from the Government of its intentions.

The people of New South Wales were promised 14 easy access upgrades to railway stations, including Mortdale, Helensburgh, Eastwood, Lakemba, Seven Hills, Merrylands, Auburn, Meadowbank, Broadmeadow, Carlton, north Wollongong, Penshurst, Bowral and Turrumurra. Many of those railway stations are in Labor's heartland, yet Labor is ignoring its own people. If this Government is not doing the people of Newcastle in the neck, it is doing the people of Wollongong in the neck. The people of the inner western suburbs of Sydney have looked forward to easy access upgrades for their railway stations. The Government promised those facilities. The people did not ask for it; the Government promised the people that they could have them. However, the Government has not allocated a brass razoo in the budget to ensure that the people of New South Wales obtain easy access to those 14 railway stations.

I was interested to hear the Hon. Peter Primrose refer to the Liverpool to Parramatta transitway and herald it as some sort of an achievement. He was quite proud when he referred to the Treasurer's Budget Speech, but what he forgot to tell members in this Chamber is that the project has blown out by \$315 million. Honourable members can appreciate that the cost of 100 rail cars at \$40 million and this \$315 million blow-out means that those two projects alone result in a blow-out of \$350 million. The Lane Cove tunnel will cost hundreds of millions of dollars. I refer also to the cost of the Millennium trains. If all the projects are added together, the total is close to \$1 billion, if not more. It would have been a darn sight cheaper for the people of New South Wales to have simply paid out the Minister for Roads, Carl Scully, to get rid of him, and then just abandon all the projects. The Minister for Transport Services, Michael Costa, has abandoned them, but we still have Carl Scully. The people of New South Wales have missed out twice. I advise the Hon. Peter Primrose to be very cautious before he uses somebody else's speech to skite. He should examine the details, which reveal the level of this Government's ineptitude. I will conclude my remarks by making an observation regarding an issue that members of this House are very conscious of: the Austeel project in Newcastle and the similarities between the announcement of that project and the announcement of the ports strategy.

**The Hon. Patricia Forsythe:** Big words last year.

**The Hon. MICHAEL GALLACHER:** There were big words over the past couple of years. From memory, the announcement was made in 2001 that the Hunter would have a project worth \$2.8 billion in 2001 dollar values. We were told that that was going to happen. Media reports showed pictures of the Premier and the

Treasurer in the Hunter, and confetti, fireworks, pomp and ceremony accompanied the announcement. However, the project still has not got off the ground. As a matter of fact, my recollection is that the project is locked up in the court system because this Government has failed to maintain very simple commitments it gave to Austeel. The company has been patiently waiting since 2001 for a sign that the project would get off the ground. The pomp and ceremony this time round for the port strategy sounds very familiar. Newcastle is supposed to be getting a multipurpose terminal, but when the Minister for Transport Services, Minister for the Hunter, and Minister Assisting the Minister for Natural Resources (Forests), Michael Costa, is asked questions, all he does is ridicule Opposition members of this House and say that the project is a private concern that has nothing to do with him. His tactic was the same when he used to respond to questions about the coal loader. He used to say that it had nothing to do with him, yet he is the Minister for the Hunter. What in heaven's name is he doing if these are not matters that concern him?

**The Hon. Duncan Gay:** They do not want to be in government.

**The Hon. MICHAEL GALLACHER:** They do not want to be here. Be that as it may, the ports strategy sounds similar to the Austeel project. I read the bumper edition that was released by the Sydney Ports Corporation immediately after the Premier's announcement. I will never forget one comment in the Sydney Ports Corporation document that referred to the Newcastle Port being fully up and running once the Port Botany project reached saturation "in 2030" or so. That gives an indication of the level of the Government's commitment. There will be many other projects, but I suspect that that one will fall by the wayside in the same way as the Government has allowed the Austeel project to fail. I assure the people of New South Wales that when the Coalition comes to power in 2007 projects such as the ports strategy will become reality. The Coalition will work with the shipping industry, the community and associated entities—such as the shippers, freight companies, distributors and stevedores—to produce a document that is based on fact, reality and demand, rather than something devised by the Premier and written on a beer coaster on a flight back to Sydney, just as he did before he appeared at the Labor Council. He made a mess of that in a manner that is typical of the way in which he operates.

**The Hon. Duncan Gay:** Like the two cities in Albury and Wodonga.

**The Hon. MICHAEL GALLACHER:** He made a complete mess of that, in the same way as he makes a mess of everything else he touches.

**Ms LEE RHIANNON** [9.25 p.m.]: I welcome the opportunity to take part in the take-note debate on the budget estimates. It is not an opportunity that I have had every year that I have been a member of this House. I emphasise that point because it is important to be clear on why this debate has been brought on at this time. It has come on because the Government is treading water while it gets its act together. The Government does not have a vision. It is short on legislation. It is saying that the legislation has not been received from the lower House. I should add, however, that in earlier discussions with Government members who informed crossbench members of the order of business and in discussions that I have had throughout the day with the Government Whip, at no point was I informed that this debate might come on tonight.

When the Government Whip, the Hon. Peter Primrose, recommenced the debate this evening, he was obviously quite pleased with being able to rip into the Coalition and crossbench members for not being ready. Perhaps he thinks he has pulled off a good schoolyard trick and thinks that he has scored a few points, but is that really the way to conduct the business of the House? In other parliaments committees determine the speaking order of members, and that works quite efficiently. In that way, everybody receives a fair go. Perhaps the Government Whip thinks that he has scored a substantial victory, but I suggest that his conduct would not restore the confidence of many Labor members in this Government. Many Labor members are desperate to have their confidence in Labor restored, but the leadership of their party is relying too heavily on factional support.

Where is this Government's vision for a more equitable society, for the restoration of public services and for the development of environmental protection? The performance of Labor tonight is a sad commentary on Labor in office. The budget being debated by honourable members could have marked the turning point for this Government. This Government is into its third term and it is at the beginning of four years in office—a period when governments are able to put in place their vision and take a stand.

**The Hon. Dr Arthur Chesterfield-Evans:** They have not got any vision.

**Ms LEE RHIANNON:** That is why the Government cannot put a vision into place. At this stage the Government should be outlining its vision for future-proofing the economy, strengthening our social fabric and protecting our environment, but it has failed. Having said that, I acknowledge that the budget provides a few good initiatives. For example, the 25 per cent boost in funding for the Department of Community Service is a huge step forward, and improvements to the career path of nurses will keep more locally trained nurses in the system, which is also a credit to the campaign waged by the Nurses Union and its members. The budget also provided \$4.6 million to employ additional firefighters. These are all initiatives that are welcomed by the Greens, but this is not a budget that Labor can be proud of.

I challenge Labor backbenchers to consider the budget and decide whether it is something of which they can be proud—something that they are pleased to discuss with their local branch members and their constituents—or whether it is something that they avoid discussing when they meet the citizens of New South Wales. One of the important concerns of the Greens in relation to the budget is that the public deserves a well-resourced public sector. This Labor Government's top priority should be to ensure that public sector workers receive decent wages and conditions.

Currently dark clouds are gathering over funding for the teachers' pay rise. The teachers have lodged a 25 per cent salary increase, and the Government's response has been appalling. That is another area in which the Government has broken its promise. Members should remember that in the 1960s teachers' salaries were on par with those of members of Parliament, but now there is a huge disparity, something that needs to be changed. The Greens have concerns about how the Government is handling the teachers' pay claim, and this is important to all public sector workers. Pay rise talks have been held for those employed in health, firefighters, police and public servants. Clearly, what happens with the teachers will set the tone for handling the other negotiations. The Government is locking itself into an unacceptable framework for wage negotiations. I know very clearly that the promise on teachers' salary negotiations has been broken because last year, in the lead-up to the election, I attended a fantastic rally that was organised by teachers.

The then Minister for Education and Training, John Watkins, promised that there would be no acrimony during that round of salary negotiations. The current Minister to Education and Training, Dr Refshauge, and the previous Minister promised to restrict their arguments in the Industrial Relations Commission [IRC] solely to the Government's ability to pay. But what do we see? We see the Government getting back to being close to what happened in the 1990 round of teachers' negotiations where there was public belittling of teachers. I acknowledge that the negotiations have not been as public this time, but within the IRC the Government has clearly broken its promise. The Government is playing hardball at the IRC negotiations, and bringing in new arguments about the work of teachers and its value. I suggest that that is the most unsavoury way to conduct such negotiations, because we are talking about the very future of public education. The rundown of public education has gone on for so many years that the only way to turn it around is by giving teachers the full pay rise they claim.

The Greens were not surprised that subsidies to public and private schools were included in the budget. That matter should be addressed if we are to get public education back to where it should be. At present, subsidies to private schools run at \$543 million—\$100 million or \$160 million could easily be cut from that amount. An extra \$40 million goes to the wealthiest schools. Redirecting that money to underfunded areas such as preschools, professional development, special needs, disadvantaged programs and country schools will go a long way to building up the public education system. Many of us grew up in that system. I imagine that members of all parties benefited from a well-resourced public education system. In years to come I do not want to have to explain to my grandchildren that when I was a member of Parliament we failed public education, failed to stop the introduction of genetically engineered crops, failed to maintain and safeguard public transport, and did not invest in young people, whom every one of us will depend on in our retirement. That is what the Labor Government is delivering to the people of New South Wales.

**The Hon. Rick Colless:** You support them all the time.

**Ms LEE RHIANNON:** We do not support the Government all the time, and Mr Colless knows that. And he knows we will not support him.

**The Hon. Duncan Gay:** You gave them your preferences; you are responsible for them being in government.

**Ms LEE RHIANNON:** I acknowledge the tired old interjection from Mr Duncan Gay in relation to preferences.

**The Hon. Duncan Gay:** That does not alter the fact that it is true.

**Ms LEE RHIANNON:** Yes, of course it is still true—not even he can change history. Unfortunately, Labor is determined to force genetically engineered crops on the environment and on the people. That was the first promise that Labor broke after the election.

**The Hon. Duncan Gay:** If you are so upset with them, don't give them your preferences.

**Ms LEE RHIANNON:** We do not give them preferences everywhere, for heaven's sake. Seriously, he is such an old record! The Labor Government promised a moratorium on genetically engineered crops, and that was the first promise it broke. Even though we know it is more likely that there will be negative effects than positive effects on the economy from the release of genetically engineered crops, the Government is still going ahead with that. I refer now to the public transport system which, under the current Minister, Michael Costa, is going downhill fast. We should be aiming for the world's best practice public transport; we should have a government that is taking us into the mainstream of international public transport thinking. But, no, we are hearing from the Minister about more closures of public transport lines.

Newcastle, Murwillumbah and many branch lines in western New South Wales are facing the chop. It has been rumoured that the entire CountryLink system could go. Let us remember that once we have lost public transport services it is very unlikely that we will get them back. This problem is enormous. Years of obsession with cars and trucks has clogged the roads in this city to a point where traffic often comes to a standstill—and that causes serious health problems for adults and children. During my whole school career I knew of only one student who suffered from asthma. These days one in four primary schoolstudents in Sydney suffers from asthma, caused by air pollution, the majority of which is attributable to cars and trucks.

The Greens were not surprised that the budget omitted to halt all new major road projects that have not yet commenced. That money should be redirected to funding the public rail system, particularly the Parramatta to Chatswood rail link, which has been shortchanged by the Government. Another area that needs to be moved on is the development of new prisons. We need a moratorium on the construction of new prisons, with capital funds redirected as recurrent expenditure to trial world's best practice rehabilitation and reintegration programs for prisoners. Clearly, there needs to be a reversal of the Government's dependence on poker machines. Earlier today the Greens indicated support for the tax on poker machines—however, that tax should be used to buy back poker machine licences. New South Wales has the largest number of poker machines in the world; it has 10 per cent of the world's poker machine licences. That is totally unacceptable.

In considering our overall economic situation, there is no doubt that we are living beyond our natural income and consuming our environmental capital. There is no doubt that the economy is a subset of society. Both depend on the environment. Sadly, persuading the Government to acknowledge and act on that reality seems impossible at the moment. Carr's green gloss is wearing thin. His unwillingness to take a holistic approach means that much of his rhetoric on green issues will be exposed. Even the few green actions he takes will lose their significance. The Greens are committed to the vital task of aligning economic and fiscal incentives with ecological imperatives. We can do that by shifting taxes onto waste pollution and scarce resources. We should remember that those who waste and those who pollute should pay more. We are confident that future governments will follow the Greens' budget vision, because it is the only way to address the vital and critical problems that face New South Wales, this country and the world.

**The Hon DUNCAN GAY** (Deputy Leader of the Opposition) [9.40 p.m.]: I welcome the opportunity to speak to the 2003-04 State budget. Most honourable members, including me, did not get a chance to speak in the debate on last year's budget.

**The Hon. Patricia Forsythe:** Or the year before that.

**The Hon. DUNCAN GAY:** As my colleague the Hon. Patricia Forsythe said, we did not have an opportunity to speak to the budget the year before that either. In this era of open government under a benevolent dictator, the Hon. Robert Carr, and his minion, the Hon. Michael Egan, we were not given any opportunity to criticise this Government or to say anything about the budget. If more Government backbench members were in the Chamber I am sure they would agree with me, but the few Government members who are in the Chamber are great supporters of the Treasurer.

**The Hon. Ian West:** It is your big chance.

**The Hon. DUNCAN GAY:** It is my big chance, so I will not waste it. The Hon. Lee Rhiannon spent 10 or 15 minutes referring to the ills of this Government, but she failed to say that no matter what the Government does to the Greens, they give their preferences to the Government. By bagging the Government, the honourable member is bagging herself. What rank hypocrisy! No matter what this Government does to the Greens, they give the Government their preferences. That makes a difference in key seats. Several Labor members in this place would not be here if it were not for Green preferences. I suspect that was also the case at the previous election.

**The Hon. Michael Egan:** No, that is not true.

**The Hon. DUNCAN GAY:** Yes, it is.

**The Hon. Michael Egan:** This Government received the highest vote ever recorded in any election in Australia, State or Federal.

**The Hon. Rick Colless:** What were the numbers, Michael?

**The Hon. Michael Egan:** One hundred and sixty thousand.

**The Hon. DUNCAN GAY:** I stand corrected. There are some people in this Parliament for whom the Greens just would not vote. I do not blame them for that. The Hon. Tony Catanzariti, whom I welcome to this Chamber, claims to be a Country Labor member but was elected on a straight Labor ticket. I welcome this opportunity to respond to a budget that confirms, once again, that the Carr Labor Government is obsessed with extracting every last cent from the people of New South Wales. The Premier, through his Treasurer, is not content with getting every shilling out of our pay packets; he wants to tip us over, shake us, and get every shilling out of our trousers.

**The Hon. Michael Egan:** I have not seen a shilling in years.

**The Hon. DUNCAN GAY:** The Treasurer has not seen a shilling for years because he kept them all in his cupboard. This budget also confirms the skewed priorities of this Government—priorities that place the creation of more national parks ahead of the welfare of the farming and agricultural sectors, which remain in the grip of a drought. I wrote this speech some months ago in the hope that I would be able to comment on the budget when it was brought down.

**The Hon. Michael Egan:** Was this when the Opposition was still supporting the poker machine tax increase, or after?

**The Hon. DUNCAN GAY:** We never supported that tax.

**The Hon. Michael Egan:** You did not say anything against it.

**The Hon. DUNCAN GAY:** The poker machine tax was introduced in the same way that the Government introduces many things. The Treasurer said that Opposition members did not say anything about it.

**The Hon. Michael Egan:** You did not say anything.

**The Hon. DUNCAN GAY:** Does the Treasurer remember the debate about the power industry? The Treasurer went to the people of New South Wales and said he would not sell off the electricity industry after he was rolled in Cabinet.

**The Hon. Michael Egan:** And we have not.

**The Hon. DUNCAN GAY:** The Treasurer said he has not sold off the electricity industry. I could take a point of order to the effect that the Treasurer is misleading the House, because that is what he is doing. The Treasurer said the Government would not sell off Pacific Power International, which is part of the electricity industry. The coal industry supplied that utility. The Premier and the Treasurer promised the people of this State that they would not privatise the electricity industry, but it was privatised in the term of this Government. I am sure the Treasurer, who appears to have forgotten that promise, remembers some of his other promises. This Government has corporatised a number of electricity utilities, which were known as county councils, that had a fair bit of money in their accounts.

The Treasurer, Scissorhands, milked those funds. He removed the money from those utilities. But he was not content just to remove that money; he privatised some of the utilities. He did not sell them to anyone outside this place; he sold them to himself. He did that by loading those utilities with debt, and they have so much debt at the moment that they are struggling to make ends meet. They are slipping behind as they try to service the debt that has been loaded onto them by the Treasurer. That reminds me of the water issue. Frank Sartor, fresh from his so-called triumph over small, inner-city councils—

**The Hon. Michael Egan:** Frank is my friend.

**The Hon. DUNCAN GAY:** I am not surprised. Frank Sartor and the Treasurer both acted in the same way. Frank Sartor, fresh from his triumph over South Sydney City Council, and those poor hippies at Leichhardt—

**The Hon. Michael Egan:** Why are you and I still in South Sydney City Council when we could be in Sydney council?

**The Hon. DUNCAN GAY:** The Treasurer mucked that up.

**The Hon. Michael Egan:** You would prefer to be in Sydney, wouldn't you?

**The Hon. DUNCAN GAY:** I would now, because not much is left of South Sydney City Council.

**The Hon. Rick Colless:** Frank has gone.

**The Hon. DUNCAN GAY:** Frank is no longer there. I prefer to have Lucy Turnbull as mayor. I actually wanted to be in Sydney City Council so I could vote against Frank Sartor. Sadly, I did not get a chance to do that.

**The Hon. Michael Egan:** Would you vote for Lucy or Peter?

**The Hon. DUNCAN GAY:** I would vote for Lucy. I am happy to vote for Lucy. I think she is a good mayor.

**The Hon. Michael Egan:** What about Peter?

**The Hon. DUNCAN GAY:** I have not seen him in local government. He is untried in that area.

**The Hon. Michael Egan:** You wanted him to be the Premier of this State. I just want him to be Lord Mayor of Sydney.

**The Hon. DUNCAN GAY:** I worked hard towards his election as Premier of this State, but his party could not keep him there. I cannot be blamed for what happens in the Liberal Party. Frank Sartor corporatised the water utilities in this State. If this Government follows its normal track record it will corporatise water utilities, just as it corporatised energy companies. However, corporatisation is not the problem; the problem is the Carr Labor Government and this Treasurer. I am positive that the Treasurer's next step will be to clean out the reserves, if any reserves remain, in those utilities.

**The Hon. Rick Colless:** And there are.

**The Hon. DUNCAN GAY:** The honourable member says there are some reserves in those utilities. I know that one utility has a small amount of debt but so far as I know the rest of them do not. You can bet your bippy that the Treasurer will load up those utilities with debt. They will then go to the Independent Pricing and Regulatory Tribunal with that extra burden of debt and get approval to increase the cost of water. That is how this Government operates. It is sneaky. That is how it operated in local government. I have previously referred the House to comments the Premier made in the *Goulburn Post*, an illustrious paper in southern New South Wales. Sadly, it is no longer a daily paper. Some people wish it were a daily paper and some do not, but that latter group are sad and tragic.

The *Goulburn Post* quoted the Premier as saying, in effect, there would be no forced local government amalgamations, and that I was wrong. The Treasurer knew there would be forced amalgamations, because that is

how this Government operates. The Leader of the Opposition in the other place, John Brogden, said in the budget debate, "This is a classic Labor budget. It is what the Treasurer refers to as a Labor budget through and through." It is a classic Labor budget because, as John Brogden said, taxes are up, debt is up, waste is up, and promises have been broken.

The statement "honesty is down and arrogance is up" could be added to that list. As I said, I wrote this speech some months ago, but time has reinforced my comments. Recently Parliament passed legislation to enact broken promises, including legislation to confirm the dissolution of Pacific Power after the Treasurer gutted it and privatised parts of the company in direct contravention of Labor policy, and legislation to delay local government elections so that the new Minister can start a widespread program of forced dissolutions and amalgamations of local government areas. It is a great tragedy that democracy has been lost in the inner west and in regional New South Wales.

A few mickey mouse inquiries have been held belatedly and the Government has brought in its bully boys to conduct some meetings, which have been attended by 400 or 500 people. But the democratically elected local councillors and the democratically elected State and Federal members cannot speak at them. Can members see a common thread? This Government hates democracy. Promises have been broken in this budget—that much is clear. I will refer in detail to the agriculture budget, particularly the budget allocation for drought relief. On 3 June this year Stan Zemanek interviewed the Minister for Agriculture and Fisheries on radio 2UE. The Minister was questioned at length about drought relief and about what additional funding farmers could expect from the State budget. The following exchange took place:

Ian Macdonald:	Well, the budget's coming up soon, and I've put a submission in for further funding which I'm confident will be granted in the budget on 24 <sup>th</sup> June.
Stan Zemanek:	How much further funding?
Ian Macdonald:	Many tens of millions of dollars.

If one reads the budget papers, one sees that the Minister's comment was blatantly misleading. The many tens of millions of dollars to which the Minister referred simply do not exist. In fact, the best the Government could do was make a commitment to provide about \$47 million until the end of December, at which time the level of drought assistance will be reviewed. The review will apparently be based on information provided by the Australian Bureau of Agricultural and Resource Economics [ABARE].

It is interesting that the Government's plan to reassess drought relief is based on ABARE figures when Government members in another place moved an urgent motion earlier in the month that directly criticised that organisation's work. We see yet more hypocrisy. Government members criticised a Federal Government body, ABARE, for producing figures showing that the drought was ending. Those figures were based on some premise that most of us did not understand; it was obvious to anyone with any understanding of regional New South Wales that the drought was not over. My speech, which was written some months ago, remains relevant today because the drought is still not over and the Minister has still not secured drought relief funding from the Treasurer. The department that relies on continuity of revenue from the Treasury to assist farmers has not been funded. During the debate on the urgent motion in the other place the new honourable member for Monaro said:

It is difficult for people to take the claims of ABARE seriously.

He also made some whimpering noises about Country Labor being concerned about ABARE's work. Yet in December the Government plans to base its decision about future drought funding on ABARE's research. Incidentally, Coalition members in another place supported the urgent motion because we shared the concerns about ABARE's rather optimistic assessment that the drought was ending.

**The Hon. Michael Egan:** Is that a Commonwealth agency?

**The Hon. DUNCAN GAY:** Yes, it is. We do not back away from the fact that we thought its figures were wrong.

**The Hon. Michael Egan:** Who's the Minister?

**The Hon. DUNCAN GAY:** He is an outstanding Minister. Holding him accountable for ABARE's work would be like blaming you for the excesses of some of your departments.

**The Hon. Dr Arthur Chesterfield-Evans:** Some, but not all.

**The Hon. DUNCAN GAY:** Indeed. We all know that the Treasurer is a very hands-on Minister. There is a degree of scepticism about the Government's approach to drought relief, and, in the absence of a black-and-white drought assistance commitment from the Government to farmers, I am concerned that at the end of this year Labor will simply walk away from drought-affected farmers.

**The Hon. Michael Egan:** Never!

**The Hon. DUNCAN GAY:** The Government is taking a long time to put up its money. The Minister for Agriculture might like to consider these questions. Why has this budget cut Rural Assistance Authority grants to farmers by 40 per cent? Why is the Department of Agriculture's contribution to drought relief through the Drought Regional Assistance Program down by almost \$6.5 million in the next financial year? Why did the State Government reject calls for a fodder rebate scheme to be implemented as part of the budget? Why did the Minister fail to deliver the tens of millions of dollars that he told Stan Zemanek on 3 June he was hoping for in the budget? The answer to all those questions is that the Minister is not in the inner Cabinet.

**The Hon. Michael Egan:** He is, actually.

**The Hon. DUNCAN GAY:** He is not at the big table—the Government has two tables. It has an inner Cabinet and an outer Cabinet. The Government has a big table for the big boys and a little table for the guys who are on the outer. The Minister for Agriculture sits at the little table because he is on the outer. The Treasurer, who as the Leader of the Government in the Legislative Council is the Premier's representative in this place, seated the Minister for Agriculture at the little table. The Minister has been given his training wheels and left at the little table. On most occasions the Minister does not get to talk to the Treasurer—he is in the anteroom while the others are at the big table. The Treasurer claims there is only one table in Cabinet. If that is the case one is prompted to ask: Why are there two ministerial levels in the Government and two levels of ministerial salaries?

Farmers must be assured that there will be State-based drought relief for a full financial year. If the drought were to break in the next six months—it is obvious that it has not broken yet—farmers would face problems for six months after that. Farmers must be assured that the State is ready to implement long-term drought recovery strategies. The drought will break eventually and our farming communities—the people on the farms and those in rural towns, who rely on each other—will need a helping hand to get their businesses moving again. When questioned last week about long-term strategies for drought relief, the Minister for Agriculture attempted to turn the issue onto the Federal Government—he has a habit of doing that. I concede that there are problems with exceptional circumstances relief but they are not, and have never been, an excuse for State governments to avoid planning for long-term drought recovery.

I am disappointed, but not entirely surprised, that the Minister could not provide a comprehensive answer. Today I asked the Minister why his department paid more than \$750,000 for a web page on its web site and then debited it against drought relief? It seemed like rough justice to attribute that \$750,000 to farmers. The Minister shocked me when he could not answer that question because I based it on information that he provided through the budget estimates. The Government does not appear interested in making proper submissions on farm debt mediation and on the workings between poultry farmers and the processors. I have indicated that the Opposition will make a submission to the Federal Treasurer to make sure that the legislation continues. It is not good enough just to beat up the Federal Government; one has to be proactive. Recently I heard John Anderson—

**The Hon. Michael Egan:** A good man.

**The Hon. DUNCAN GAY:** He is a good man.

**The Hon. Michael Egan:** It is a pity that all The Nationals are not as good as he is.

**The Hon. DUNCAN GAY:** I am pleased that the Treasurer believes that John Anderson is a good man because this Government had said so much about what the Federal Government should do—how it should finance roads, agriculture and health—that he has said he cannot see a role for the State Government. He said that if this Government continues to suggest that the Federal Government should take care of all those things, perhaps the people of New South Wales and Australia will get rid of the State Government.

**The Hon. Michael Egan:** Do you mean the Parliament?

**The Hon. DUNCAN GAY:** Parliament, and it reflects on the Government.

**The Hon. Michael Egan:** Would you support that?

**The Hon. DUNCAN GAY:** No, I would not. John Anderson was reflecting on our Treasurer trying to pass everything onto the Federal Government rather than take responsibility. The State Government takes the Federal Government's GST but blames it for everything that happens. That neat trick is starting to come back to hit the Government. Farmers in drought-affected communities across the State deserve better. Members should compare the six-monthly forecasted expenditure of approximately \$47 million on drought relief with the budget's substantial increase in other portfolio areas, such as a \$23.5 million boost in expenses for the National Parks and Wildlife Service. That comparison would give members some idea of the skewed priorities of this Government. I do not say that money should not be spent on national parks, but the Government's priorities are skewed.

During the most severe drought on record, the Government has boosted spending on national parks and refused to allow desperate graziers access to fodder in selected national parks; and the best it offered in drought relief was a six-month contract which is about to run out. Neither the Treasurer nor the Government has given a commitment. Farmers in this State know that is not good enough. Mal Peters, the President of the New South Wales Farmers Association, has said:

It means the NSW Government is prepared to abandon country NSW to its fate, without any real effort to cushion the impact.

It appears that the Farmers Association is not fooled, and no farmer in this State should be fooled by this charade. That refusal proves that Country Labor has no clout and that because the Minister for Agriculture is in the junior ministry he has limited influence with the budget committee of Cabinet. Tax is an obsession of this Government. No matter which way it is looked at, no matter what shade of rose-coloured glasses the Treasurer wears or how indignantly he denies it, it is clear that this Government is consumed with extracting every last cent from the taxpayers of New South Wales. The facts are clear: since this Government was elected in 1995, payroll tax has increased by 63 per cent.

**The Hon. Michael Egan:** It has gone from 8 per cent to 6 per cent.

**The Hon. DUNCAN GAY:** That is a 63 per cent increase—land tax is up by 145 per cent, contracts and conveyancing have risen by 209 per cent, insurance duty has soared by 76 per cent, lease duty has increased by 133 per cent, and gaming taxes are up 22 per cent. If the Treasurer could, I am sure he would arrange for every person in New South Wales to be held upside down and shaken so he could collect any spare change that falls from their pockets!

The Carr Labor Government has ridden a wave of economic prosperity created mainly by the sound economic management of the Howard-Anderson Federal Coalition Government. It has enjoyed record incomes from stamp duty—but for what? The Government has not shared the windfall of stamp duty revenue. It has not provided a single cent of stamp duty relief in this budget. The cash-grabbing policies of this Government make the great Australian dream of home ownership even more difficult to attain. The Coalition recognises the importance of providing stamp duty relief. The Leader of the Opposition outlined an achievable and affordable plan during his reply to the budget.

**The Hon. Michael Egan:** He didn't at the election though, did he?

**The Hon. DUNCAN GAY:** You did not outline a lot of things at the election that you are implementing. The Opposition is changing, implementing, and refreshing them, as we should. Under the Coalition stamp duty plan, \$880 million from the \$2 billion in projected budget surpluses over the next four years will be put aside for stamp duty relief; stamp duty rates on property transfers would be cut by 5 per cent on 1 July 2004; and the stamp duty cut would be increased to 7.5 per cent from 1 July 2005 and to 10 per cent on 1 July 2006. Importantly, under the Coalition scheme, city and country thresholds under the First Home Plus Scheme would be equalised, unlike the present arrangement.

The First Home Plus Scheme currently provides concessions on stamp duty and mortgage duty for first homebuyers purchasing a property worth less than \$300,000 in the metropolitan area and \$250,000 in country New South Wales. So, on a \$235,000 property, a first home buyer in the country pays up to \$3,000 more in stamp duty and mortgage duty than a buyer in the city. On a \$260,000 property, a first home buyer in Sydney receives a concession of up to \$2,600, while a buyer in the country receives no concession. That is not fair.

There is no difference between young country people and young Sydney people. They all deserve the concession and a fair go. Housing prices in country New South Wales are not much less than they are in Western Sydney.

**The Hon. Michael Egan:** That is not quite true.

**The Hon. DUNCAN GAY:** It is true. Compare Narellan and Camden with the Southern Highlands, Bathurst and Orange and similar regions, and you will find great similarity in house prices. Under a Coalition government a first home buyer in country and coastal New South Wales will get the same concessions provided to a first home buyer in the city. I raised the differences between city and country thresholds in question time a few months ago. Not surprisingly, the Treasurer ignored my question and gave instead a soliloquy on a subject of his choice. Labor does not care about equity between city and country areas. It is more concerned with increasing its tax take than with providing relief for first home buyers. Once again we are left wondering where Country Labor stands on the inequity that is built into Labor's scheme.

**The Hon. Henry Tsang:** Better than The Nationals.

**The Hon. Amanda Fazio:** Yes. They don't even know who they are.

**The Hon. DUNCAN GAY:** It is interesting that the peanut gallery is giving me a little bit of attention on this. I note that Country Labor has made a submission on the rail set-up—against the Minister. I look forward to hearing what so-called Country Labor members in this place and the other place will do when it comes to a vote and whether their actions will reflect the submission of Country Labor.

**The Hon. Rick Colless:** I bet they don't vote against the Government.

**The Hon. DUNCAN GAY:** I would bet almost anything that once again Country Labor members will step away from their position, as they have stepped away from every other position they have taken. They have never crossed the floor on anything. They are the world's greatest whingeing wimps—worthless whingeing wimps.

**The Hon. Henry Tsang:** You should change your name.

**The Hon. DUNCAN GAY:** What have you got against Gays that you want me to change my name?

**The Hon. Henry Tsang:** No, The Nationals.

**The Hon. DUNCAN GAY:** Be more careful, Henry. I am a proud Gay family man. I was saying that we are left wondering where Country Labor stands on this issue. I am yet to hear or see any protestations from Country Labor on the inequality that is built into Labor's scheme. Frankly, the budget is a disappointment. It is as simple as that. There can be no other way to describe a budget that offers very slim pickings for New South Wales taxpayers and instead concentrates on revenue-raising measures. A few months ago the Internet site *crikey.com.au* carried a satirical version of a Michael Egan budget speech. It is well worth a read, because honourable members of this place will recognise that some of the satire is a lot closer to home than most people think. For instance, I quote from *crikey.com.au*'s version of the Treasurer's budget speech:

Our purpose, our optimism and our resolve remain consistent, steady and steadfast. Our purpose is to lift great wads of readies from you, our optimism is that you have those wads ready in large denominations, and our resolve is to get them back to you in the form of bread and circuses so quickly that you won't notice steps 1 and 2.

Sound familiar? Yes, you bet! This is a Labor budget through and through, as the Treasurer says. It is exactly what we have come to expect from the Carr Labor Government and, frankly, we will not forget this one. We will add it to the list.

**Debate adjourned on motion by the Hon. Dr Arthur Chesterfield-Evans.**

#### ADJOURNMENT

**The Hon. MICHAEL EGAN** (Treasurer, Minister for State Development, and Vice-President of the Executive Council) [10.18 p.m.]: I move:

That this House do now adjourn.

**MR HU JINTAO, PRESIDENT OF THE PEOPLE'S REPUBLIC OF CHINA, STATE VISIT**

**The Hon. HENRY TSANG** [Parliamentary Secretary] [10.18 p.m.]: Last week Australia had two important visits of foreign dignitaries, those of the Presidents of the United States of America and the People's Republic of China. While Mr Bush visited only Canberra during his visit, the President of the People's Republic of China, Mr Hu Jintao, spent two days in Sydney as part of his four-day State visit. He was hosted by the New South Wales Government at a State luncheon at which the Premier and Her Excellency the Governor were present—a clear indication of the importance that we place on the emerging and ever-improving relationship with China. It is obviously also an illustration of the importance that the Chinese Government in return places on the links between China and New South Wales.

China is already the third-largest trading partner of New South Wales. The bilateral trade reached record levels last year at around \$7.6 billion, or an increase of over 40 per cent in just two years. China sends us the largest number of overseas students and ever-increasing numbers of tourists. China imports wine, cotton, sugar, wheat, canola oil, beef, butter, dairy cattle and cheese from New South Wales. This rate of increase is not slowing down, and more business is expected between our two nations, especially with New South Wales, with the Beijing 2008 Games fast approaching. One of the major topics of discussion during President Hu's visit was increasing trade with New South Wales companies. The New South Wales Government provided President Hu with the opportunity to tour the magnificent facilities at Olympic Park to showcase our Olympic know-how. The reason the New South Wales Government set up the Sydney-Beijing Secretariat was to co-ordinate and assist New South Wales businesses in exploring opportunities for the Beijing 2008 Games. And, we have already seen considerable success with the architectural firm Bligh Voller Nield only recently being appointed to formulate the initial operational master plan for the Games.

The main site of the Games will include the Olympic Stadium, the National Indoor Stadium, the National Aquatic Centre and the International Broadcast Centre. Having hosted the best Games ever, New South Wales has a great deal of knowledge and experience to share with other Olympic hosts, especially China, which requires considerable capital works. Telstra has already won a telecommunications contract for the 2008 Games. Our close links with China can only help to this end. We have a large Chinese-speaking population in New South Wales; in fact, it is the largest language group spoken in New South Wales homes after English. The modern relationship between Australia and China has been built on strong people-to-people links since Gough Whitlam's establishment of diplomatic ties nearly 31 years ago, in 1972.

President Hu's meeting with the New South Wales Government, the local community and members of the Australia-China Business Council can only enhance the desirability of doing business with and in New South Wales. For those reasons, the Premier was pleased to put on the record his support for a free trade agreement with China, which the Commonwealth has begun negotiating with their Chinese counterparts. With China's expansion and opening of its economy, greater opportunities exist for New South Wales companies to tap into the goodwill generated from President Hu's visit. President Hu pointed out in his speech at a special joint sitting of the Federal Parliament that the signing of the Trade and Economic Framework between China and Australia marked a new stage in trade and economic co-operation. In conclusion I quote from Premier Bob Carr's welcoming speech:

President Hu, Your Excellency comes—for the second time—to a country already closely bound to China in kinship, in trade and investment, in cultural and educational exchanges.

President Hu, just as we applaud the launch of China's first astronaut and welcome China's membership of the World Trade Organisation after many years of negotiation, and eagerly anticipate your staging of the 2008 Beijing Olympics, another symbol of China's emergence as a full and honoured participant in global affairs, so we wish China well in its momentous program of change and modernisation under your stewardship.

It is important, not only for China, but for the world that China's economy remains buoyant and strong, that the vast energies of her people are harnessed for good. That your industries flourish. That investors have confidence in your future. That your institutions remain strong.

That in a world beset by a multitude of perils, poverty, inequality, terrorism, environmental degradation, China fulfils its ancient destiny as a beacon of hope, wisdom and progress for the world.

Your Excellency, we are honoured to welcome you to Australia so early in your presidency.

We wish you good fortune. Your people happiness and prosperity.

I join in the Premier's good wishes to the People's Republic of China.

## BEGA BUSINESS AWARDS

**The Hon. PATRICIA FORSYTHE** [10.22 p.m.]: Last Saturday evening I was pleased to attend the Bega Business Awards presentation evening. The event was an outstanding success and a credit to the Bega Chamber of Commerce and Industry and indeed the businesses and community of Bega. The importance of the evening was recognised by the presence of the Leader of the Opposition, John Brogden, the member for Bega, Andrew Constance, and the Federal member for Eden-Monaro, Gary Nairn, along with representatives of Bega council. Bega Chamber of Commerce and Industry was judged "The Best Chamber in the State for 2002-2003" and, as last Saturday evening function showed, the award is well justified. The driving force behind the work of the chamber and Saturday evening's award presentation is the chamber president, Robert Hayson, and Bega on the Go co-ordinator, Chris Murphy.

The Bega RSL auditorium was at maximum capacity of almost 400 guests with a further 60 unable to be accommodated. Presentations were made to a winner and the recipient of a highly commended award in each of the following categories: junior female and junior male employee of the year; financial, insurance and real estate; trades and services; agriculture- horticulture; health, beauty, natural foods and therapies; retail services; hospitality and tourism; senior female and senior male employee of the year; retail with additional services; automotive-mechanical services and repair; food services; and retail, apparel and accessories; with an award for excellence in service.

Every awards ceremony was accompanied by a video presentation in what was a polished and enjoyable night. This is the third year of the awards and it is clear from the speeches that the awards are highly regarded and much sought after. The judging takes place over a period of time with businesses unaware of when they are under scrutiny. With an emphasis on presentation of premises, both inside and out, staff service and appearance, the result is a local business community that is focused on outcomes that benefit the whole community. Local business provided sponsorship for the night, and the entertainment was provided by local artists Jeannette Heinz, Matt Kimber, Chanel Whalley, Charlotte Friend and Natasha Platts. They were each outstanding. Robert Hayson is this year's citizen of the year in Bega and he is without doubt one of the most visionary, energetic and community-minded citizens in any community that I have encountered. As I have said in the House previously, the recipe for success of small towns is local leadership and strong partnerships between local business, the local council and the local community. These ingredients are clearly present in Bega, where Robert Hayson as chamber of commerce president is giving strong local leadership.

Bega is fortunate in that in addition to the many successful businesses that were acknowledged on the night Bega has in Bega Cheese one of the most successful businesses in rural New South Wales. One of the award presenters on the night was Maurice Van Ryn, the chief executive officer of Bega Cheese, who took the opportunity to share with the audience his delight at Bega Cheese receiving two major New South Wales business awards last Thursday, including a Premier's award. John Brogden, Andrew Constance and I felt privileged to share in the evening and have the opportunity to congratulate award winners and as well to share in the pride that Bega has in the achievements of Bega Cheese.

## EMIGRANT CREEK WATER FLOW

**Mr IAN COHEN** [10.26 p.m.]: Some months ago I attended a meeting at a small hall in Tintenbar, in my area in the north of New South Wales. It was an environmental group with a difference. The meeting was about the replacement of the natural flows of Emigrant Creek with an extraction for domestic water supply and the addition of sewage discharge water to make up the flow in the creek. The meeting was attended by a number of people interested in the environment, with many cane farmers and old-guard farmers from around the area. It certainly was interesting to see the communication between that generation and people interested in the environment in more recent times. These people certainly had something to say. Mr John Hayter, an owner of land in the area, was at the meeting. He wrote to give me a little history on the area:

When my great grandfather Eli Hayter took up his 640 acre Selection on the hills overlooking Cape Byron on 16 June 1881, in what was known as the "Big Scrub", he proved to be the third Selector in the Parish of Byron.

After arriving at Ballina from the South Coast, (Byron Bay hadn't been thought of), Eli hired the services of a pull boat, and he and his wife and three small children were rowed along the pristine waters of Emigrant Creek, which branches off the Richmond river a few miles upstream from Ballina, to the tidal limit at Tintenbar, before embarking on the long and arduous journey by packhorse and foot, along the rough bullock tracks of what is now Old Byron Bay Road, to their new Selection at Coopers Shoot.

The "Big Scrub" was mostly rich volcanic red soil country, encircling the area of Lismore, Ballina, Byron Bay and Mullumbimby. It comprised an area of 75,000 hectares of land, of which only a few hundred hectares of the original rainforest

remain, with one small remnant still standing majestically on Eli's Selection and now known as the Hayters Hill "Big Scrub" remnant.

Full credit for this treasure lies in the foresight of Eli's nephew, Joseph John (J.J.) Hayter, who purchased part of the Selection prior to 1900, and whose express wish it was to leave such a legacy for "the posterity of mankind". Today it is nurtured by J.J.'s grand-daughter Erica Holland and husband Neil, and other Landcare groups. The Hollands display photographs and species lists in their farm-stay cottages to help visitors learn about plants and animals that flourish on the property.

Over the years, inaccurate reports have continually blamed the pioneer farmers for the destruction of the "Big Scrub", when in effect they were merely following regulations set out by the government of the day. One such regulation was the compulsory felling of a certain amount of acreage annually, with failure to comply leading to forfeiture of the land. This was known as "Conditional Purchase", and was subject to scrutiny by the Inspector of Selections. Many did forfeit their selections, simply because they lacked the capacity to fulfil the obligations required of them. Much of the "Big Scrub" would be in existence today if these stipulations had not been in place.

It seems hypocritical that Governments are spending millions on re-forestation and Landcare projects and boast of clean rivers and waterway programs 120 years down the track since first European settlement in the "Big Scrub", and yet a proposal is in place to replace the natural Emigrant Creek flow below the dam with the wash water from treated human excreta.

Being the owner of an 80 acre property with frontage to Emigrant Creek, recently inundated by a 24 hour "weather bomb", and subject to ever increasing flood heights and backup water onto the property and into buildings, as the flow is stifled by unscrupulous landfill projects along and across the lower floodplains, it is not hard to understand why three generations of my family now vehemently oppose such a dump.

It seems incredible that lower landholders with lifetime knowledge of the area were excluded from the planning process, the reasons being quite obvious, and like the "Big Scrub" disaster, will future generations once again be faced with the repair bill from bungling bureaucratic decisions.

It was certainly an enlightening meeting for me in the small Tintenbar hall. I was very happy to meet with John Hayter. Hayter's Hill is a small rainforest remnant above Byron Bay. It is a tourist attraction that is well looked after by a family whose care of the land goes back many generations. It shows that the original farmers in the area have a great deal to teach the new generation of greens. It shows that we can have fantastic communication between the farming community and so-called newcomers such as me in caring for the land. Perhaps over time we can work together to restore Emigrant Creek to its former glory.

### NORTHERN RIVERS LIBRARY GRANTS

**The Hon. AMANDA FAZIO** [10.30 p.m.]: Earlier this month I had the pleasure of visiting libraries in the Northern Rivers region of the State to present library grants. The grants were part of the State Government's provision of \$21,988,000 in subsidies and special-purpose grants to local councils across the State over the next six months to maintain and develop local public library services. The State Library of New South Wales will administer the grant funding on behalf of the State Government. The grants are a practical example of the State Government's commitment to providing quality services to rural and regional New South Wales, and will provide libraries in regional areas with state-of-the-art facilities. Kyogle Council secured a \$30,882 New South Wales Government Library Development Grant. The grant will be used to purchase and promote Australian fiction at the Kyogle library and to expand the library's collection of Australian fiction, including adult, teenage and children's titles. The project also includes new modern shelving and signage to hold the new collection. This grant will also allow the library to organise promotional visits from popular Australian authors.

Just a couple of weeks ago it was announced that Australian author Peter Finlay had won the Booker Prize for fiction with his novel *Vernon God Little*, which was written under the nom de plume D. B. C. Pierre. Australia has some of the best authors in the world, and it is great to see the Kyogle Council supporting them. The Richmond Valley Council at Casino secured a \$7,611 New South Wales Governments Library Development Grant, which will be used to develop the library's program "Books Alive—Storytelling Resources for Bookworms", which is designed for preschoolers. This is a substantial grant and is in addition to last year's grant of \$152,818 for a new mobile library. I had the opportunity to inspect the new mobile library, which is hitting the road this week.

Library staff are very excited about the range of improved services that they will be able to offer to readers in more isolated parts of the area. Last year they also received a grant of \$23,120 for airconditioning at Casino and Evans Head libraries. This year's grant will be used to purchase additional resources, such as hand puppets, finger puppets, felt board stories and story aprons. The library will also update its storybook collection, which includes picture books, pop-up books and lift-the-flap books. The grant will allow the library to provide excellent educational resources for children in the Northern Rivers area. The resources that are purchased will be shared with adjoining regional libraries. Children who live in the area deserve to have these resources for educational and recreational purposes. I am sure that this grant will make the Casino library far more popular with preschoolers.

The Lismore City Council secured a \$136,045 New South Wales Government Library Development Grant to fund the purchase of a new mobile library trailer to service remote and rural townships and hamlets throughout the region. I met the librarian and representatives of the friends of the library group to discuss the grant. I was impressed by their dedication to improving the provision of library services. The need to replace the current mobile library trailer has been well documented, as has been the service offered through this mobile facility and its levels of use. The new mobile library will provide access for people who have a disability. In the last couple of years the State Government provided a grant for the replacement of the prime mover to haul the library trailer. Library users will be able to be confident in future that the mobile library service will be on schedule and that breakdowns will not disrupt service delivery.

In addition to the \$200,000 received from the relocation and refurbishment of the Lismore library in 2002-03, this substantial grant will go towards obtaining first-rate facilities for locals. The residents of Lismore will now have access to very impressive library services in airconditioned comfort and in a convenient location in the centre of town. The library is well utilised by the reading public and is a great resource for the local community. I congratulate the Lismore City Council on taking the initiative and applying for this grant, which will result in the residents of Lismore and surrounding small towns and villages being offered hugely improved services and access to learning resources.

The Ballina Shire Council secured a \$10,483 New South Wales Government Library Development Grant, which will be used to upgrade the loan processing systems at Ballina, Lennox Head and Alstonville libraries. The grant will be used to update omnidirectional scanners and receipt printers at the libraries to cater for the changing needs of the community. The project was based on customer feedback at all three libraries. The receipt printers will free up staff and enable them to help customers. The improved services will offer all residents of the area better service and will help local libraries to keep up to date with the latest technology. I had the opportunity to meet librarians, library users and councillors at the library to talk about improved library services for the community and the high cost of books, especially large print and talking books. The community in Ballina contributes to the improvement of services in the local library through donations of books. Some books are placed on the shelves, some are sold to dealers, some are sold at book fairs and others are donated to other community groups.

I am proud to be a member of a State Government that provides substantial grants to local councils across the State to maintain and develop local public library services. The provision of \$21,988,000 in subsidies and special purpose grants to libraries is a magnificent achievement. Once again the State Government has demonstrated its commitment to providing quality services to rural and regional New South Wales. I congratulate the librarians who are providing library services on the very innovative way in which they have approached the staffing of some mobile library services. In Lismore and Casino people whose skills are predominantly in driving large vehicles have been trained to provide library services, and that system is working very well.

#### **TRIBUTE TO MR PERCY TESTER**

**The Hon. CATHERINE CUSACK** [10.35 p.m.]: I pay tribute tonight to Percy Tester, a man whose innings spanned over nine decades, a man who was a true and great Australian, and whose contribution to his community and his country was remarkable not simply for what he achieved but for his demeanour and the manner in which he lived his life. I am indebted to his son, Malcolm, who shared his moving eulogy to his dad. When rereading it this evening I was reminded of the words of Pericles, who, in his great funeral oration, commented on the unreasonableness of the responsibility of having to do full credit to a person whose life is being summarised, whose virtues you are explaining, and whose worth you must seek to do justice to in a single oration. In Malcolm's case, he did Perce proud. I am sure his mother, Mabs, and all of Perce's family—his children, grandchildren, great-grandchildren, many relatives and in-laws—and friends can take great comfort and solace from Malcolm's words.

I knew Perce through his membership of the Ballina Liberal Party. I met him through Brian and Chris Pezzutti, who also deeply mourn his passing. He was already in his eighties when I met him, but it was obvious that I was dealing with a perennially youthful, handsome and athletic man. In Malcolm's eulogy he commented that many people who technically new Perce's age had a secret suspicion that the day of his passing would never come. I completely agree. It is a comment on his energy and wit that I think blinded all who knew him to his true age. Percy was born on 26 December 1911. If having a birthday on the day after Christmas is challenging, then Percy had to meet the challenge 91 times. He had a special ninetieth birthday two years ago. Although I was not in attendance, he took great pride in showing me a montage of photographs that his family had prepared

to celebrate his life. Not only was it moving to view the photographs; it was also like running a microscope over a time line of Australian history. It was particularly moving both to him and to me to see the love and care that had gone into assembling the snapshots of Percy across his life.

Percy grew up in Pymont in the shadow of the CSR refinery where his father worked. According to Malcolm, Percy climbed to the top of the exhaust pipe of the Leichhardt sewage works and scrawled his name at the top of the pipe. I particularly like the story because the thought of Percy as a bit of a lad is very easy and very appealing. He was educated at Sydney Technical High School at Ultimo and was an athlete in the true sense in that he excelled at athletics. Percy trained as a teacher at Sydney Teachers College. Due to the Depression, he had to wait some time to receive an appointment. His first appointment came at Rozelle Junior Technical College. At the same time he enrolled in an economics degree course at Sydney University, played in the university's hockey team, joined the North Narrabeen Surf Life Saving Club and began courting his future wife, Mabs. A full and balanced life was very much Percy's hallmark and at the very least he was a most fascinating person to talk to.

In 1932 Percy was selected to represent Australia in hockey as a member of the Australian Test team that toured India. He was voted the best Australian player by the Indian team and again represented his country in the 1934 series, which toured New Zealand. He was married in 1936. He and Mabs were immediately transferred to Tenterfield High School. He was transferred to Coffs Harbour and then to Narrandera, where his career was interrupted by World War II. Percy enlisted with the Royal Australian Air Force as a training officer. He came close to being embroiled in the events of Pearl Harbor and spent time on a United States destroyer before returning to Australia. During a series of moves between various bases in Australia, Percy ultimately achieved the rank of squadron leader. Percy and Mabs had a growing young family, and their children have interesting and fond memories of those war days.

After the war Percy returned to Sydney to take up teaching appointments. He coached the Parramatta High School 11 that was captained by a young man named Ritchie Benaud. In 1950 he accepted a promotion as commerce master at Lismore High School—an event that secured his family's future in the Northern Rivers. Percy was clearly very involved in his children's upbringing and was especially dedicated to their education. Malcolm is sure that his high spirits at university caused his dad to seek a transfer back to Sydney, where he served in various posts, including that of deputy principal at Liverpool and Caringbah schools and principal at Northmead High School and later at Blakehurst High School. He later succeeded Roy Hughes as principal of Ballina High School—a wonderful school where, in common with all his other appointments, he touched the lives of many hundreds of pupils. It is humbling to reflect on this life of service to literally tens of thousands of children across New South Wales and across the generations.

Percy was always engaged in his local community—in Rotary, Legacy, the Air Force Association or Probus. That great ethic of giving back seemed strangely typical of his generation, who on the surface grew up with relatively little but felt an enormous responsibility to contribute back to the community. Percy certainly did that in spades. The Liberal Party in northern New South Wales is a cause for those who seek power and self-advancement. It is really at the stage where true Australians of our persuasion seek to support and, in my case, give others opportunity to step forward. Although Percy always seemed to be in good health and good humour, I know that towards the end he and Mabs had a battle on their hands with renal dialysis, but they were undaunted and uncomplaining throughout. Percy cheerfully appeared in our local paper as Australia's oldest dialysis patient. Given the splendid health he enjoyed throughout his life, it must have been disappointing for his mobility to be compromised because of the demands of his medical needs. My thoughts are very much with Mabs, who moves on to a new and, I hope, fulfilling life. Percy was a truly great Australian to whom I say vale, and thank you.

#### **DEPARTMENT OF EDUCATION AND TRAINING DYSLEXIC STUDENTS FUNDING**

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS** [10.40 p.m.]: Dyslexia is a learning difficulty that affects approximately 7 per cent of the population and holds back many bright school students from realising their full potential. Several of my upper House colleagues have spoken about dyslexia and the effects that learning difficulty has on the educational and emotional development of children. Dyslexia is an innate reading disorder that affects people of normal to above-average intelligence and is often diagnosed as a dual disorder with people who have attention deficit disorder [ADD]. People who suffer from dyslexia are often frustrated by their inability to read, comprehend and write like the majority of people who do not suffer from a learning difficulty. No matter how hard they try to persist they just cannot read and communicate properly, and this creates immense frustration and low self-esteem that may remain with them for the rest of their lives.

One of my staff members has had such an experience. While he was studying his first year of a Bachelor of Arts degree at the age of 25 he was diagnosed with ADD and dyslexia. It was only then that he realised that his learning difficulty could be helped with medication and training. He is now much more confident in life and is studying graduate law part time. He does a far better job than most of the minders who assist members of this House. I was a member of the Standing Committee on Social Issues when it inquired into early intervention for children with learning difficulties. The committee noted that children identified with learning difficulties are invariably seen as less of a problem than those with a diagnosed disability, or one of the more serious problems. As a result those children tend to fall through the gaps of the New South Wales education system.

The children fall through the gaps because our education professionals are not adequately resourced to identify children with a learning difficulty at an early stage and to provide the long-term support and help to overcome their learning difficulties, starting as early as possible. That may result in children never realising their full potential. For the 2003 school year more than \$72 million has been allocated to fund the inclusion of students with disabilities into mainstream classes; it is known as the Funding Support Program. To qualify for funding a student must have a recognised intellectual, sensory or physical disability. Children with learning difficulties such as dyslexia do not qualify for funding support. The Department of Education and Training disability criteria do not recognise dyslexia. Instead, dyslexics have access to assistance via learning support teams, which oversee the planning and support for all students.

However, many educators and parents of children with learning difficulties assert that appropriate support under the current regime is severely inadequate. Intensive remedial programs are not adequately supported and many schools have cut the service altogether. The Minister for Education and Training, Dr Refshauge, should review the position of the department and include learning difficulties, such as dyslexia, as part of the disability funding criteria. New South Wales TAFE and universities recognise specific learning difficulties as a disability under both State and Commonwealth anti-discrimination legislation. The department's current approach is not working and many parents and education specialists agree that the level of resources currently available to fund school-based support for children with specific learning difficulties are inadequate and do not meet the needs of many students and their families.

Including learning difficulties, such as dyslexia, in the department's disability criteria will outweigh any potential stigma associated with it being branded as a disability and, more importantly, would divert urgently needed money to help the 3 per cent of children in our schools who suffer from dyslexia to realise their full potential. I have spoken about Asperger's syndrome and other autistic spectrum disorders in the take-note debate on the social issues committee report on early intervention for children at risk of learning difficulties. In that case diagnoses were stretched to try to get departmental funding to kids who seem to be learning slowly but are not in receipt of resources such as those given to those with a recognised, labelled and diagnosed disability. Education is needed, because with no education there is often no job, or a much lesser job, and that may lead to welfare dependency and despair.

Unfortunately, the Government has allocated 15.7 per cent of the new acquisitions budget for public order and safety, which is a gaol-building program, and only 12.7 per cent for education. Basically, education is being neglected at the expense of gaol-building and other socially repressive programs. More resources must be put towards disability criteria because education is the hope for people who would otherwise not be educated or employed. The department's disability criteria must be given more resources because it is important for people in that marginal group to receive the resources they need.

### **LIQUOR, HOSPITALITY AND MISCELLANEOUS WORKERS UNION**

**The Hon. JAN BURNSWOODS** [10.45 p.m.]: Tonight I pay tribute to the role of the Liquor, Hospitality and Miscellaneous Workers Union in its fight for wage increases and basic justice for Australia's low-paid workers, a group that has fallen further and further behind. Their plight receives very little recognition. The workers I am talking about are from a range of industries, and I will mention three. Currently workers in the hospitality industry are paid \$12.23 per hour, workers in the childcare industry are paid \$12.86 per hour and workers in the security industry are paid \$13.43 per hour. To put that into perspective, the current Federal minimum wage is \$448.40 per week—that is \$100 or more short of what everyone would agree even a single person without dependants would need in order to have a decent life and be included in what Australian society has to offer.

The union has been at the forefront in highlighting this long-standing issue. Its submission to the Senate inquiry into poverty was presented in March this year. I recommend that all honourable members look at that

submission because it raises not only specific points about the lack of income but also other points about the plight of low-paid workers. The same workers often work in very insecure conditions, some are casual employees, and often are irregular casual employees. They work in industries with issues relating to occupational health and safety. Many people in the hospitality industry are of migrant background and are older women—the same is true of many cleaners. Ordinary things, such as a holiday or an extra family expense, for that group of workers are virtually out of the question. The New South Wales Government has taken a good role in the past in wage cases, and I urge it to do so again with the next case.

*[Time for debate expired.]*

**Motion agreed to.**

**The House adjourned at 10.48 p.m. until Wednesday 29 October 2003 at 11.00 a.m.**

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