LEGISLATIVE COUNCIL

Tuesday 29 June 2004

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

The Clerk of the Parliaments offered the Prayers.

TEMPORARY CHAIRMAN OF COMMITTEES

The PRESIDENT: I nominate the Hon. Eric Roozendaal to act as Temporary Chairman of Committees during the remainder of the present session of the Parliament in place of the Hon. Anthony Burke, resigned.

BUSINESS OF THE HOUSE

Order of Business

Motion by the Hon. Tony Kelly agreed to:

That notwithstanding anything contained in the sessional order adopted by this House on 22 June 2004, the adjourned take-note debate on the budget estimates for 2004-2005 be resumed on Tuesday 29 June 2004 at a time indicated by the Leader of the House.

UNIVERSITY OF TECHNOLOGY, SYDNEY

Appointment of Representative

Motion by the Hon. Tony Kelly agreed to:

That under section 9 of the University of Technology, Sydney Act 1989, Mr Roozendaal be elected as the representative of the Legislative Council on the Council of the University of Technology, Sydney, in place of Mr Burke, resigned.

PETITIONS

Department of Primary Industries Budget

Petition requesting support for primary producers and opposing Department of Primary Industries budget cuts that may affect key field staff, front-line services and research and development, received from **the Hon. Duncan Gay**.

The Domain Fig Trees

Petition requesting conservation of historic fig trees in The Domain, Sydney, received from **Ms Lee Rhiannon**.

Casino to Murwillumbah Rail Services

Petition requesting reinstatement of rail services from Casino to Murwillumbah, received from **the Hon. Catherine Cusack**.

BUSINESS OF THE HOUSE

Withdrawal of Business

Private Members' Business item No. 102 outside the Order of Precedence withdrawn by Ms Lee Rhiannon.

Private Members' Business items Nos 35, 76, 85, and 104 outside the Order of Precedence withdrawn by the Hon. Dr Peter Wong.

BUSINESS OF THE HOUSE

Postponement of Business

Government Business Orders of the Day Nos 1 and 2 postponed on motion by the Hon. Tony Kelly.

COMMITTEE MEMBERSHIP

The PRESIDENT: I inform the House that the Clerk has received the following nominations for, and changes in, membership of committees from the Leader of the Government and the Leader of the Opposition.

Standing Committee on State Development

Government: Mr Roozendaal (in place of Mr Burke, resigned)

Standing Committee on Law and Justice

Government: Mr Roozendaal (in place of Mr Burke, resigned)

General Purpose Standing Committee No. 1

Government: Mr Roozendaal (in place of Mr Burke, resigned)
Mr West (in place of Ms Burnswoods)

Opposition: Ms Parker (in place of Mr Harwin)

General Purpose Standing Committee No. 2

Opposition: Mrs Pavey (in place of Ms Parker)

General Purpose Standing Committee No. 3

Opposition: Mr Lynn (in place of Mrs Pavey)

General Purpose Standing Committee No. 4

Government: Mr Roozendaal (in place of Mr Catanzariti)

General Purpose Standing Committee No. 5

Government: Mr Catanzariti (in place of Mr West)

Opposition: Mr Harwin (in place of Mr Lynn)

STANDING COMMITTEE ON STATE DEVELOPMENT

Appointment of Chair

The PRESIDENT: I inform the House that the Leader of the House has nominated Mr Roozendaal as Chair of the Standing Committee on State Development in place of Mr Burke, resigned.

ROAD TRANSPORT (GENERAL) ACT 1999: DISALLOWANCE OF THE ROAD TRANSPORT (GENERAL) AMENDMENT (DRIVER LICENCE APPEALS) REGULATION 2004

The PRESIDENT: Pursuant to standing orders the question is: That the motion proceed as business of the House.

Question agreed to.

Motion by the Hon. Duncan Gay agreed to:

That the matter proceed forthwith.

The Hon. DUNCAN GAY (Deputy Leader of the Opposition) [11.16 a.m.]: I move:

> That, under section 41 of the Interpretation Act 1987, this House disallows the Road Transport (General) Amendment (Driver Licence Appeals) Regulation 2004 published in the *Government Gazette* No. 77, dated 30 April 2004, page 2241, and tabled in this House on 4 May 2004.

The Opposition is moving to disallow the Road Transport (General) Amendment (Driver Licence Appeals) Regulation 2004 because of the basic premise that it denies natural justice through the appeals process. We are indebted to the Law Society, among others, for bringing this matter to our attention and for speaking to other members of Parliament. Amendments to provisions relating to appeals to the Local Court from decisions of the Roads and Traffic Authority [RTA] were made by regulation in New South Wales *Government Gazette* No. 77 on 30 April 2004. The regulation is the Road Transport (General Amendment (Driver Licence Appeals) Regulation 2004.

The Opposition believes there should always be a mechanism for reviewing administrative decisions or actions in the Local Court; in this case, the decisions or actions of the RTA as they affect people's licences. The right to appeal an administrative decision is one of the cornerstones of our justice system. In fact, I am at a loss to understand why the Government moved this regulation in the first place, because it very much denies natural justice.

The regulation removes the right of appeal for a driver who attracts 12 or more demerit points in three years. This regulation gives greater power to the RTA, such as in the well-known Hillyard case. In 2003 Mr Hillyard incurred demerit points for disobeying traffic lights. The Local Court found the offence proved, but did not record a conviction because Mr Hillyard was not the driver of the car at the time. Nevertheless the RTA attributed three demerit points to Mr Hillyard, which meant that he then had accumulated 12 points within three years and his licence was suspended.

The court upheld Hillyard's appeal because he was not the driver. The RTA appealed to both the Supreme Court and the Court of Appeal, but they both ruled in favour of Hillyard. Under the regulation we are moving to disallow today, although Mr Hillyard was not even driving the car when the infringement occurred, he would lose his licence with no right of appeal. Surely any right-thinking person could not allow that to happen. Interestingly, the right of appeal is retained for provisional licence holders who incur four or more demerit points, for prescribed speeding offences at greater than 30 kilometres per hour or greater than 45 kilometres per hour, and for visiting drivers, both interstate and international, driving in New South Wales without obtaining a licence.

It is difficult to understand why highly experienced drivers may be suspended without the prospect of appeal, yet younger, inexperienced drivers rightly maintain the full right of appeal. This means that an experienced driver with a long record of good, safe driving can lose his or her licence, without any right of appeal, for exceeding his or her 12 points over a short period through a couple of offences. For example, consider long weekends when double demerit points apply: Even a driver with a long and relatively clear driving record could acquire more than 12 demerit points. Perhaps our hypothetical driver—it is not so hypothetical, because I know of at least one example in this House, but it is not me.

[*Interruption*]

I now know of two examples. Perhaps our hypothetical driver exceeded the speed limit by more than 15 kilometres an hour but less than 30 kilometres an hour. On a long weekend that is six demerit points. And perhaps on the same weekend another family member driving the same car went through a red light. That means his or her licence would be gone instantly, with no right of appeal. I am not saying that anyone here condones dangerous and irresponsible driving—we all know that speeding kills—but extreme circumstances can sometimes occur, and the driver should have the right to make his case to the Local Court should he lose his licence under such circumstances. Suspension by the RTA, without any regard for who was actually driving the car and whether that person had a blemish-free licence, should be appealable to the Local Court.

The Local Court is ideal to review such decisions as it deals with the vast majority of traffic-related offences. It can either confirm the Roads and Traffic Authority's decision or vary the decision to allow the person to retain their licence in appropriate circumstances. The removal of the right to appeal means that a court cannot take into account the particular important personal circumstances of the driver involved. Despite Minister Scully's assurances that it is a nationally agreed position that there should be no appeal in relation to demerit points, New South Wales is in fact going it alone on this unjustified and incomprehensible measure. Why am I not surprised that Carl Scully has once again mislead us when he said that it was a nationally agreed position?

The Hon. Dr Arthur Chesterfield-Evans: He's always misleading us.

The Hon. DUNCAN GAY: He is a much misunderstood person, as we all know. Just ask Minister Costa. Mislead, indeed! The Minister knew what he was talking about. Victoria, Western Australia and South Australia still have the right of appeal in such cases, and in Tasmania a court can vary demerit points. Queensland drivers have a right of appeal in circumstances relating to extreme hardship to the person or their family. So bang goes Carl's statement! Disallowance of the regulation will reinstate some existing appeal rights with regard to the administrative decisions of the Roads and Traffic Authority.

Frankly, limitations on appeal rights are a denial of natural justice and fail to acknowledge the consequences that may flow from the application of a rigid administrative regime for drivers with previously longstanding good records. We are not saying that people should be let off; we are saying that the Government should put in place an appeal process so that if someone has been wrongly convicted in this situation there is natural justice and they can lodge an appeal. It is not a case of the rich of our society being able to rort the system when the underprivileged cannot. This is a simple case of natural justice. I hope we will have support for disallowing the regulation.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS [11.25 a.m.]: I support the motion. The fact is that since speed cameras were introduced, and since the speed limit was lowered, many more people have been caught. Of course, if more and more people are caught, more and more people will get points and lose their licence. Presumably this will clog up the courts, and that is why the Government has gone ahead with the regulation. The difficulty with losing one's licence is that public transport in most parts of New South Wales is absolutely hopeless. It inevitably takes people hours to get from A to B if they have to go by other than a direct route, unless they are on a train line or a bus route. Buses are not frequent and most people simply cannot live without a car. We are a car-dependent society.

Because of speed cameras, I have many more demerit points than I used to. When I drove around Bangalow I noticed the huge change in speed limits. When I went to Wollongong, where I grew up, I found that the speed limit on the main road had been lowered by 10 kilometres an hour. Where I now live in Lane Cove the speed limit has been lowered by 10 kilometres an hour. Each time a person gets caught—and many people are getting caught—the idea that others simply sneer and say, "It's your own damn fault" is hardly the point. I do not believe that most of us are driving more unsafely than we used to. However, we are collecting a lot more points, and the Government is collecting a lot more revenue. It is a bit rough if the RTA suspends a licence without taking all this into account under this cumbersome and unreasonable regulation. I believe that the regulation should be disallowed.

The Hon. Dr PETER WONG [11.27 a.m.]: I support the motion moved by the Deputy Leader of the Opposition. I believe that in some instances we inadvertently break the rules—it is not deliberate. The fact that double demerit points apply during holidays is a good example. Anyone standing in one of the school zones along Parramatta Road, Leichhardt, during school hours would see that probably one in two drivers is driving above 40 kilometres an hour, and they should probably lose points every day. I predict that once the speed limit on Sydney's streets is lowered to 40 kilometres an hour the traffic police will catch many drivers driving above 40 kilometres an hour at night. I think it is dangerous that there is no appeal system. I congratulate the Deputy Leader of the Opposition on moving this motion.

The Hon. DUNCAN GAY (Deputy Leader of the Opposition) [11.28 a.m.], in reply: I commend the motion to the House. Once again I indicate that my aim is not to allow people who have accumulated points for speeding to avoid having those points. Rather, and quite simply, it is to give a right of appeal to a person caught speeding, other than by a speed camera, and whose licence is suspended. The reality of this regulation is that a person who might not have been the driver is deemed to have been the driver because they are the owner of the car, without any appeal. So disallowing the motion would reinstate natural justice. Disallowance will not enable restoration of points that any of us have lost—and, from discussions in the Chamber, it seems quite a few have lost points—it will simply ensure natural justice.

Question—That the motion be agreed to—put.

The House divided.

Ayes, 22

Mr Breen	Ms Hale	Mr Pearce
Dr Chesterfield-Evans	Mr Jenkins	Ms Rhiannon
Mr Clarke	Mr Lynn	Mr Tingle
Mr Cohen	Reverend Dr Moyes	Dr Wong
Ms Cusack	Reverend Nile	
Mrs Forsythe	Mr Oldfield	*Tellers,*
Miss Gardiner	Ms Parker	Mr Colless
Mr Gay	Mrs Pavey	Mr Harwin

Noes, 15

Ms Burnswoods	Mr Kelly	Mr Tsang
Mr Catanzariti	Mr Macdonald	
Mr Della Bosca	Mr Obeid	
Mr Egan	Ms Robertson	*Tellers,*
Ms Fazio	Mr Roozendaal	Mr Primrose
Ms Griffin	Ms Tebbutt	Mr West

Pairs

Mr Gallacher	Mr Costa
Mr Ryan	Mr Hatzistergos

Question resolved in the affirmative.

Motion agreed to.

BUSINESS OF THE HOUSE

Suspension of Standing and Sessional Orders

Ms SYLVIA HALE [11.39 a.m.]: I move:

> That standing and sessional orders be suspended to allow a motion to be moved forthwith that Private Members' Business item No. 103 outside the Order of Precedence, relating to funding of skilled migrant and mature workers programs, be called on forthwith.

This matter is urgent because the mini-budget axed funding for the Skilled Migrant Placement Program and the Mature Workers Program. These are both highly effective programs and their de-funding makes no sense. The decision will result in the direct loss of hundreds of jobs and essential services to some of the most valuable members of our work force. This motion is urgent because funding for these two programs will run out tomorrow, 30 June. The matter is urgent because more than 100 employees of mature workers projects will lose their jobs; indeed, some have already gone. The motion is urgent because the Federal Government will not pick up the pieces once these programs are lost.

The Treasurer knows full well that the Federal Government did not provide meaningful extra assistance to unemployed mature workers or to Mature Workers Program projects in the May Federal budget. Nothing was offered to skilled migrants in the Federal budget. The motion is urgent because the three-month extension of funds to the Mature Workers Program to help with the winding up of operations came from funds that the Department of Education and Training had not spent. It is notable that, despite crying poor for the past 12 months, the New South Wales Government could find, and had budgeted for, an extra $400 million from consolidated revenue to meet teachers' wage increases but it cannot find $5.5 million to continue these two highly successful programs.

This matter is urgent because both Victoria and South Australia have recently announced new strategies to attract and accredit skilled migrants as significant contributors to the economies and communities of those States. New South Wales attracts 40 per cent of migrants and the Government should assist skilled migrants to have their qualifications recognised so that they can become active members of the State's work force. The matter is urgent because when the Government looks to Mature Workers Program projects to assist

mature aged workers deal with retrenchment following closure of a significant business, the appropriate infrastructure will not be available.

Finally, the matter is urgent because workers in these two programs have made the journey here today to witness this debate, many of whom will lose their jobs at the end of this week. I thank Michael Whitehead from the Christian Community Aid Association, Sue Drake Brockman from the Ryde Mature Workers Program and Paul Hurst from the Maroubra Workventures Skilled Migrant Program for coming here today. I acknowledge the valuable work they have done to help mature workers and skilled migrants back into the work force. My only regret is that the Government will no longer fund their activities.

The Hon. CATHERINE CUSACK [11.42 a.m.]: The Opposition supports this urgency motion because tomorrow the programs are to be obliterated and funding for the Skilled Migrant Placement Program will expire. That is why the matter must be debated today.

Question—That the motion be agreed to—put.

The House divided.

Ayes, 20

Mr Breen	Mr Gay	Mrs Pavey
Dr Chesterfield-Evans	Ms Hale	Mr Pearce
Mr Clarke	Mr Lynn	Ms Rhiannon
Mr Cohen	Reverend Dr Moyes	Dr Wong
Ms Cusack	Reverend Nile	*Tellers,*
Mrs Forsythe	Mr Oldfield	Mr Colless
Miss Gardiner	Ms Parker	Mr Harwin

Noes, 16

Ms Burnswoods	Mr Kelly	Mr Tingle
Mr Catanzariti	Mr Macdonald	Mr Tsang
Mr Della Bosca	Mr Obeid	
Mr Egan	Ms Robertson	*Tellers,*
Ms Fazio	Mr Roozendaal	Mr Primrose
Ms Griffin	Ms Tebbutt	Mr West

Pairs

Mr Gallacher	Mr Costa
Mr Ryan	Mr Hatzistergos

Question resolved in the affirmative.

Motion agreed to.

Order of Business

Motion by Ms Sylvia Hale agreed to:

That Private Members' Business item No. 103 outside the Order of Precedence be called on forthwith.

SKILLED MIGRANT PLACEMENT PROGRAM AND MATURE WORKERS PROGRAM

Ms SYLVIA HALE [11.50 a.m.]: I move:

That this House:

(a) condemns the Carr Government's decision in the recent mini-budget to axe the Skilled Migrant Placement Program and the Mature Workers Program,

(b) recognises the important role performed by the Skilled Migrant Placement Program providing more than 5,500 overseas migrants in the past 15 months with assistance to secure employment and help them become actively contributing members of the Australian community,

(c) recognises the equally important role performed by the Mature Workers Program where over 12,000 clients have been provided in the past nine months with vocational training to update their skills,

(d) thanks the 80 not-for-profit community sector organisations and many volunteers who have delivered the Skilled Migrant Strategy and Mature Workers Programs, and

(e) calls on the Government to re-allocate funding from other programs to save these important programs.

The Skilled Migrant Placement Program and the Mature Workers Program have been funded by the New South Wales Government since 1989. The Skilled Migrant Placement Program costs the State Government $2.4 million per year, which represents extraordinarily good value for money. The program is designed to increase utilisation of overseas skills in workplaces, and to help employers see the value of a culturally diverse work force. Currently, there are 18 skilled migrant placement projects across New South Wales, with two in regional centres. Two specialist programs are designed specifically to help skilled female migrants and new arrivals who have been victims of torture and trauma. The programs are provided by Immigrant Women's Speakout and the Service for the Treatment and Rehabilitation of Torture and Trauma Sufferers.

The Skilled Migrant Placement Program helps to enable overseas skilled migrants to make informed decisions to maximise in the New South Wales work force the use of skills learned overseas. It assists overseas skilled migrants to become job ready with the necessary skills to gain employment in an area relevant or related to their qualifications. The program helps to provide migrants with work experience that builds on their overseas skills and acclimatises them to the Australian job market. Between January 2003 and March 2004 the program assisted in excess of 5,500 overseas skilled migrants. The program has had an exceptionally high success rate. During the same period the program assisted more than 1,500 overseas skilled migrants into employment and professional work placements commensurate with their field of expertise. These outcomes generate measurable economic benefits for New South Wales by addressing skill shortages, boosting productivity and economic growth, and bringing social benefits.

The program educates and assists clients to negotiate learning pathways and appropriate ways to seek employment. Skilled Migrant Placement Program clients receive assistance early in the process of finding employment, which means that they are less likely to become welfare dependent and become productive members of society more quickly. It is a well-researched fact, as evidenced in research by Faelli and Carless in 1999, that employment is the most important factor for successful adjustment and integration into a new society. It also determines physical and psychological wellbeing. The program acts as an early intervention measure, and helps to avoid health and depression problems when migrants find themselves unemployed and unable to use the skills for which they have trained for many years. It is extraordinarily short-sighted of the Government to disband a program that has so many tangible benefits not only for the people who make use of it but also for society at large.

The State Government has funded the Mature Workers Program at a cost of $3.1 million per year, but that will cease tomorrow. This skills development and employment assistance program funds 67 projects across New South Wales and provides practical assistance to unemployed people aged over 40 to help them upgrade their skills and access services tailored to their individual needs. The projects are operated by the not-for-profit community sector, which contributes at least 25 per cent of the project operating costs from its own resources. The programs have been highly effective. In 2003 more than 12,000 clients were assisted. Nearly 60 per cent of clients find employment or gain accredited vocational training through mature workers projects. These results are better than most other employment and training programs operated across Australia. As I have said, the programs are extraordinarily effective and cost saving. Therefore, it is extraordinarily cost ineffective for the Government to discontinue its funding.

Caseworkers in the program estimate that fewer than 30 per cent of current Mature Workers Program clients across New South Wales will be eligible for Commonwealth assistance through the Job Network Service. There is no comparable Commonwealth Government program to the Mature Workers Program, and no indication that the Commonwealth is willing to fund the program. The possibility of the Commonwealth providing assistance is even less likely, given that the Treasurer's decision to axe the program appears to have been made without any consultation with the Commonwealth Government. Other State Labor governments—Queensland, Victoria, South Australia and Tasmania—either continue to operate employment and training programs or are expanding them: they are not shifting the cost to Canberra. Some 70 per cent of workers within

the Mature Workers Program are mature-aged people. The loss of these local services will place further pressure on other human services to support the more than 12,000 unemployed mature-aged people whom the New South Wales Government is now disregarding.

Loss of these programs will be particularly heartfelt in rural areas where the search for a job can take months and, in the case of mature-aged workers, years. The Greens note with irony that Bob Carr and Michael Egan, the Treasurer, are some of the lucky mature-aged workers because not only do they have jobs but also they will be supported for life from their parliamentary pensions, not to mention through their contacts and network of mates. These two workers will not need the Mature Workers Program. But for every Bob Carr or Michael Egan there will be another person not so lucky—a person who has been retrenched and is unemployed, a mature-aged person who would benefit from these two programs. The Greens urge the Government to reconsider its decision and to reinstate funds for the Mature Workers Program and the Skilled Migrant Placement Program.

I note that the pretext for cutting the funds was that employment is a Commonwealth responsibility, but these two programs are educational and training programs. Their function is not to specifically help people into particular jobs but to enable people to go about looking for jobs in an effective way, with the confidence that they have the skills to have at least some chance of obtaining employment. To axe these programs on the pretext that they are employment programs, when all along they have been funded by the Department of Education and Training, is an extraordinarily adverse decision. It is certainly contrary to many of the claims that the Labor Party used to make that it was a party representing the interests of the working people of this country. Indeed the Government's decision in relation to this, as it is with so many other matters—and immediately I think of the amendments proposed to the Residential Tenancies Act—demonstrates that it has forgotten its roots. The Government is absolutely determined to turn its back upon the groups in the community who have for so long given it the loyalty it obviously no longer deserves.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS [12.01 p.m.]: On behalf of the Australian Democrats I support the motion. The Government has a reasonable beef about the funding formula for States, and about the Commonwealth not giving New South Wales its due and about other States receiving more Commonwealth Government funding than they should. The New South Wales Government has caused a lot of its own financial difficulties, and the key problem is its lack of willingness to borrow. The Government has a triple-A credit rating and points out that only a very small number of State governments have such a rating. The New South Wales Government has the triple-A rating because it has so little debt in relation to its assets. That is very silly because, effectively, if more return is made from borrowings than is paid out, the borrower is actually ahead. No-one became rich without borrowing money and using that money intelligently.

Fiscal responsibility is about borrowing through an infrastructure so that there is asset backing for the debt, which means that lenders are willing to lend money to the borrower. However, the Government is selling off the farm, because it wants this triple-A rating, which I think is good for the Treasurer's ego and not much else. Commentators have pointed out that a lack of willingness to rationalise in the public sector has meant the Government is spending more money on things it should not be spending on. Be that as it may, when the Government does rationalise the public sector, it will result in having more middle-aged unemployed people and they are the people hurt by the cutting of the two programs that are the subject of the motion.

The Government felt it was short of money and wanted to draw attention to the Commonwealth funding formula that disadvantaged it. So it worked on the national competition policy. The Government wanted to get money from the national competition policy and last week it passed a silly bill, which it did not really believe in or want, which gave corporations the right to own dentists and optometrists. For the tiny saving of money involved through the national competition policy, that bill will have widespread ramifications on dentist and optometrist services to the public of New South Wales. That is quite a worry. The subject of the motion is the cutting of employment programs that overlap the Federal Government's programs. These were very good and very successful programs, better than those provided by the Federal Government. This bad bickering between governments has meant that two extremely good programs have been abolished.

If the Government were to act for the benefit of people it would reverse that policy. It is, of course, the Democrats policy to abolish the States so that governments can co-operate and not make silly decisions to axe programs simply to cost-shift to other areas. The Skilled Migrant Program has existed in New South Wales since 1989 and it is notable that in the 14 months from January 2003 to March 2004, 5,500 skilled migrants received aid. Of those, 1,500, nearly a third, obtained jobs. Australia's treatment of skilled migrants is an absolute disgrace. I have received visits from people who are in tears, people with very high skills in research

pharmaceuticals who came to Australia on the Skilled Migrant Program. Some had a master's degree from Sweden, some had worked in England, and some were medical graduates from Yugoslavia, but none had been able to find employment within that small area and found a lack of willingness of employers to consider them.

A little more help from the Skilled Migrant Program would have given them a job, because they have the necessary skills. Australia will bring in skilled migrants and the least we can do is make some sort of effort to use their talents. The Mature Workers Program is extremely important, because people over 40 years who are retrenched often have been in a job for many years. They are quite frightened in the open market and have become specialised in their work area. Their self-esteem goes right down and that really needs to be built up. Often that can be helped by their supporting families, in which they need to keep their self-esteem and image. This program will cost $3.1 million out of the $10 billion budget of the Department of Education and Training. Of the 1,200 clients assisted, only 60 per cent found jobs.

People who are quite well skilled were retrenched but, with a little help, 60 per cent found jobs. Of those workers in the program only 30 per cent will be eligible for the Federal Government's job network program, which, of course, is less likely to get them into employment. Effectively, we are wasting the talents of those middle-aged people and putting them back on the scrap heap, on the dole. The remainder of their working lives may be written off by this miserly saving of a small amount. It is time that the Government took a far more responsible attitude to programs such as these, looked at their merits, and promoted them in the interests of the people of New South Wales, rather than engaging in cheap political point-scoring from the Federal Government. Finally, I thank the Council of Social Service of New South Wales for the information it provided to me on these two programs.

The Hon. CATHERINE CUSACK [12.06 p.m.]: The Opposition supports the motion condemning the Government's decision to axe the Skilled Migrant Workers Program and the Mature Workers Program. That decision is about as mean as it gets. I would wager that prior to 6 April the Treasurer and the Premier had barely even heard about these two small programs, which receive a total of about $5.5 million in funding. We know that the Minister for Education and Training had heard of the programs because he had previously endorsed them and recommended them as outstanding. The Opposition certainly supports these programs, which are not fully funded by the Government but are matched by funding from the community. The programs mobilise the many volunteers who contribute to making them work.

As a result we see relatively inexpensive programs operating very efficiently and making a huge difference to people's lives, by encouraging people to develop their skills, to improve their life prospects and those of their families. It almost beggars belief that the Government would target such small funding, which would make such a huge difference to the lives of people. Why were those particular programs selected? General Purpose Standing Committee No. 1 held a number of hearings into the mini-budget cuts. I will quote part of the evidence given to a hearing on 21 May. Gary Moore, from the Council of Social Service of New South Wales said:

> I want to indicate for the record that both the mature workers program and the skilled migrant strategy have been highly effective, highly successful programs in operation since 1989 in this State. They deliver real results in terms of vocational training and assistance into employment. The two target groups—people aged over 40 and migrants with skills but unable to obtain positions in the work force—experience unemployment rates well above the State average. We have two concerns: the way it was done and the fallacy of the policy argument. It is only $5.5 million a year out of a total budget of $19 billion in that portfolio.
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> It is argued that it is a Commonwealth responsibility. Say that to Premier Bracks, to Premier Beattie, to Premier Gallop and to Premier Rann, who have all increased their spending in these sorts of programs … It just does not cut in a policy sense. Secondly, the programs are not like the Job Network. In fact, the majority of clients of both programs will not get Job Network assistance even though the Commonwealth did put a small amount of money in its budget for mature workers …
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> So come 30 September, or well before that, a number of workers of mature age will be made redundant and 67 programs will be out the door, with a lesser number in the skilled migrant strategy. We think this is a very silly decision, a very counterproductive decision. It is worth nothing in total State budget terms but as far as the impact on people it is really significant.

Eva Cox told the committee:

> The lack of alternative voices within Premier's Department and the lack of concern by this Government to hear alternative voices add to the fact that in many ways we tend to be a fairly mean and nasty State compared with our Labor colleagues in other States.

We also received evidence from Pam Christie from the Department of Education and Training and Robin Treeve, the Deputy Director-General of TAFE. Both officers were asked a number of questions about the cuts to the programs. Both indicated that they had not recommended the cuts. They were asked who recommended the

cuts and when they found out about the cuts. They replied that the cuts were made by the Minister's office. It was a decision from the Minister's office. No advice had been requested by the Government prior to its deciding to make the cuts. The department heard about the cuts on 6 April, the day of the mini-budget. These are political cuts selected in Labor Ministers' offices and then handed down to the departments, which then had the horrifying task of implementing them.

Because the department had identified $830,000 of underspending, the Mature Workers Program could be given a transition period until September, precious extra time. Unfortunately, there was no underspending in the skilled migrant workers programs and therefore there was no money to assist in that area. So the two officers who spoke to the committee were not asked to advise the Government whether the programs were good or what alternatives could be offered; their job was simply to make the cuts legal. They were political cuts made by Labor Party Ministers in their offices and handed down to the agencies. This was a shock to the committee. The way that these organisations were picked on for such small sums of money is a disgrace.

We now come to why these programs were the ones selected by the Government. It comes down to the political spin that the Government was trying to wrap around the mini-budget. It was trying to say that all of the cuts in the mini-budget had to be made because of Commonwealth cuts to the grants program. Ministers were told to find any programs the Government could technically argue overlap with Commonwealth funding. When they went through their briefing notes and files in their offices they thought that employment could sound like a Commonwealth responsibility. That is why these programs have been selected. However, as Gary Moore has said, these programs are not Commonwealth funded or Commonwealth eligible. I emphasise that to the Hon. Dr Arthur Chesterfield-Evans. Do not be fooled by this Government's spin. There is no alternative to this funding. That is why funding in these areas in other States has been increased. If the Minister's office had asked the department about the basis for these programs it would have been told that. But why did it not ask?

The Government's arrogant and hamfisted attempts to embarrass the Commonwealth Government have now backfired. These cuts affect a relatively small group of people, which is why the Government has attacked them, but because of the way in which the cuts were made the Government has not merely irritated these groups. They know that they are being attacked because they are a soft target, because they are vulnerable and the least capable of fighting back. They will not be merely irritated; they will hate the Government for it. Because this is about more than money; it is about alienation, about giving up on people. The axing of the programs in this way, for the sake of a little media political spin of the day, will forever hang like an albatross around the neck of the Government.

The Hon. Dr PETER WONG [12.14 p.m.]: The Unity Party totally supports the motion. The Skilled Migrant Workers Program and the Mature Workers Program have been successful examples of Government-community partnership. The programs have given many migrants and mature workers a chance to participate in the work force of New South Wales. In the past the programs indeed showed how a Labor government can put into practice its policies and rhetoric on access and equity and its support for multiculturalism. The abolition of such programs is a clear statement of the Carr Government's betrayal of people of New South Wales in the area of welfare and social services. It is a disgrace. I call upon the Government to urgently reconsider these programs and to show that the Government does care for mature workers and migrants, so many of whom voted for the Australian Labor Party in the past. Incidentally, the withdrawal of these programs will no doubt enhance the re-election chances of John Howard's Government. Is this the hidden agenda of Bob Carr?

The Hon. ROBYN PARKER [12.16 p.m.]: I support the motion. I have previously spoken of my concern about the Carr Government's decision to close the Mature Workers Program and the Skilled Migrant Workers Program. The axing of the programs shows me just how hypocritical the Carr Government is when it claims that it supports older people. In the very month designated Mature Age Employment Month the Carr Government axed the Mature Workers Program in its mini-budget. Such an act highlights the hypocrisy of the Government. Mature workers were sacrificed on the altar of economic incompetence. The Government should be ashamed of itself. Its actions are compounded by its blaming of the Federal Government. This is not a problem of the Federal Government; it is a problem that rests fairly and squarely with the Carr Government. The Mature Workers Program aids unemployed people over the age of 40, who have been sent a message that the Carr Government does not care about them. The Mature Workers Program in Maitland, in my area, has helped thousands of local people to find jobs over the years. The program will stop on 30 June. It is astounding that no notice was given: the guillotine is coming down on 30 June. Some caseworkers in the program who are also mature age workers will lose their jobs.

The Coalition calls on the Government to reverse its heartless and misguided decision. Throughout the State the Mature Workers Program has helped more than 12,000 unemployed older people find work by

providing advice on jobs, training, resumés, and on interview and presentation techniques and work experience placements. These people may have become a cost on the Government. The program is of particular importance in the Hunter. It has helped many families and especially coalminers as their employment has been restructured over the years. The program has been running for more than 15 years. The Carr Government is telling older unemployed people that they are not worth the investment of $3.1 million. Yet it has wasted tens of millions of constituent dollars on fees, media monitoring and displaced public servants. The difficulty older people experience in getting jobs after being retrenched is well known, and the Mature Workers Program is needed now more than ever.

The Minister for Education and Training announced that his department will no longer support the program, claiming the Commonwealth should have funded it. Surely it is the responsibility of all governments to pull their weight on behalf of older Australians and not hide behind other governments. It is a pretty sad state of affairs if the Carr Government cannot manage its finances. When the wheels start to fall off, we all know who is sacrificed first—the disadvantaged in the community, including unemployed people, who are at the top of the list. This Government is likely to say "next" rather than help people obtain employment it will place mature aged workers on disability support pensions, just as a Federal Labor Government did when it abandoned mature aged workers in the 1990s.

This decision is disgraceful. As the Hon. Catherine Cusack stated, the Minister and his department have acknowledged that these programs deliver excellent results for their clients in an extremely cost-effective manner. Not only were the cuts made to the Mature Workers Program but also to the Skilled Migrant Placement Program, as other honourable members have mentioned. In correspondence only five days before the mini-budget, the Minister stated his support for the Mature Workers Program, noting that it is "an important part of the Government's effort to address the skills needs of the population of NSW." In the Hunter region, the following programs will be scrapped: the Migrant Resource Centre of Newcastle and Hunter Region Ltd, the Cessnock community training centre programs; the Wallsend-Toronto Skills Centre, the Hunter Business Chamber, the Raymond Terrace mature workers program, and Wesley Uniting Employment, which is operated by the Uniting Church in Charlestown.

In the Hunter and Port Stephens districts, there are wall-to-wall Labor members, but what have they done about this? What have they done on behalf of mature aged workers and skilled migrant workers? They use platitudes in their press releases. The honourable member for Maitland said that he has made inquiries about the program, why it has been abolished, and what can be done to save it. Please! He has made inquiries, good on him—what a passionate call by a Labor member! In the *Maitland Mercury* he is reported as saying that any scheme which helps mature aged people get back into the work force is extremely valuable, but he has apparently forgotten that statement, as commonly occurs with Labor members. When they drive down the F3 and cross the Hawkesbury River bridge, something comes over them.

The Hon. Catherine Cusack: They become members of Sydney Labor.

The Hon. ROBYN PARKER: Yes. Suddenly they are Bob Carr's men in Macquarie Street rather than representatives of their community. I have not heard a passionate plea being made by the Hunter parliamentary representatives, and neither have the mature aged workers and the skilled migrant workers. The Mature Workers Program and the Skilled Migrant Placement Program have been axed because the Government wastes money, it is an incompetent fiscal manager, and is that not a great message to send to the community! The Coalition is taking on this important issue and is pleased to offer support for the Greens motion. We do not regard mature aged workers and skilled migrant workers as so devalued that they should be thrown onto the scrap heap. We regard those programs as important and valuable. On behalf of unemployed people I wholeheartedly offer my personal support and endorse the support already pledged by the Hon. Catherine Cusack on behalf of the Coalition for mature age and skilled migrant workers and for this motion.

Reverend the Hon. FRED NILE [12.23 p.m.]: The Christian Democratic Party supports the motion "to condemn the Carr Government's decision in the recent mini-budget to axe the Skilled Migrant Placement Program and the Mature Workers Program". Both programs have produced excellent results for a minimum of expenditure and represent real grassroots support for unemployed people, particularly migrants and persons in the mature workers' category. Honourable members are aware of the employment situation. In many companies when downsizing takes place, it is mature workers who are downsized and made redundant. Suddenly persons who have been acting as a manager in a particular field find that they no longer have a job and have to undertake a program to develop skills in another field so that they will still able to contribute to our society.

In the past 15 months, more than 5,500 overseas migrants have been given assistance to secure employment through the Skilled Migrant Placement Program and to assist them to become active and contributing members to our Australian community. The Mature Workers Program has served over 12,000 clients in the past nine months to provide them with vocational training and to update their skills.

During the inquiry I chaired by the General Purpose Standing Committee No. 1 into the 2004 mini-budget, valuable information was received from Mr Gary Moore, the Director of the Council of Social Service of New South Wales [NCOSS], who has experienced both sides of the political coin. Until recently he worked for the Government and then moved back into working for the non-government social service area in NCOSS. He was very critical of the Government's decision. He said that it was not only bad to cancel these programs but that the programs had been the most highly effective and highly successful programs that had operated in this State since 1989.

Although the Government is to be congratulated on having implemented these two effective programs, it has suddenly, and out of the blue, cancelled them. Obviously Treasury made this decision. It was clear that the public servants involved in administering these programs were as shocked as everybody else because they had made no recommendation for these programs to be cancelled. They found out about it only when the mini-budget was announced on 6 April 2004, just like everybody else.

The sad aspect of the Government's decision is that such a small amount of money is involved. Mr Moore pointed out during his evidence to the committee that the programs cost only $5.5 million a year out of a total portfolio budget of $19 billion. The savings aspect is out of all proportion to the damage that has been caused to the community. What so-called savings will result from this Government's decision? This decision has all the hallmarks of a policy that is being run from Treasury. It seems that Treasury officials examined programs that could be dropped to decrease the Government's responsibility, and programs have been scrapped without a moment's consideration being given to the outcome or whether the Commonwealth Government will take them up.

Only a small amount has been allocated in the Commonwealth Government's budget for mature workers, and there is no sign of any intention on the part of the Commonwealth Government to take up the running of these programs. In contrast, the Premier of Victoria, Mr Bracks, the Premier of Queensland, Mr Beattie, the Premier of Western Australia, Mr Gallop, and the Premier of South Australia, Mr Rann—all Labor State Premiers—have increased their spending on similar programs. They did not cancel them and they did not advance the argument that these programs are a Federal Government responsibility. In recent years, the other Labor States have increased expenditure on similar programs. Recently Premier Bracks announced a new Victorian skilled migrant strategy and I understand that South Australia will announce one shortly.

This Government's decision is a riddle. It makes no sense politically for the Government to axe these programs and it certainly does not make sense in terms of the harm that cancellation of these programs has caused to people who will no longer receive assistance. Of equal concern is that the skilled people who were doing such a wonderful job in running the programs are also being thrown onto the scrap heap. They, too, are now unemployed. If the Government reverses its decision in six months or twelve months, all those skilled people who have run the programs will have to be relocated. It is far better to make an emergency grant now so that the people who are running the programs will be able to continue to do so and the skilled trainers and organisers will be able to continue their very valuable contribution to this State than it will be to recommit to the programs later.

The Hon. CARMEL TEBBUTT (Minister for Community Services, Minister for Ageing, Minister for Disability Services, and Minister for Youth) [12.28 p.m.]: I oppose the motion that has been moved by Ms Sylvia Hale. All the speakers who have so far contributed to this debate have failed to recognise that difficult decisions have had to be made by the New South Wales Government. The Government, the Treasurer and the Minister responsible for these programs have made it very clear that difficult decisions have had to be made as a result of cuts that have been imposed on this State by the Commonwealth Government—cuts worth $376 million a year. No-one disputes that those cuts have been made. Speakers who have contributed to this debate might have more credibility if they had joined the campaign to advocate on behalf of New South Wales residents to have these cuts reversed. Did we see John Brogden anywhere near that campaign? No, we did not.

The Hon. Catherine Cusack: This has got nothing to do with Commonwealth cuts.

The Hon. CARMEL TEBBUTT: John Brogden failed to make any representations on behalf of—

The Hon. Catherine Cusack: Nobody believes you, that's the problem.

The DEPUTY-PRESIDENT (The Hon. Amanda Fazio): Order! The Hon. Catherine Cusack is called to order for the first time.

The Hon. CARMEL TEBBUTT: No-one denies that we have lost $376 million in funding through the Commonwealth Grants Commission process; it is there in black and white. But did John Brogden choose to join the campaign? No, he did not. Did we see the Greens advocating on behalf of the residents of New South Wales not to lose this funding? No, I recall that we did not. The Government has clearly acknowledged that in a range of areas we have needed to make some hard decisions—decisions we would have preferred not to make had the circumstances been different. But New South Wales does not operate in a bubble; we do not operate in isolation from what is happening as part of our relationship with the Commonwealth Government.

The fact is that the savings required by the mini-budget are a direct result of Commonwealth actions. The Commonwealth has failed to restore the funding to New South Wales, despite representations over a significant period. I find it extraordinary that members of the Coalition can accuse the Carr Labor Government of spending money on spin and advertising given the Federal Government's current approach to political advertising. It is a fact that people cannot turn on their television set or open their mailbox without getting some correspondence or advertisement, funded by the Federal Government, that is politically motivated.

If the Federal Government were to transfer to New South Wales the funding it provides for that politically motivated advertising, to cover the loss of funding we have endured through the Commonwealth Grants Commission, we might all be a little better off. I, along with many others, find it absolutely offensive the way the Commonwealth Government is spending so much of taxpayers' money to try to secure its own re-election. We all know what it is about—the glossy advertisements, wrapped in plastic, being delivered to our mailboxes. People cannot watch the football or any other high-rating program without enduring advertisement after advertisement promoting Commonwealth Government initiatives—and they are not even honest.

The Commonwealth Government should remove those advertisements; they are not fooling anyone. People know what the Commonwealth Government is on about; they know it is all politically motivated. People know it is in the lead-up to an election environment. If the money had been given back to New South Wales to cover the Commonwealth Grants Commission cuts, this State would be a lot better off and we might not have had to make some of the decisions we have made. I turn now to the programs referred to in the motion. We need to recognise that employment and integration services are clearly a Commonwealth responsibility; they are not the responsibility of the State Government.

The Commonwealth invests funds in its Job Network services to assist people to get jobs. We know the problems that the Job Network services had, and we know about the way the Commonwealth had to pour additional funding into those services to prop them up because of the disastrous decisions it made regarding the way the Job Network services system operates. All Australians who need employment assistance should be able to get help through the Job Network; that is what it is there for. However, the State Government should not be expected to step in should the Commonwealth's Job Network fail to provide an adequate service to all who need it. The State Government is not resourced to do it, and it cannot do it—particularly when we have had to endure ongoing savage cuts from the Commonwealth Government.

I remind members not only that the Commonwealth has cut funding to New South Wales by $376 million this year but that that funding cut is on top of a $153 million cut last year and a $200 million cut the year before. These are funds we need to run schools, hospitals and our transport system. The arcane formula the Commonwealth applies through its Grants Commission has allowed $1.9 billion to flow away from New South Wales over five years to subsidise other States, including Queensland, with smaller populations and far less pressing demands in terms of health, education and other infrastructure. Faced by this massive cut in Federal funds, the New South Wales Government's April mini-budget reduced spending by $365 million across the State's public sector—and that included the $3.21 million Mature Workers Program.

Rather than continuing to fill gaps in the Commonwealth's employment servicing responsibilities, these funds are being redirected to the pressure points in the New South Wales economy. We have no choice. The closure of the Mature Workers Program does not mean that the New South Wales Government is not committed to meeting the needs of older workers. We will continue to meet the skill needs of older workers through the delivery of high-quality vocational education and training programs through TAFE NSW, the adult and community education sector, and the private training sector.

I want to emphasise that the decision to close the Mature Workers Program is not a reflection on the program itself, the organisations that it funded, or the contribution they have made to helping unemployed mature-age people since the program's inception. In recognition of the effect of this decision on the 62 mature workers projects that operated across the State, my colleague the Minister for Education and Training has implemented various measures to ease the closures. The Minister has extended funding agreements for three months for the projects that need additional time to wind up their services. Training assistance has been offered to enable the project co-ordinators to gain a national qualification in employment servicing. This will help those who are not being transferred to other responsibilities within their sponsor organisations to secure future employment.

The Skilled Migrant Placement Program was part of the Migrant Skills Strategy that the New South Wales Government funded with a recurrent budget of approximately $2.4 million per year. As a result of the cuts imposed on New South Wales, the Government announced as part of its mini-budget measures that it would no longer be able to fund the Skilled Migrant Placement Program. Immigration programs are clearly a Commonwealth responsibility, and the New South Wales Government cannot continue to fund this program.

To ensure continuity during this transition period, and to provide additional support to former clients of the Skilled Migrant Placement Program, the Department of Education and Training has provided resources to ensure the continuation of two important departmental publications. The publications, "Using Overseas Skills" and "Handbook for Migrants", will continue to provide a valuable resource to both community organisations and clients of the Skilled Migrant Placement Program.

The Ethnic Communities Council has agreed to continue producing these publications, and the department will provide seeding funding of $80,000 to assist the council. There are currently 18 projects funded under the Skilled Migrant Placement Program. The Government acknowledges the work of organisations funded through this program, and the department is assisting staff affected by the decision. This includes the provision of payments for the training and professional development of outgoing skilled migrant placement officers.

In conclusion, I reiterate that these decisions result from savage cuts experienced by New South Wales at the hands of the Howard Government. In this environment, projects such as those that are directed at employment and integration services should be funded by the Commonwealth. I call on all members of this House to join in the campaign urging the Commonwealth to restore the funding that has been taken from New South Wales, so we do not need to make the types of decisions we have had to make through the mini-budget.

The Hon. JENNIFER GARDINER [12.37 p.m.]: I have pleasure in supporting the motion and my Opposition colleagues. Only a few months ago the Labor member for Tweed, Mr Neville Newell, lauded the Mature Workers Program. He said it was a good program, and he encouraged people in the Tweed who were eligible to take part in it to come forward and apply for assistance. He did this in his local newspaper column. Then, in the Labor Government's mini-budget, the Mature Workers Program was wiped out! Have the people of the Tweed electorate heard a peep out of Mr Newell in protesting about the scrapping of the program? I do not think so.

Ms Sylvia Hale: He's too busy speaking about the closure of the rail line.

The Hon. JENNIFER GARDINER: Exactly. As Ms Sylvia Hale said, the member for Tweed, on behalf of his constituents, has been very busy—although, we have not been able to see any evidence of it—trying to get the railway service reinstated. I do not think he has been successful. However, certainly he has not piped up about the abolition of the Mature Workers Program, which he lauded as a good program. The Tweed has a higher than average unemployment rate—

Ms Sylvia Hale: It's got the oldest population in the State.

The Hon. JENNIFER GARDINER: It also has the oldest population in the State. It is therefore an excellent idea, as other members have said, to have these grassroots programs to try to build up people's skills so they may participate in the work force and earn a livelihood as contributing members of our tax base, as most people want to do. In reply to the motion the Minister bleated that difficult decisions had to be made in the mini-budget because of Federal decisions. Of course, we have heard it all before, but I do not think people still believe that propaganda. The Labor Government in New South Wales is always shifting the blame. The people who are affected by this decision are not that easily fooled, and although they are soft targets, in the end soft targets still get the right to vote; they have not yet been able to abolish that right.

The time will come when the State Labor Government will be brought to account for its own budget mismanagement and its own decisions, such as this—and that cannot come soon enough, especially for the people of the Tweed electorate who, in the one mini-budget, lost their rail service and this program at the same time—as well as all the other taxation decisions that affect the cross-border competitiveness in the Tweed, vis-a-vis the more business-friendly tax, work and business environments in Queensland. With those few words I support the motion. I trust that the House will agree with the majority of the speakers that the Government should be condemned for axing the Skilled Migrant Placement Program and the Mature Workers Program.

Ms SYLVIA HALE [12.40 p.m.], in reply: I thank all members for their contributions to the debate. The Opposition and the crossbenchers—but unfortunately not the Government—obviously share the view that the axing of these programs is an extraordinarily foolish and short-sighted act. I am always bemused when a member of the Left of the Labor Party has to defend the indefensible. Even in their own constituencies they are prepared to support the axing of programs in areas such as Marrickville, which has a very high proportion of non-English speaking workers and certainly a high proportion of mature-age workers. Actions such as this persuade me that my decision many years ago to leave the Labor Party was correct. At the moment members are leaving the Labor Party in droves because of these unprincipled decisions—decisions that I and obviously many others believe are completely contrary to what many members of the community expect of a Labor government. Turning to the specifics of the Minister's remarks, she suggests that employment and immigration are Commonwealth responsibilities. No-one has ever disputed that. However, one thing that is the responsibility of the State is education, and since 1989 these programs have been funded by the Department of Education and Training. They are not programs that have been funded under the heading of immigration or employment; they are education programs. They are designed to train people so they can go out and obtain a job.

The Hon. Catherine Cusack: They want to educate only Anglo-Saxon young people.

Ms SYLVIA HALE: Absolutely, Anglo-Saxon yuppies. The Government does not care about people who are poor, people who are older, and people who are out of a job or have been retrenched. It just wipes them off; it will not lift a finger to get them back into the work force. But it is ironic that the Minister for Community Services should be speaking up in defence of this act because, after all, it is the Minister's department that is going to have to pick up the pieces. It is her department that is going to have to deal with the depression, the despair and the desperation that results from people having been thrown out of a job and having lost their accommodation, or suffering psychological or mental illness. We see families who have broken up as a result of unemployment as a direct result of this Government's determination that it will no longer do anything to help those people.

As the Hon. Catherine Cusack pointed out, these are nothing more nor nothing less than political cuts. No advice was received from the department as to the appropriateness of these cuts. When I met representatives from the department at the offices of the Council of Social Service of New South Wales it was obvious that they were scrambling to try to explain what had happened. But it is very true, as the Hon. Catherine Cusack pointed out, that the Government has selected a soft target, people who cannot fight back. And as the Hon. Jennifer Gardiner indicated, those soft targets cannot fight back because they are located in rural areas or they are dispersed across the city, and in some cases their command of the English language is not great. These are people who cannot fight back, who cannot respond, who do not have the resources of the Government behind them. It is easy for the Government to select people such as this, people who, it believes, will not cause it any political embarrassment.

I believe the Government's actions are indefensible. No-one with a jot of a social conscience could say that it is rational or reasonable for the Government to axe programs that cost $5.5 million in the context of a departmental budget of $10 billion when one considers the consequences on a personal level for individuals who will no longer receive assistance, and also the longer-term economic welfare of this State and its improvement. We should not abandon people who have skills and who have much to contribute to the economic well-being of this State. But we are abandoning them, we are turning our backs on them and we are saying that there is no longer room for them because they are old or because they are not native-born Australians. To further suggest that it is all the Commonwealth's fault because the State has lost $376 million in the context of a $10 billion State budget for education and training—

The Hon. Catherine Cusack: A $19 billion budget altogether.

Ms SYLVIA HALE: A $19 billion budget altogether. The $5.5 million is really peanuts—the money that is saved will end up costing us all so much more in the long-term consequences. I thank all members for their contributions and urge them to support the Greens motion.

Question—That the motion be agreed to—put

The House divided.

Ayes, 22

Mr Breen	Ms Hale	Mr Pearce
Dr Chesterfield-Evans	Mr Jenkins	Ms Rhiannon
Mr Clarke	Mr Lynn	Mr Ryan
Mr Cohen	Reverend Dr Moyes	Dr Wong
Ms Cusack	Reverend Nile	
Mrs Forsythe	Mr Oldfield	*Tellers,*
Mr Gallacher	Ms Parker	Mr Colless
Miss Gardiner	Mrs Pavey	Mr Harwin

Noes, 17

Ms Burnswoods	Ms Griffin	Ms Tebbutt
Mr Catanzariti	Mr Kelly	Mr Tingle
Mr Costa	Mr Macdonald	Mr Tsang
Mr Della Bosca	Mr Obeid	*Tellers,*
Mr Egan	Ms Robertson	Mr Primrose
Ms Fazio	Mr Roozendaal	Mr West

Pair

Mr Gay	Mr Hatzistergos

Question resolved in the affirmative.

Motion agreed to.

BUDGET ESTIMATES AND RELATED PAPERS

Financial Year 2004-05

The Hon. TONY KELLY (Minister for Rural Affairs, Minister for Local Government, Minister for Emergency Services, and Minister for Lands) [12.55 p.m.]: According to the resolution agreed to today, I indicate to the House that the budget debate will be resume at 2.30 p.m. this day.

BUSINESS OF THE HOUSE

Suspension of Standing and Sessional Orders

Motion by the Hon. Michael Gallacher agreed to:

That standing and sessional orders be suspended to allow a motion to be moved forthwith that Private Members' Business Item No. 119 outside the Order of Precedence, relating to the 2004-05 budget, be called on forthwith.

Order of Business

Motion by the Hon. Michael Gallacher agreed to:

That Private Members' Business Item No. 119 outside the Order of Precedence be called on forthwith.

BUDGET DOCUMENTS

The Hon. MICHAEL GALLACHER (Leader of the Opposition) [12.56 p.m.]: I move:

That, under Standing Order 52, there be laid upon the table of the House within 14 days of the date of the passing of this resolution all documents (excluding Cabinet documents) in the possession, custody or control of the Treasurer or any Minister or any government department or agency in relation to the 2004-2005 Budget, including:

(a) any documents that assess the state of the property market and prospective developments in the property market,

(b) any documents that assess or detail the fiscal (budgetary) position of the Government and prospective developments in the budgetary position (i.e. forward estimates), including any spreadsheets or other models of the Government's financial position,

(c) any documents that assess the state of the New South Wales economy and prospective developments in the economy (including forecasting models),

(d) correspondence between agencies regarding capital or recurrent expenditure for 2004-05 and future years,

(e) any documents identifying savings to be realised by any government department or agency,

(f) any documents provided to individual members of Parliament outlining proposed appropriations (capital and recurrent) for individual electorates (including any briefing papers on budget funded activities and capital works occurring in individual electorates) and proposed capital appropriations across the State,

(g) any documents, including correspondence between agencies, regarding revenue estimates or revenue measures for 2004-05 and future years, including taxation, operating revenues, fees, fines and charges, and Commonwealth grants,

(i) any documents relating to dividends and tax equivalent payments to be received from the public trading enterprise (PTE) sector, and

(j) any document which records or refers to the production of documents as a result of this order of this House.

Yesterday I gave notice of this motion, which calls on the Treasurer to lay upon the table all documents relating to the 2004-05 budget. A number of members on the crossbenches raised concerns about the fact that massive amounts of paper—if we are to believe the words of the Treasurer—could be brought into this House, which would call into question the effectiveness of Standing Order 52. I have considered the original Standing Order 52 and I have spoken to members of the crossbenches and the Government about it. They have all expressed general agreement to my proposal to amend Standing Order 52.

The Hon. Don Harwin will move an amendment to my motion to streamline the Opposition's requirements. I look forward to the support of all honourable members to achieve that result. At the end of the day this issue is all about accountability and transparency. In the past the Government has been dragged kicking and screaming to the table to achieve those results. The Opposition achieved some success in relation to the mini-budget and it is hoping to achieve similar success in relation to these budget papers. That will lead to the further development and maturation of the role of the Legislative Council as a House of review. I commend the motion.

The Hon. DON HARWIN [12.58 p.m.]: As foreshadowed by the Leader of the Opposition, I will speak briefly and, in doing so, I will move an amendment to meet the spirit of the remarks made by the Leader of the Opposition. I move:

That the question be amended by omitting all words after "resolution" and inserting instead:

the following documents (excluding Cabinet documents) in the possession, custody or control of the Treasurer or NSW Treasury in relation to the 2004-05 budget:

(a) any documents, excepting any budget papers tabled in Parliament, provided to individual members of Parliament outlining proposed appropriations (capital and recurrent) for individual electorates (including any briefing papers on budget funded activities and capital works occurring in individual electorates) and proposed capital appropriations across the State,

(b) any documents, including correspondence between agencies, regarding revenue estimates for 2004-05 and future years, for land tax, transfer duty and vendor duty, and

(c) any document which records or refers to the production of documents as a result of this order of the House.

I commend the amendment to the House.

Amendment agreed to.

Motion as amended agreed to.

[*The President left the chair at 1.00 p.m. The House resumed at 2.30 p.m.*]

BUDGET ESTIMATES AND RELATED PAPERS

Financial Year 2004-05

Debate resumed from 22 June.

The Hon. MICHAEL GALLACHER (Leader of the Opposition) [2.29 p.m.]: The 2004-05 budget handed down by the Treasurer is another testament to the economic mismanagement of the Carr Labor Government. Many had doubts about the Government's economic management prior to the 2003 election and these concerns have been confirmed, as evidenced by last year's budget, the so-called mini-budget and now the 2004 budget. This may be Treasurer Egan's last budget because when the Premier retires from this Parliament the Treasurer will be sure to follow. That will probably happen next year. We can be certain that the Minister for Transport Services has dreams and aspirations of becoming the next Treasurer of the State—and I am sure that the current Treasurer would support him in that ambition.

The Minister for Transport Services would love to one day be responsible for the State's budget, as he likes to portray himself as an effective economic manager. But he is one-dimensional. He is yesterday's manager: someone who focuses purely on the dollars and the economic bottom line. As evidenced by his approach to CountryLink services, the Minister loses sight of the fact that his decisions have environmental and social impacts. But he is not interested in considering other options beyond that which drives him: trying to make the balance sheet look better than it is. The Minister inherited from Carl Scully a public transport system that was on the verge of collapse but if we consider the current state of transport and ask whether things have improved, unfortunately the answer is no. The same "fix when fail" mantra applies to the Minister for Transport Services in the same way as it applied to his predecessors. There is nothing new in this budget and no vision regarding the effective expansion of our public transport system. In fact, most of the so-called new projects are reannouncements. As far as the Minister for Transport Services is concerned, this budget confirms his desire to be Premier. That is his primary focus in addressing the State's public transport issues.

The legacy of the Carr Government will be recorded as being one of cover-up, mismanagement of public resources and waste of public moneys. As for this budget delivering public transport outcomes, the result is not good. Will this budget make trains run on time? No, it will not. Will it restore train services cut by this Government? No, it will not. Perhaps the position of New South Wales Treasurer is not looking as attractive to the Minister for Transport Services as it once did. The editorial headline in the *Sun-Herald* just prior to the budget said it all: "Egan's legacy—run-down services for budget surpluses". That is nowhere more evident than in the State's public transport system. The poor safety record of our public transport system highlights the need for an effective and independent safety regulator, particularly in relation to investigating accidents and incidents in our transport system.

However, Budget Paper No. 3, Volume 2, reveals that, while staffing for the regulatory arm of the Independent Transport Safety and Reliability Regulator has increased substantially from 48 to 63, the investigative arm, whose vital role is to conduct independent and rigorous investigations of accidents and incidents affecting public transport, has funding for only 10 staff. It previously had only 6 staff. While the effective regulation division of the regulator has more than 60 staff the key front-line unit that conducts safety investigations has only 10. That is not a satisfactory state of affairs when one considers that those 10 officers have the huge task of investigating all accidents and incidents that affect our rail, bus and ferry systems; managing the Confidential Safety Information and Reporting Scheme, as well as notifying industry about safety issues; and—as if it did have enough on its plate—monitoring national and overseas safety investigations.

The staffing problem becomes even more apparent when one considers that the third arm of the Independent Transport Safety and Reliability Regulator, the service reliability division, also has 11 staff. The division is described as having responsibility for advising the Government and the community about the extent to which transport operators are meeting their service obligations. It also identifies lead indicators of essential safety risks. This unit of spin doctors, which is accountable to the Minister and to the Government, has 11 personnel. I remind honourable members that the safety unit has 10 staff. It is completely outrageous.

Let us examine specific transport modes in relation to the budget, starting with our rail system. The rail system and our trains form the major component of public transport in this State. RailCorp has inherited the financial problems of its two parent organisations, the former State Rail Authority and the Rail Infrastructure Corporation. That was clearly revealed in the leaked April 2004 budget review. The merger was supposed to result in savings of $93 million. However, the document revealed that RailCorp's proposed expenditure

exceeded its proposed Treasury budget allocation by $355 million. The document also revealed that RailCorp's group general managers were told to try to slash their proposed expenditure immediately in an attempt to bring it back into line with the Treasurer's budget allocation. The document says of the merger:

> Not only is there no net reform, costs are increasing substantially.

It is particularly interesting that, while our rail system needs substantial urgent expenditure, about 60 RailCorp staff will be paid more than $100,000 a year and at least six have salary packages worth up to and over $269,000 a year. I said at the time that the end result of this blow-out would be permanent cuts to weekend and night rail services; unmanned and undermanned railway stations, particularly at night and on weekends, as a result of reduced staffing and cuts to staff overtime; cuts to the maintenance and upgrading of rail lines; increased enforcement of rail fines to bring in more revenue; blow-outs in the delivery of new rolling stock and easy access upgrades at stations; and cuts to upgrades of railway level crossings. I cannot emphasise strongly enough that a number of these fears have already been realised, and this budget will produce even worse outcomes for the people who use our transport system.

Last year the Government killed off the Parramatta to Epping section, or stage two, of what was supposed to be the Parramatta to Chatswood rail link. The Coalition also revealed that the Government was still quoting a total project price of $1.621 billion in year 2000 dollar values, undoubtedly in an attempt to hide the true cost of the project. A year later there is no longer any pretence on the part of the Government as to the name of the project, which is now called the Chatswood to Epping rail link. But when it comes to finances we are still seeing the same level of cover-up. Last year the total project price was quoted in year 2000 dollar values but the total price estimated in this budget, $2.038 billion, is in 2008 dollar values.

The Minister for Transport Services is attempting to predict inflation over the next four years. I ask the Minister: How exactly does either he or the Treasurer determine a figure in 2008 dollar values and, for that matter, why did the Government use year 2000 dollar values in last year's budget? Why not use 2004 dollar values as the Treasurer has done in every other budget line item? Is the Minister trying to cover up the $417 million blow-out in the project? I suspect the real reason is the Treasurer attempting not to be an economic fortune teller but to hide the real cost of the project from the communities of northern and western Sydney, which have been let down by this Government yet again.

The saga of the Millennium trains continues in this budget. The project cost has already blown out by more than $117 million. Funding of almost $102 million is provided in the budget to finalise stage three. The Minister announced originally that the Government might not end up proceeding with stage three of the project for 60 Millennium carriages and that 60 new carriages could be produced instead, as part of the 498 new suburban carriages announced in the mini-budget. That would give us yet another type of rolling stock on the network, further adding to the complexity confronting it.

Later still we were told that stage three of the 60 Millennium carriages might go ahead, depending on the cost. Last week in the House the Minister effectively said "Don't look at me, it is a matter for the RailCorp board." The Minister is attempting to distance himself from Millennium trains as fast as his legs can carry him. Neither the budget nor the Minister tells us anything new. With those comments, I turn to the first of the Government's big rail items, the 498 carriages being funded by a public-private partnership. When the Treasurer delivered his mini-budget earlier this year, one of the big ticket items announced in transport services was a $1.5 billion injection for 498 new suburban rail carriages to finally replace the remaining non-airconditioned carriages.

At the moment there is a medley of about five different trains on the suburban electrified CityRail network: R and S sets, K sets, C sets, Tangaras and now some Millennium trains. The R and S sets are in urgent need of replacement. The new design is supposed to be simpler and not over-engineered, but we have not yet seen any details of the design. Speaking of details, there is no line item in Budget Paper No. 4 for the 498 carriages. There is only a quick repeat of the Government's spin in Volume 2 of Budget Paper No. 3 with no other details. Given the need to get this process under way as soon as possible, particularly the tender and design stage, this is a serious cause for concern. In April the Treasurer costed the 498 carriages at $1.5 billion, but he did not tell us that RailCorp had to borrow the money. Apparently they are to be funded via some kind of public-private partnership.

To the long-suffering commuters who are supposed to benefit from these new carriages I say: Do not trust what the Treasurer or Minister Costa have said in the past; there is nothing new in the budget about them; until you see new trains stopping at stations to take you to and from work each day you simply cannot trust this

Government to deliver them. The Millennium train experience has clearly confirmed that, and so does the 2004 budget. The Government cannot successfully design these new trains from scratch, fund them and have all 498 of them carrying passengers by 2010.

Another major mini-budget announcement affecting the rail network was the $1 billion Rail Clearways Program. Unlike the new rolling stock, there is a line item for the program, with an allocation of $80 million for 2004-05. However, RailCorp's Clearways estimates provided to Minister Costa on 5 April indicates that the funding of $82 million should have been allocated to a variety of projects. Whilst most of the major elements for the first year of the program are present—for example, the Bondi turnback and platform 5 at Hornsby—it appears that the first stage of the Liverpool turnback, which should have had a $1 million allocation for 2004-05, has not yet been funded. The same can be said for the start of the upgrading to four tracks of the line between Kingsgrove and Revesby, which also should have had a $1 million allocation for 2004-05.

However, what has occurred with the Rail Clearways Program is nothing new. Honourable members need only cast their minds back to 2001 when Ron Christie, who was then Co-ordinator General of Rail, conducted an investigation on behalf of the Government and identified that Clearways was a high priority to avoid the imminent gridlock that he could see on the horizon in 2001 and that the Government needed to act. The Government and Carl Scully did not act, of course, and it has taken until 2004 for the ball to start rolling. The sad thing is that after the gross inconvenience and disruption of the lives of the travelling public in the past 12 months we still have to face six years of complete and utter frustration and disruption between the beginning and completion of the Clearways project. It will be a total of at least seven years, and possibly longer, of complete bedlam on our rail system. Had the Government acted in 2001 when Ron Christie identified Clearways as a high priority, we would be halfway through the pain caused by the Government's neglect and mismanagement.

Easy Access upgrades that provide vital improvements to railway stations are also neglected in this budget. The upgrades add safety-enhancing facilities such as lifts, ramps, tactile tiles and wheelchair-accessible toilets. In its 2003 election policy the Australian Labor Party promised to upgrade at least 24 more stations, yet in last year's budget 14 of them had not been funded. This year 11 of them have still not been funded: Eastwood, Seven Hills, Merrylands, Auburn, Meadowbank, Broadmeadow, Carlton, north Wollongong, Penshurst, Bowral and Turramurra.

It is apparent to me from this budget and having listened to Government members since the mini-budget and earlier that the Government lacks vision. To use a train analogy, it has run out of steam. It has no purpose other than to try to deal with its neglect of many years. The budget is about trying to maintain the current system because the Government simply has not addressed that neglect for nine years. We have a bandaid solution rather than a visionary approach to rail future. There is no mention of high-speed rail links. That is not good news for the people of the Central Coast, the Illawarra and the outlying areas of the Sydney metropolitan area, who have been promised those links time and again.

The budget continues to neglect rail infrastructure, particularly in regional areas. The lease agreement with the Australian Rail Track Corporation has to a large degree got Minister Costa and the Government off the hook in relation to many aspects of rail infrastructure maintenance in regional New South Wales. However, the $64,000 question when it comes to rail maintenance is: What has happened to the money that was supposed to have been allocated last year and this year to future rail maintenance, which is arguably $200 million, possibly more? The money was to be injected into the rail system. Where has it gone? We acknowledge that the Government has put back some money for maintenance of the country regional network in 2004-05, but it is still $90 million short. I can assure the Minister that $90 million could be put to very good use.

Railway level crossings are another key component of our transport sector that require urgent attention, but nothing of any substance is being done in relation them. On 4 May there was another tragic fatality at the railway crossing at Baan Baa near Boggabri. We are told that RailCorp ranked the crossing as number 100 on its list of priorities. Some 391 crossings around the State require safety improvements, yet the budget allocated only $18 million for 50 sites identified for improvement. That sum will not go far at all. It most certainly will not address the issues at Adamstown, which are a real concern to the people in that area—as the Minister would know, being the Minister for the Hunter— where there was a recent fatality involving an elderly lady. There is no doubt that is a significant matter that needs to be addressed, but once again it is overlooked in the budget.

Huge cuts will be made by the Government to CountryLink passenger services. The writing has been on the wall since last year when the Parry report recommended replacing some CountryLink rail services with

coaches. The Government had spoken about a 12-month reprieve but it did say that as soon as the opportunity presented itself the Casino to Murwillumbah line would be cut. There has been considerable debate in this Chamber about the approach of the Government to the people of the Tweed between Casino and the border. It is absolutely disgraceful, and the people of the Tweed will not forget. The Hon. Jennifer Gardiner and the Hon. Catherine Cusack will continue to listen to the concerns of residents in that area and raise them in this Parliament so that Government will not forget. It might try to run away but we will not let it do so.

In relation to the replacement of CountryLink rolling stock, namely the XPTs and Xplorers, the XPTs are due for replacement in about 2010, as identified in the Parry report, but no plan of action has been spelt out by the Government to ensure that the replacement program is under way before that time is reached. The only mention in the budget is $23 million towards refurbishment of the XPTs. All that will do is give some lucky carriages a fresh lick of paint and some strategically positioned air fresheners to try to give the appearance of something new and modern. However, at the end of the day, the Government will simply need more money to replace the XPTs and Xplorers, consistent with their use-by date.

While I am dealing with CountryLink I should point out that, while the Government bleats on about how Queensland has done the dirty on New South Wales, it has yet to explain to the people of New South Wales how it could give a Queensland-based company, which does not even have a base in New South Wales, the CountryLink contract for the Casino to Murwillumbah line. It is an absolute disgrace for the Government to whinge about Premier Beattie doing terrible things to New South Wales while at the same time it has allowed a Queensland company to rip money out of New South Wales through CountryLink. The Government is simply not prepared to give the people of New South Wales an answer. Again, it underscores not only the Government's hypocrisy but its attitude towards the people of the Tweed.

Funding for government-operated State Transit bus services is yet another concern in the budget. Last year Labor's election policy contained a promise of an additional 320 environmentally friendly, airconditioned, low-floor, wheelchair-accessible buses for Sydney. That little piece of policy was all about ensuring that Labor got the Greens preferences at the election. However, the Government does not need the Greens preferences today or for least another three years. In the meantime it will scrap that policy and, instead of having environmentally friendly buses, it will reintroduce and expand the diesel bus program. The Minister will claim, of course, that diesel buses are clean, fluoro free, and all the rest of it. However, at the end of the day the Government did a deal with the Greens. That agreement was one of the foundations upon which Labor secured the Greens preferences at the State election. We will have all these environmentally friendly buses on the roads, but read the first and second budgets after the election to see how things have started to change. Last year we had confusion in the budget, and it is continuing to unfold before our eyes. Now we know that the Government has no intention of fulfilling the agreement it made with the Greens prior to the election campaign.

As for bus priority measures and bus lanes, again there is absolutely nothing of significance in the budget. The Government's response to this issue was lukewarm, and in this budget only $20 million, which includes $15 million supplied by the Roads and Traffic Authority, has been provided for bus priority measures—an increase of only $5 million from last year. It is fairly obvious that this is not a priority for the New South Wales Government, although it is most certainly a priority for the people of New South Wales, who want improvements in buses. The corporatisation of Sydney Ferries takes effect from 1 July this year. In the budget no funding has been allocated to plan for the purchase of new vessels as part of the fleet renewal. Doubts have already been raised about the future of some services, such as the Parramatta RiverCat, and, as with CountryLink's rolling stock, long-term planning is needed for fleet renewal at Sydney Ferries, particularly given the age of some vessels. Obviously, that is not occurring. No doubt the Government is not interested in renewing our ferries.

Another hat I wear is that of shadow Minister for the Hunter. Nowhere is it more evident that the Government has let down the people of the Hunter than in the disgraceful way it conducted itself over the Austeel project. No doubt the Government teased the people of the Hunter for some years leading up to the 2003 election campaign. It was absolutely disgraceful. However, what galls the people of the Hunter the most is that the Premier spoke about the $240 million allocated for infrastructure as being necessary not only for the Hunter but also for the people of New South Wales. As soon as the Austeel project was exposed as nothing more than a scam played out on the people of the Hunter, not only did the Austeel project disappear but so too did the $240 million. The only money spent on the project was $20 million, most of which was used by the Government as it obfuscated and played for time. The Government used that money for late payments to Austeel and for legal fees.

The Hon. Patricia Forsythe: And to reannounce it.

The Hon. MICHAEL GALLACHER: It has announced and re-announced the project so many times we have lost count. What the Government did to the people of the Hunter was absolutely disgraceful. The Austeel project will hang around the necks of Labor members in the Hunter for many years to come. Once again police stations in the Hunter have been left out of the budget. I remember standing outside Raymond Terrace police station in 1996 when I was a backbencher talking about the allocation of money to build a brand new police station there. In previous debates in the Chamber the former Minister for Police, the current Minister for Transport Services, continued to play games in relation to Raymond Terrace. Promises were made about money being taken away from Raymond Terrace to build a new super station at Waratah that would service the entire region. What happened?

The money disappeared, the super station at Waratah never saw the light of day and, more importantly, the police of Raymond Terrace are still working in appalling conditions. To put it simply, if Labor was on this side of the Chamber it would have called the union in and it would have been the end of the world as they knew it. The police have to put up with a disgraceful situation. What is worse, they have a local member who simply does not care or has no idea. It must be one or the other, because the issue is black and white for the people of Raymond Terrace. This budget has, as the Treasurer likes to say, all the hallmarks of a Labor budget. It demonstrates economic incompetence in general. As for the Transport Services and Hunter portfolios in particular, the Government's mismanagement is there for all to see.

The Hon. DUNCAN GAY (Deputy Leader of the Opposition) [2.56 p.m.]: It gives me no great delight to speak on this budget because, basically, it is fairly ordinary, particularly for regional New South Wales. Labor's 2004-05 mini-budget, the budget and consequent announcements of the impending loss of jobs and front-line services in country New South Wales have come as bad news for rural communities, probably at the worst time in 100 years. Perhaps the Government has forgotten that more than 80 per cent of New South Wales is still in drought. Perhaps it has forgotten that at the moment regional families are doing it tougher than ever. To get through the drought they need more, not less, support from the State Government.

The Carr Government's tenth budget has cut hundreds of jobs in rural and regional New South Wales. Frankly, it caps off a decade of neglect of country New South Wales by the Labor Party. While this neglect spans health, education, roads and a number of other areas, in my capacity as shadow Minister for Agriculture and Fisheries I will focus today on the merger of Agriculture, Fisheries, Mining and Forestry into the new super department, the Department of Primary Industries. As the Government reiterated last Tuesday when the budget was handed down, this merger will save $37 million next year. It is also designed to save the Government $37 million from the following year's Primary Industries budget, and $58 million from the year after. Mergers should be put in place to make the delivery of more services more efficient. This merger has been put in place to remove jobs and money from regional New South Wales.

In the past few days we have seen just what kind of drastic measures the Government is prepared to take to achieve those savings. As we all heard last week, as part of these cost-saving measures Labor intends to close at least 17 agricultural field research stations and relocate staff in regional offices to centralised super offices under a top-heavy bureaucracy. These plans were revealed in a document entitled "Proposed Workforce Management Plan". This proposal confirms the intended removal of a number of specialised primary industry research stations throughout New South Wales.

Some of the agricultural research and advisory stations that have been marked for closure include: Temora Agricultural Research and Advisory Station, Lockhart and Balranald, Duck Creek Field Station, Lismore Chemical Residues Laboratory, Somersby Field Station, Gosford Horticultural Research and Advisory Station, Deniliquin Field Station and Deniliquin Agricultural Research and Advisory Station. Trangie and Wollongbar research stations' grazing lands are also going under the hammer in Old Macdonald's fire sale. When my office staff phoned around those offices they found many shell-shocked and jaded public servants—some of the best public servants in this State, and some of the most respected people in any department in this country. Those public servants were in fear of the Minister; they had been told not to talk to anyone or they would be in trouble. According to further information that has reached my office this week, the number of agricultural research offices set to close could rise to as many as 44. So, from the phone-round that we have done this week, we believe as many as 44 agricultural research offices could close, with 7 more to close in the short term and 20 in the long term. That is a good half of the department's entire number of research and field stations.

The budget revealed in black and white that more than 800 jobs will be lost due to the budget cuts to the Department of Infrastructure, Planning and Natural Resources and the merger of the New South Wales

departments of Agriculture, Fisheries, Forestry and Mining. That loss of 800 jobs to regional New South Wales results from just two decisions that are part of this budget. And the Minister is proud of that! Country Labor members are proud of the fact that the Government is cutting 800 jobs from regional New South Wales. If they were not proud of it, they would be trying to do something about it. But they have been absolutely silent. We have heard not a word from them. What a pathetic bunch they are!

The formation of the new super Department of Primary Industries alone will see 325 jobs lost. They said I was making this up, but it is in the budget papers and it will happen. Yet Mr Macdonald seems happy about this arrangement. Have honourable members ever seen a Minister happier about cutting and slashing? He got the job, the car and the title. He told *Country Hour* on Friday that he was excited to be presiding over this budget. Excited! Only one Minister in this State would be excited by the thought of families losing their jobs and being removed from their area and the closing of historic stations. The budget puts decentralisation and regional employment back decades! Mr Macdonald told *The Land* that $20 million in savings will be achieved from selling off more timber. That will leave just $17 million to axe! It seems that the $20 million in savings will be achieved by closing the 44 agricultural research stations. One can only wonder how the Government will make a further $20 million in savings from forestry. There is only one way to get an extra $20 million—sell even more timber! After getting $20 more this year from selling more timber, has he got to get the chainsaw out next year to get more timber to sell? The Minister really does not know what he is on about. I wonder whether the Greens have noticed how much timber will be cut under this proposal.

The consultation and communication process relating to the proposed structure of the Department of Primary Industries has been particularly concerning. I appreciate that the union representatives are currently working hard to ensure that the affected families are provided with as much information as possible about how these changes will affect their careers and families. As I indicated earlier, some of the most outstanding, dedicated and talented public servants in this country residing within the departments of Agriculture and Fisheries are facing the axe. What about the Labor Government's promise of community impact statements? Bob Carr promised in 1996 that any major changes proposed by government departments in rural New South Wales would be subject to a rural communities impact statement. As Mr Carr said:

> I want to be sure that the potential impact of any changes is fully understood before State Cabinet makes a decision …

That is fair comment. But has that policy been put into effect in this instance? Absolutely not. The Minister said that after the Government had decided what it is doing and after implementing this proposal, there will be a regional impact statement. That is shutting the door after the horse has bolted. It is worth nothing. It is absolutely useless. What a sham this whole process is. Mr Carr's commitment on rural communities impact statements specifically said that those statements would be presented to State Cabinet to assist in the making of any major decisions—before, not well after, their implementation. I cannot see the point of having a regional impact statement sitting in a filing cabinet somewhere, confirming in black and white the adverse effects that communities must come to grips with and the devastation that we know will happen. Small towns will lose one officer, other towns will lose the only two officers they have, and the effect will be devastating. Of particular concern are the proposed closures of the stations in Gosford, affecting 58 staff; in Deniliquin, affecting 20 staff; in Temora, affecting 36 staff; and in Grafton, affecting another 36 staff. All of those people will have to leave those towns or retire.

The closure of those stations will create huge shockwaves throughout New South Wales. Take Deniliquin, in southern New South Wales, for example. If the proposal goes ahead, that town will lose 20 jobs—that is, 20 families with combined salaries of around $1 million will be ripped out of a small town of just over 7,000 people. Even without a community impact statement, it is easy to see that the effects on that community will be severe. I am also very concerned about the many small towns set to lose their district agronomists. The effect of this could be the end of the one-on-one extension services in favour of group gatherings. At briefings, honourable members were told that there will be no more one-on-one extension services, and that the department would be changing to group services.

When I put that to the Minister on *Country Hour*, the Minister said, "No, that is not going to happen." That was a shock to those who had been briefed by the Minister's department that it was to happen. I will hold the Minister to his statement. I notice that New South Wales Farmers finally discovered that this is a problem, and I hope they continue to raise this matter with the Minister and that they too will hold the Minister to his statement.

Labor's other great betrayal of rural communities is in the Minister's claim that the offices to be closed are "under-utilised". Mr Macdonald has been Minister for a couple of years now. If he felt the offices were

being under-utilised, he should have made sure they were fully utilised. That is my first comment. But the claim that they are under-utilised is absolute rubbish. The majority of the stations marked for closure are unique and highly specialised research and front-line services. An example is the Gosford Horticultural Research and Advisory Station. This facility was recently upgraded with millions of dollars worth of new green houses and state-of-the-art research equipment. It employs 60 people, highly trained scientists, and is a world leader in horticultural research. The cost of moving Gosford station's functions to three separate sites and building such specific infrastructure will be enormous. It is hard to accept that this station is under-utilised or that its relocation is a cost efficiency measure. But, when millions of dollars have been spent there over the last few years, this is a silly decision.

The Hon. John Ryan: World centre for citrus!

The Hon. DUNCAN GAY: Exactly. As my colleague indicated, the Gosford institute research activity had centred on citrus, stone fruit and vegetable production and, in more recent times, ornamental horticulture. As NSW Agriculture's web page on this facility says:

> Production and distribution of selected citrus rootstock seed to the citrus nursery industry in Australia is a significant activity with potential for export in the future.

Of course there are cut flowers in that area, as well as chickens. The Temora Agricultural Research and Advisory Station is also slated for closure. This station celebrated its centenary as a leader in agricultural research. Its staff of 17 are engaged in plant breeding, producing pure seed and providing advice and support for the farming community of the area. One of Temora's many achievements was the development of a new phalaris variety, a type of pasture that provides productivity while at the same time improving soil quality. This research was undertaken with the CSIRO. That does not sound like a station that is in any way under-utilised.

If time had allowed me I was also going to talk about Trangie and many other areas facing the axe. We face an absolutely appalling situation in New South Wales. If any Minister in my time or in my predecessor's time had allowed Cabinet to walk over them they would have resigned rather than preside over the disembowelment of regional New South Wales. It is a gutless act, it is a terrible act, and it is a betrayal of the people of regional New South Wales at a time they can least afford it.

Reverend the Hon. FRED NILE [3.11 p.m.]: I wish to contribute to debate on the 2004 budget, which, in spite of some weak spots, is in the tradition of a financially responsible Government led by Premier Bob Carr and the Treasurer, the Hon. Michael Egan. In a postscript I would say one of the reasons for that is that the right wing is in leadership, making sure it is always a good, conservative, traditional ALP budget. This year the budget will be nearly $35 billion. That gives one an idea of the total costs and expenditure. I support the strong campaign by the Treasurer concerning the Commonwealth grants system. This State should not be subsidising other States, Queensland particularly. I believe the economy is strong enough for New South Wales and the other States to stand on their own two feet. The allocation of funds should be based simply on the amount of money that is collected from the State; that amount should be returned to that State. That would be a just and far fairer system.

I support the expenditure on the Department of Education and Training. It is an increase of $542 million over last year's budget. A lot of that will cover the increases in teachers' salaries that were recently awarded. There is an increase of $920 million in the allocation to the Department of Health. I am particularly pleased that funds are being spent to improve and expand our emergency departments. We should not any longer see queues of ambulances outside hospitals or ambulances being sent around Sydney trying to find somewhere to deliver patients. There must be a better solution than what is happening currently. The Department of Community Services has received an increase of $162 million. Again, a priority for that department, which I fully support, is child care and ensuring that every effort is made to reduce child abuse in our State. Finally, the increase of $143 million for NSW Police means it now has a budget of $1,816 million. I fully support the funds that have been allocated for Operation Viking and other programs to make our streets safe.

I had not planned to make a farewell speech today, but there is a strong possibility that I may not be here when we resume after the winter recess on 31 August. There are rumours that the Federal election could be held on 7 August. So, I take this opportunity to put on the record my thanks to all members of Parliament and parliamentary staff for their friendship, support and co-operation over the 23 years since I was elected in 1981. This Legislative Council Chamber has almost been my second home. The other day I was wondering whether I spend more time here than I do at my home. Probably I do. As my party, the Christian Democratic Party, has

nominated me as its Senate candidate, I will have to give my resignation to the Governor in due course so I can nominate for the Senate. Honourable members will know that the procedure is that no member can nominate for one Parliament while a sitting member of another Parliament.

As a Christian and a Christian minister, I give thanks to Almighty God. I have always prayed for God to guide my life, in every decision and wherever I go. I believe God led me into this Parliament. I believe that was shown in my surprising and overwhelming election in September 1981, when I won almost 1½ quotas. Parliament became what I regarded as my second new parish. I had moved from parish to parish, from Bexley to Brighton-le-Sands, to Newcastle, to the Wesley Mission, and finally here. This was my parish and you all became members of my congregation. You may not have known that or even appreciated that.

The Hon. Duncan Gay: I am beyond redemption.

Reverend the Hon. FRED NILE: The Deputy Leader of the Opposition is mistaken, no-one is beyond redemption, not even the Treasurer. I give thanks, of course, to the loyal voters who elected me in 1981 and, even after they got to know me, re-elected me in 1991 and 1999. I regard that as a miracle and a privilege. As honourable members know, I left school as an inexperienced 15-year-old. My first job was as a junior storeman sweeping out a factory at Mascot airport. To be sitting in this Parliament is a wonder to me. How did that happen? I thank God and I thank the voters for giving me that opportunity.

It is certainly a great privilege to be a member of this historic upper House. Obviously I strongly oppose any talk about this House being abandoned, as happened in Queensland. I fully support this House continuing its historic role forever. When I came through that door on my first day in this Parliament one of the attendants said to me, "Reverend Nile, you know this is a church?" I thought he was pulling my leg. I did not believe him, I thought it was a joke. Later I said to him, "What do you mean?" He showed me that little window over there and the packing cases with the Victorian Railways stamp on them in which the prefabricated steel church was transferred from Victoria and re-established on this site. It was originally built as an Anglican Church for use on the goldfields. That encouraged me. I thought I was not in such a strange place after all. Then I found out that not long after the Legislative Council started in 1823, the number of councillors was expanded from five to seven. One of the seven was Bishop Broughton, the Anglican Bishop and the only Bishop covering New South Wales—which was really Australia, and even included Van Diemen's Land. That was another encouragement to me. I thought I must be in the right place. Finally, of course, it is a privilege every morning to open in prayer. Those prayers have been a very important part of my life in this House.

As all honourable members know, the opening prayer is based on Romans chapter 13: the Government is God's Minister, which means that we are all ministers of God in the biblical sense whether we know it or not. In later years the *Lord's Prayer* was added. It has been an honour and a privilege to take part in those prayers. Honourable members will remember that I fought fiercely during the two debates on prayers to maintain the prayers we say day by day. I wish to place on the record my thanks to the Premiers and Ministers of both the Australian Labor Party and Coalition governments. Not everyone has that privilege. Those who have come into this place in recent days have only experienced an Australian Labor Party Government. I have always had good rapport and friendship with the various Premiers. Even Mr Wran, with whom I had some disagreements in the early days, finally met up with me in 1988 and shook my hand. We became good friends. All was forgiven.

I had friendships with other Premiers, such as Barrie Unsworth and Premier Nick Greiner, and, of course, the current Premier, Bob Carr. I thank all the leaders of the upper House and the respective leaders of the Opposition over those many years—they have changed as the political successes of their parties have changed—such as Ted Pickering, who made a big impact on this House, the Hon. Michael Egan, the current Leader of the Government, and the Hon. Michael Gallacher, the Leader of the Opposition. I thank each one of them for their support and co-operation. I thank all the members for their friendship and co-operation. Even when I have had some differences with the Greens we have always been able to maintain a human relationship while disagreeing strongly on various policies. I thank the various Clerks who have served in this House over the years. I will not go through everyone who has been here in my time, but I thank particularly John Evans and Lynn Lovelock for their support, and all the team who are still here now, David and Mike and others who have been more than helpful. I thank also all the other parliamentary staff, the library staff, the dining room staff and so on.

I am grateful for the opportunity to have made a major contribution to the committee system, which is an important part of the upper House. I hope that nothing will ever be done to weaken the system. In recent times it has grown stronger and stronger, which is a good thing for both sides of politics. Sometimes the Labor Party may be unhappy with all the questions that are asked in these committees, but one day when they are in

Opposition they will be very pleased to have the committee system, such as the general purpose standing committees. It has been a privilege to serve on the Social Issues Committee and the Law and Justice Committee, and to be the Chairman of General Purpose Standing Committee No. 1. One of the most important aspects of the work of General Purpose Standing Committee No. 1 was in industrial relations and in WorkCover, seeking to ensure that injured workers and their families are cared for.

I was trying to think of some of the highlights, and I suppose one would have been my role in helping to have the Conservatorium of Music rebuilt in Macquarie Street. Whenever I see it I think, "Well, Fred, that's one of your monuments." I know the Premier thinks that it is his, but I know that my committee played a big part in getting support for expenditure for the program. I would like to thank my personal staff over the many years, particularly my current staff, Judy Russell and David Copeland. I particularly thank Almighty God in Jesus Christ's name for the opportunity to serve here. I pray that he, Almighty God, will continue to bless and give each one of you and your loved ones his blessing. When I finally leave his House I will leave it in the good hands of my colleague Reverend the Hon. Dr Gordon Moyes who I believe, will do an even better job than I have been able to do in my 23 years. Thank you, and may God bless each one of you.

The Hon. MICHAEL EGAN (Treasurer, Minister for State Development, and Vice-President of the Executive Council) [3.23 p.m.], by leave: I take the opportunity not only on my behalf and the Government, but, I am sure, on behalf of every member of the House to wish Reverend the Hon. Fred Nile well for his future. I am probably the only person in the House, except perhaps for John Evans, who not only heard what I expect will be Fred's final speech in this House but also his first speech in 1981. In those early days I recall that Fred got savage treatment from the then Leader of the Government in this place, Paul Landa. He got on much better with Paul Landa's successor, Barrie Unsworth, and he has got on well with me. Equally, I have got on well with him.

Reverend the Hon. Fred Nile came here as a crusader for evangelical Christianity, and he has maintained that role. But in the last 23 years he has become an experienced and valued legislator. He has played more than his fair role in the work of the committees of his House, a number of which he has chaired. Fred mentioned his role in the restoration of the Conservatorium of Music. I do not know whether the students will ever appreciate the role he played in the building being restored and completed as a tertiary musical institution, but they should be made aware of it. Fred was a great supporter of another project that was dear to my heart, the Fox Film Studios, which has proven to be a worthwhile project for the film industry in this State and Australia. I appreciated his support.

I would hazard a guess that Reverend the Hon. Fred Nile has heard more words spoken in this Chamber than any other member who has ever served in it because in his 23 years he was invariably in the Chamber when it was sitting. If anyone wants to see Fred about something they know that the best chance of seeing him is to come down to the Chamber rather than to go to his office. I do not think that applies, at least not to the same extent, to any other member. Fred has been here for 23 years and he has heard most of the words spoken in this place during that period. Prior to the election of Fred to this place, this House did not sit often. Not long before he came here it was unusual for the House to sit for more than two or three hours on any day. I am quite sure that if it were possible to work out who has heard the most garbage spoken in this place the honour would go to Fred.

Reverend the Hon. Fred Nile: A good learning experience.

The Hon. MICHAEL EGAN: A good experience, and that is one of the reasons he has become such a skilled legislator: he has observed all the things that happen here. I can remember the criticisms Paul Landa levelled at Reverend the Hon. Fred Nile. As I mentioned earlier, they were quite savage. At the time I thought they were probably unfair, and having seen Fred during the 23 years that he has been here I am in no doubt that they were unfair. Although we might not always agree with everything that Fred says, there is no doubt that he has integrity and genuine passion. I am sure all members of the House appreciate that. But he has also been fair and he has always tried to be fair. I do not think anyone can gainsay that. Fred is not one of those people who plays politics, except on the rare occasion when one of his heartfelt issues was involved.

One always knew that the position Reverend the Hon. Fred Nile took on anything was a position he had come to after a lot of thoughtful consideration and in the spirit of fairness and doing the right thing. During the time that Fred has been here, he has made a lot of friends all along the political spectrum. He will certainly leave this place having won the admiration and respect of virtually every member in the House. It will be a different place without him: it is different place without his wife, Elaine, who was a member here for many years. Fred

has been involved in a number of colourful incidents—some of them have been sagas—in the past 23 years. All honourable members would remember divisions within the Call to Australia Party some years ago. It was the sort of thing a TV series could be made out of, although reality is always more interesting than fiction.

Certainly Fred has won the respect of all his colleagues as a great legislator. I will not say too much more along those lines because it might be too much of an advertisement for his campaign for the Senate! I do not wish him well for the Senate—unless, of course, he takes a seat at the expense of the Liberal Party or The Nationals; I would hate him to take a seat at the expense of the great Australian Labor Party. I know that if he were elected to the Senate he would certainly be a very diligent senator. The senators would, as we have, come to appreciate his diligence, integrity and honesty. I wish him well and will always regard him as a friend, as I do Elaine. I hope I will see him on many, many occasions in the future. Good luck, Fred.

The Hon. MICHAEL GALLACHER (Leader of the Opposition) [3.30 p.m.], by leave: I join with the Leader of the Government to acknowledge the contribution that Reverend the Hon. Fred Nile has made to Parliament over many years. I congratulate him on a job well done. On behalf of many people, both inside and outside the Chamber, who have a fairly similar view of the world I thank him for being so solid in staying true to the position that he brought into this Chamber from the very start. I thank him for not compromising that view. It is extremely important in certain areas of life that there be no compromise of one's views, because they are part of the intrinsic make-up of who we are. From a personal perspective, I thank him for the contribution that he has made over many years.

Whether one agrees or disagrees with Fred, one would have to admit that he always stood up for what he believed in. He let everyone know, from the outset, where he was coming from. There was no doubt about that and the Leader of the Government was right in saying that Fred did not play politics. In my time as a member of this Chamber I have learned that Fred is one of the few members who does not play politics. It was frustrating at times when the Opposition was trying to play politics with the Government that Fred simply would not play with us. Fred maintained that degree of fairness and, as frustrating as it was, when the debate was lost and the initial anger of losing a motion or an amendment had passed, and I had an opportunity to sit back, I realised that I knew from the outset where Fred was going to go.

From the very start Fred laid the foundation of where he would stand on issues. Without an incredibly overwhelming argument none of us could persuade him to take a certain course. It was always difficult to get him across on many issues. I have been told by my Coalition colleagues who had the pleasure of being in government before I came here, and will again shortly, that Fred was someone who always stuck to his rule that he would support the government of the day and would make decisions on moral issues. He never wavered from that. The government of the day, in this case the Hon. Michael Egan and his members, will lose out on the wise counsel of Reverend the Hon. Fred Nile. On many occasions Fred has been a halfway house between the Government and the Opposition. Equally, the Opposition will miss the opportunity to negotiate a bit further to get a positive outcome without the opportunity to consult Fred.

As the Hon. Michael Egan rightfully pointed out, the Hon. Fred Nile and the Hon. Elaine Nile were a two-person team, and represented their party very well over the years. We miss Elaine, and we will equally miss Fred. I am sure that his leaving this Parliament will not be the end of his contribution to politics, whether in an elected role or in a voluntary role. For example, I do not think we have seen the end of him at the Mardi Gras. His unique participation in the Mardi Gras will not be forgotten. I hope it continues on for at least a couple of years, and that we will continue to see him playing a role there. Today there is sadness in the stark reality that from today the Hon. Michael Egan becomes the father of the House!

The Hon. Michael Egan: Fred hasn't resigned yet.

The Hon. MICHAEL GALLACHER: When he does go.

The Hon. Duncan Gay: And when Michael Egan goes, I think it will be me.

The Hon. MICHAEL GALLACHER: Be that as it may, I take this opportunity—unlike the Leader of the Government—to wish Fred all the very best for the future.

The Hon. DUNCAN GAY (Deputy Leader of the Opposition) [3.37 p.m.], by leave: On behalf of The Nationals I support the comments of the Leader of the Government and the Leader of the Opposition. It is interesting that when people in the community find out that one is a member of the Legislative Council, almost

invariably they will have a view on Reverend the Hon. Fred Nile—and those views are quite diverse. He is probably the best-known member of this House. Nearly always he is ascribed qualities that I believe he does not have and does not deserve. Along with those who know him, I understand that he is a very good man. Whilst he has strong views in particular areas he is never malicious, and his point of view is towards good in all. Unlike many of us, he sees good in all. Many people do not know about his sense of humour. We know that he has a quite refined sense of humour, a robust one, and many a time we see that wry smile come on Fred's face.

In the late 1980s Fred and I were in Adelaide as members of a committee—I cannot remember which one. We were staying in a hotel that offered a government discount, opposite the old railway station that operated as a casino. We were to meet downstairs to go for a bite to eat and Fred was foraging through the rack of videos and pulled one out. He looked at it and said to me, "I don't think that one is for me, Duncan." I looked at it—it was *Debbie Does Dallas*. I thought, "No, that is definitely not for you, Fred." After dinner, Fred asked, "Would you like to go to the casino?" I replied, "I didn't think you would want to go there." Fred said, "It's just investigation." So we walked into the casino and everyone stopped—you could hear a pin drop. I did not realise that apart from being well known in New South Wales, Fred is better known in South Australia for his work with the Festival of Light. That night the South Australia Government's coffers would have had the worst night ever, because wherever Fred and I went in the casino people stopped playing, looked sheepish and tried to look the other way because the father confessor was there.

When speaking to legislation, Fred has an interesting habit of reading the explanatory notes at the front of each bill. That is something that most members should do. When students of history go back and read the contributions of Reverend the Hon. Fred Nile they will realise that he knew more about the bill than anyone else. To write off his contributions would be trite, because his were very smart and allowed people to know the objectives of a bill. Many of us forget to do that. When we move into the Committee stage, Fred's understanding of what is happening and his ability to analyse the amendments is quite uncanny. On many occasions Fred has been able to analyse a bill, bring the parties together and help with legislation. A lot of legislation in this House has benefited from his wisdom.

Fred, your work at the Mardi Gras has been interesting over the years. Your ability to pray for rain and, more often than not, to deliver has been talked about, particularly in my community. As you know, there are many Gays in Crookwell—most of my relatives. We were thinking recently that it was probably time that we had our own Mardi Gras and invited Fred to bring us a bit of rain. Fortunately, we got some rain last weekend and we do not need to do it. Fred, I wish you all the best. Good luck with the Federal election, and good luck to you and Elaine. We certainly miss her. You have been friends to me and friends to many people in this place. I wish you all the very best.

Reverend the Hon. Dr GORDON MOYES [3.40 p.m.], by leave: I am sorry that pressures of time, because of the number of bills to be dealt with before the recess, encroach on the opportunity to give a valedictory to Reverend the Hon. Fred Nile after his 23 years of service, but it would be remiss if we did not. I remember the more extensive valedictories that were given to, say, the Hon. Ron Dyer and the Hon. John Jobling, who had served the House for long periods. The comments were well deserved from people representing a wide spectrum of the political scene. In the same way, I pay tribute to Fred, whom I have known for 30 years or more. In fact, I knew Fred in a different role altogether—even before the Festival of Light and the Call to Australia. He was the national director of the youth organisation in churches across Australia called Christian Endeavour. Some of the manuals he wrote in those days on national promotion of Christian Endeavour are still in my mind as outstanding pieces of guidance. It served him well here and showed his commitment to his army training and his experience in the armed forces over many years.

In the brief time available I want to speak about a couple of aspects of Fred's life and to endorse what previous speakers have said. Fred is a man of real conviction. Last November and December the Christian Democratic Party polled every electorate in New South Wales to see what people thought about Fred Nile. We were very much surprised at the very strong and positive results of the polling. Fred does not have to be introduced to anybody in New South Wales: almost 100 per cent of the polls across all electorates indicated that everybody knows Fred. They may not agree with what he says, but everybody knows him. As people realise, one of the first things that has to be done with a candidate for election is introduce the candidate to the electorate. Fred can go into any community in Australia and—thanks to his eyebrows—he is easily recognised. People know his stance on a whole range of issues.

Fred is also a man of incredible courage. Over the years that I have known him I have reflected on the fact that a man is often known by his enemies. Fred certainly has provoked very strong responses and

resistance—sometimes to the point of ridicule and hatred and very vitriolic attacks on his stance on what has basically been a Christian position. He is very much a man of commitment to this House, as was mentioned by the Hon. Michael Egan. He is usually the first to arrive in the House. I made the comment in the previous Parliament when I was appointed here that Fred is literally the first to arrive in this House every day. He never misses the opening prayers, and he made it clear to me that I should never be late. He is usually the person who turns off the lights when the House adjourns at night. As the Hon. Michael Egan said, Fred has heard more speeches in 23 years than any other serving member. It is interesting that he has made more speeches than anybody. Fred will talk on anything. Before I came into this House I checked up over six years to see what Fred talked about. To my amazement, I found that he delivers intelligent speeches on virtually every bill that comes before the House. That is something that I will never try to emulate!

When I look back on the history of this House I see that the previous person who had such wide experience was also a minister of religion, Reverend John Dunmore Lang, who was in fact the first promoter of Australia as a republic, among other things. I would like to hear a discussion between Fred and Reverend John Dunmore Lang. Fred understands the Legislative Council and how it works. After his wife retired and I took her seat, I felt it was only natural that I should sit where she sat, next to Fred. I was a bit uncomfortable with the thought that it was known as the love seat, and eventually I decided to move to where my computer could be tabled. But the beautiful thing was that by sitting next to Fred in my first months in the previous Parliament I could ask Fred things such as, "What does 'The House will now resolve itself into a Committee of the Whole' mean? That is not even an intelligent English sentence. What does it mean?" He was a remarkable mentor on what happens in the ways of the House.

There was a second aspect to sitting next to Fred: I was privy to a number of conversations with the Leader of the Government and the Leader of the Opposition, who came up to Fred to ask, "Fred, what would you suggest now? What should we do?" I remember a particular occasion when we were locked here in a very long session in the early hours of the morning and it seemed that we were caught in a legislative deadlock. Fred stood and with the Leader of the House and then with the Leader of the Opposition proposed a way forward. We voted on that and the House moved forward. He understands the meaning and the movement of the House. I also compliment him and Elaine on how they worked together over all the years that they were both members of this House. It is most unusual for a husband and wife combination to be in any Parliament. They worked together and the love seat was well used.

Fred chaired important committees, including General Purpose Standing Committee No. 1 and the ethics committee, on which he is a very strong person. He has had an unofficial role in this House, which I have seen from colleagues' perspective. Many people in this House and in the other place turned to Fred in times of personal need—death, loss, marriage or conflict between a particular parliamentarian and the rest of the House, either here or any other place. Fred has been a counsellor and a helper. The writings of Franca Arena on the tumultuous times in this House show that a woman who at one stage in her life and experience here probably despised Fred greatly ended up turning to him for counsel, support and wisdom. Franca even asked Fred to come with her daily to pray for her and help her through the time when she was facing great difficulties.

I certainly wish Fred well in the Senate election. If he is successful I know that he will take to the Senate a great deal of commitment and wisdom and raise issues dear to the hearts of many of us. It will also be an opportunity for our very small party to bring an outstanding person into this Parliament in Fred's place. A year ago when Bob Carr was asked about Fred Nile he said, "Fred Nile is a politician who is of utmost competence as a legislator." That is absolutely right. I pay my personal tribute to Fred, whom I have known, as I said, for 30 years or more. When Winston Churchill retired from Westminster he was called and spoke of himself as a child of the House. In many senses, Fred Nile has been a child of this House as well. We wish him good health and every blessing in what lies ahead of him.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS [3.49 p.m.], by leave: We say goodbye to Reverend the Hon. Fred Nile at this time. We have not always agreed on issues but we have agreed on a number of very important issues, particularly alcohol, gambling, tobacco, and probity and transparency, where Fred has always been an absolute stalwart of what I think is the right path. Fred's committee work has been significant. In particular, I refer to his recent work on the inquiry by General Purpose Standing Committee No. 1 into workplace deaths. He came to the conclusion that the corporate manslaughter legislation that I had proposed—arising from consideration of the issue by the Standing Committee of Attorneys-General—was the way to go as an established code to address workplace deaths caused by the negligence of another. That is an important issue.

It would be remiss of me not to mention that my predecessor, Lis Kirkby, and Fred held the balance of power for a period. They were probably Fred's halcyon days in regard to his influence. I wish him well in the

forthcoming Federal election. However, I do not wish him to take a seat from the Australian Democrats. Therefore, I will wish him well in his retirement—unless both he and a member of the Australian Democrats are elected.

The Hon. JOHN TINGLE [3.50 p.m.], by leave: I, too, will be brief in my comments. I have probably known Reverend the Hon. Fred Nile for as long as any other member of this House. I first encountered Fred as a plagiarist. I discovered that he started a movement known as the Festival of Light. That miffed me a bit because I started the Tamworth Festival of Light in 1958, but it had nothing to do with the church. Despite that, Fred and I became pretty good friends. He also became a very regular participant on my radio program on 2GB and at other stations, but I could never quite work out why, whenever a topic came up that had something to do with Fred and the Festival of Light, the phones would go mad. Later I discovered that, being the clever organiser Fred is, he had a whole lot of people listening to all the talkback radio programs in Sydney. They all had a list of telephone numbers to ring, they all knew the topics to ring in about and they all knew what to say. Fred's arguments very often carried the day through what one disrespectful listener referred to as "Fred's Foolish Virgins"—all the callers were ladies, and I suppose the rest logically follows. Fred and I became pretty good friends on the air. Later I became a member of this House.

The first time I met Fred politically was in the State Electoral Office at the time of lodging nominations for the 1995 election. He and Elaine were sitting at a table eating fish and chips out of a newspaper. I will never forget that. I thought to myself, "This bloke has been in Parliament." For one who has had such an impact, he is not too proud to eat his fish and chips out of a newspaper. When I became a member of this House I found that I instinctively gravitated towards Fred for advice. Having previously covered Parliament many times as a reporter, I discovered that I knew nothing whatever about politics and parliaments.

What I will always best remember about Fred is his uncanny knack of unravelling knots. Particularly during my first four years in this House, there were a number of times when we had come to a total impasse, with the Government and Opposition locked and the crossbenches divided. Fred would trot out a solution that both sides could accept, and the legislation would finally get through in whatever form it ultimately took. I think Reverend the Hon. Fred Nile has been a great asset to this House. He has probably copped more abuse than most members from people who do not like his religious connections, but I respect them enormously because I know that they are sincere and I know he is a man of enormous integrity. Unlike the Treasurer, I hope that Reverend the Hon. Fred Nile wins a seat in the Senate and I do not really care who he takes it from, as long as he gets it. In my opinion, the Senate needs Reverend the Hon. Fred Nile. Its gain will be our loss. I wish him well.

The Hon. PETER BREEN [3.52 p.m.], by leave: It has been a great privilege to work with Reverend the Hon. Fred Nile in the short period that I have been a member of this House. As the Treasurer noted, Fred is a good legislator. I would be grateful if I acquired just a fraction of his skills. Fred's commitment to his religion is also something that I admire. I think Fred is an exception to the rule that church and state should be kept separate. I noticed in the weekend press that the Archbishop of Sydney, Cardinal Pell, suggested that members of the clergy should not be members of Parliament, but I do not think His Eminence would have had Fred Nile in mind when he made that remark.

The Leader of the Opposition also mentioned that Fred is represented on a float in the Gay and Lesbian Mardi Gras. That was my first introduction to Fred—not that I am a member of the gay and lesbian community. Many years ago when the Gay and Lesbian Mardi Gras first started, I asked, "Who is this person who deserves a whole float?" Fred is also well known outside the gay and lesbian community. He was the first member I recognised when I became a member of this House. Over the years he has guided me in relation to many issues. I express my gratitude for his advice and for his directions on all the issues that we have had to canvass. His good counsel will be a great asset to the Federal Parliament. Like the Hon. John Tingle and unlike the Treasurer, I hope that Fred is successful in his Senate bid and that his talents benefit the Federal Parliament in the same way that they have benefited this Parliament.

Debate adjourned by motion by the Hon. Peter Primrose.

RESIDENTIAL TENANCIES AMENDMENT (PUBLIC HOUSING) BILL

Second Reading

Debate resumed from 28 June.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS [3.55 p.m.]: The Department of Housing is under a great deal of stress because it has been grossly underfunded while attempting to meet demand. Its huge

backlog in maintenance is well documented. It has been shown that when properties are not well maintained vandalism becomes a problem because less pride is taken in maintenance than should be by the occupants of the accommodation. Recently I visited the Aboriginal Housing Company and I was told that there is no problem with vandalism when properties are well maintained, but when properties are falling apart the occupants do not respect them. Despite the boom in housing prices from which the Government has benefited immensely, there has been no hypothecation of funds. The quantity of low-cost housing and public housing relative to demand has continued to decline as a result of this Government's derisory funding commitment. The heart of the problem is that there has been a lack of willingness on the part of the Government to borrow, which is extremely foolish. There is nothing wrong with carrying debt, provided that it has asset backing. Against the background of record low interest rates, this Government has opportunistically paid off State debt. The Treasurer claimed boldly in his Budget Speech:

> … the State's total net financial liabilities will continue to decline as a proportion of GSP, from 26.7 per cent in 1995, to 15 per cent now and to an estimated 14.1 per cent in 2008.

In nine years the level of State debt has been reduced by 11.7 per cent, but over the next four years it is estimated that it will be reduced by only 0.9 per cent. I hope that the Treasurer's obsession with net debt will pass. The question that must be asked is: What will the return of capital be if borrowing is at the maximum rate of 5 per cent and the money is invested in housing? In evaluating the return on capital of such an investment, the reduction in the number of people who are being sent to gaol, the reduction in the number of homeless people and the number of people who are assisted by that investment must be taken into account. It bothers me that such questions are never asked and that the expertise involved in conducting an evaluation, which may involve insurance and probability calculations to show the real costs, are not considered. In the meantime, housing stock continues to decline.

Public housing is now not for the working poor; it has become the site of ghettos of disadvantage and unemployment. More support resources are needed. Parliamentary committees that have inquired into accommodation for people who have a physical disability or who suffer from mental illness have come to the conclusion that what is needed is a reasonable standard of living for everybody by the provision of a graded support system according to need. The Government should examine the provision of public housing to determine how many people constitute each category of disadvantage per thousand of population instead of setting a cost that applies across the board. The Government should analyse the proportion of population in specific disability categories in determining public housing and accommodation needs, taking into account support that may be available from Home and Community Care [HACC] services, for example.

That is the direction that should be followed by the Government in the future. However, at the moment the Government is in a cost-minimisation or cost-shifting mode. Although it is a virtue to minimise recurrent expenditure, obviously efficacious policy implementation requires planning in conjunction with the community so that the maximum benefit can be derived from expenditure of taxpayers' funds. I advocate borrowing supported by asset backing to secure debt and maintenance of the debt by income derived from accommodation revenue. This Government has been penny-pinching and doctrinaire instead of adopting an intelligent approach.

The Department of Housing has expressed criticism of, as well as praise for, the approach I have suggested. The mental health community feels that the department has done reasonably well, in that it assists in finding accommodation for people who are mentally ill. Other support agencies, such as the Department of Community Services, have expressed the view that the Department of Housing has done reasonably well—not that that says a great deal.

During the inquiry into community housing it became clear that the public housing sector has been successful because it is more responsive to tenants' needs, more flexible and less bureaucratic. It is able to put tenants into more appropriate housing, look at individual needs, and house tenants in communities that are more conducive to those needs. I suppose it is inevitable that with a large and bureaucratic landlord there will be some clumsiness in the way it uses and carries its stock.

Pursuant to sessional orders business interrupted.

QUESTIONS WITHOUT NOTICE

OUTER SUBURBAN TRAIN CARRIAGES DESIGN

The Hon. MICHAEL GALLACHER: My question is directed to the Minister for Transport Services. Why do long-suffering Central Coast commuters have to put up with CityRail using suburban T-set Tangara carriages to make up either half or all the carriages on services between Wyong and Sydney via the North Shore line? Is this practice acceptable to the Government, given that suburban Tangaras were never designed for long-

distance routes and have inferior fixed seating and no toilets? Will the Minister give a commitment to Central Coast commuters that suburban T-set Tangaras will no longer be used for services between Wyong and Sydney via the North Shore?

The Hon. MICHAEL COSTA: I note that this matter was raised in the *Central Coast Extra* supplement in today's *Daily Telegraph*. The Leader of the Opposition must have got the early edition. As the honourable member knows, the Government is investing $172 million for 41 new outer suburban railcars.

The Hon. Rick Colless: When will they come on line?

The Hon. MICHAEL COSTA: As soon as the manufacturer manufactures them.

The Hon. Rick Colless: How long is that going to be?

The Hon. MICHAEL COSTA: Do you want a job up there? Do you have a trade? The Government has committed in this year's budget $50.1 million of that $172 million. It is an important project. The Hon. Rick Colless asked when the carriages will come on line. It is interesting that he makes that comment, because at the recent party conference of The Nationals his leader, Andrew Stoner, said:

> Constant carping just turns people off these days. We have to be careful not to be seen to be continually whingeing about what the Government is doing.

That is very sound advice. Andrew Stoner also said that the Coalition when in government—a long time ago—had become very complacent and had taken people for granted. Clearly, Andrew Stoner knows the lessons learned from the failures of the former Coalition Government. It is a pity that the members of The Nationals have not picked up on the sound advice that Andrew Stoner gave to them about not constantly carping and whingeing about matters they have no understanding about. I was struck by Andrew Stoner's comments. He made a comment that in my view was quite extraordinary. He said that he had been around the State looking for issues that were of importance to the community.

The Hon. Michael Gallacher: Point of order: The Minister was asked whether he will give a commitment to Central Coast commuters that CityRail would no longer use the T-set Tangaras. It is a straightforward question, and it can be answered yes or no.

The PRESIDENT: Order! It is traditional for Ministers to make general comments while answering questions. The Minister is in order.

The Hon. MICHAEL COSTA: Clearly, the Government is committed to improving rail services for people on the Central Coast. Not only is the Government providing $172 million for new outer suburban railcars, as I said, but we are also investing in rail clearways, which will improve reliability and running times. It is important to note what Andrew Stoner said, because he makes astute observations about what the Coalition ought to be doing in opposition. His comment about not carping and whingeing all the time was sound advice.

I was struck by the fact that Andrew Stoner also said he had been around the State looking for issues that were important to the community. He said, "Many of the issues I am hearing about are at the margin." In other words, if they are, as he said, "at the margin", they are not important issues. The issues he listed were crime, law and order, safety, health, the environment, public transport, the amount of regulation, and the lack of taxation breaks for businesses. It is very clear that The Nationals will be getting back to basics, as Andrew Stoner said. But, according to the Leader of The Nationals, the issues he listed are not central issues but are "at the margin", which is an interesting observation.

ASBESTOS AND DEMOLITION INDUSTRY SAFETY

The Hon. JAN BURNSWOODS: My question is addressed to the Minister for Commerce. Will the Minister inform the House about measures to improve safety in the asbestos and demolition industry?

The Hon. JOHN DELLA BOSCA: The New South Wales Government is determined to ensure there is a culture of safety in workplaces in this State. We have put in place a legislative safety framework that is modern, flexible and second to none. It provides incentives for employers to have a safe and productive workplace, and it ensures that workers have a say in their own workplace safety. Upholding these laws is the

best resourced and most active workplace safety inspectorate in Australia: WorkCover inspectors, trained to deal with workplace safety issues in metropolitan, rural and regional workplaces.

By their nature, some industries require more intensive management, monitoring and regulation to ensure the safety of workers and the community. The asbestos and demolition industry is one such sector, and steps are being taken to provide greater protection as a result of the dangers posed by deadly asbestos fibres. WorkCover will bring together a group of specialist inspectors to concentrate on the asbestos and demolition industry. The inspectors will undertake a series of random visits to assess compliance. They will also provide advice on occupational health and safety and workers compensation. However, enforcement action will be taken wherever appropriate safety standards are not being met.

This new asbestos and demolition initiative forms part of WorkCover's targeted program of work in identified high-risk industries, including working at heights, and on scaffolding and formwork. The new initiative complements ongoing work by WorkCover in the construction industry. Work in the asbestos and demolition industry is high risk, and WorkCover is serious about targeting this sector of the construction industry. Asbestos provides a danger to workers and members of the community if appropriate actions are not taken. The new initiative will involve ensuring that workers have proper training, supervision and safe systems of work. WorkCover will continue to work with unions, workers and employers to achieve the highest standards of safety in all workplaces across New South Wales. Members seeking further information should contact the WorkCover System Service on 131050 or visit *workcover.nsw.gov.au*.

EXCEPTIONAL CIRCUMSTANCES DROUGHT ASSISTANCE

The Hon. DUNCAN GAY: My question is directed to the Minister representing the Minister for Primary Industries. Is the Minister aware that under the exceptional circumstances system, the New South Wales contribution to income subsidies is only 10 per cent of the total, with the Federal Government contributing the remaining 90 per cent? Why did the Minister claim in his 6 June press release that the New South Wales Government has spent more than $65 million on exceptional circumstances income subsidies, when in fact the New South Wales Government has spent only 10 per cent of that sum, around $6.5 million, with the Federal Government contributing $59 million? Will the Minister now provide the House with a full and current breakdown of the actual amount spent to date on drought support by the New South Wales Government, and not the Federal Government?

The Hon. MICHAEL EGAN: I am not aware that I issued a press release on 6 June. I will certainly check to see whether I did. I am not sure whether the Minister for Primary Industries issued a press release on 6 June, but I am sure if he did, everything he said would have been 100 per cent accurate. I think it is unbecoming for the Leader of The Nationals to query anything that the Minister for Primary Industries says. He is obviously doing it for some sort of political point scoring and I am sure that the whole premise of his question is false from top to bottom. I will refer the question to the Minister for Primary Industries and I will ask him to have a good look at it and at the first available opportunity to come back and tell us what a nonsensical question it was.

The Hon. DUNCAN GAY: I ask a supplementary question. In light of the Minister's answer, I quote from the press release from the Minister for Primary Industries, dated 6 June. On the second page it states, "State Government drought assistance to date", then down five lines, "A total of 3,515 applications for EC interest-rate subsidies approved through the Rural Assistance Authority, worth more than $65,100,000". Will the Minister apologise to the people of New South Wales for misleading them over this issue and claiming New South Wales had distributed what, in fact, has come from the Federal Government?

The Hon. MICHAEL EGAN: I refer the honourable member to my previous answer.

FOUR-WHEEL DRIVE VEHICLES LICENCES

The Hon. JON JENKINS: My question without notice is directed to the Minister for Transport Service, representing the Minister for Roads. Following the recommendations of the recent Federal inquiry into road safety, does the State Government have any plans to introduce special licences for four-wheel drive vehicles and, if so, how will these licences be implemented? If they are going to be implemented will there be a public consultation process, and what would be the cost involved in the testing and licensing process? Could the Minister also tell the House when he plans to release the accident and registration statistics for four-wheel drive vehicles that I asked him for several months ago?

The Hon. MICHAEL COSTA: This is obviously a question for the Minister for Roads, but I do have to declare an interest. As a person who drives a four-wheel drive vehicle I hope special licences are not introduced. I have just heard one of my colleagues say that four-wheel drive vehicles ought to be banned, and I am totally opposed to that. But it is a matter for the Minister for Roads and I will get some advice from him.

ARGUS SOLUTIONS LTD IRIS RECOGNITION TECHNOLOGY

The Hon. HENRY TSANG: My question without notice is directed to the Treasurer, and Minister for State Development. Will the Minister inform the House about a Sydney company that is playing a leading international role against identity fraud?

The Hon. MICHAEL EGAN: The company that the Hon. Henry Tsang is referring to is a firm called Argus Solutions Ltd, which is based at Milsons Point in Sydney. That company has been assisted by the New South Wales Government as a member of the Australian Technology Showcase. Argus is at the leading edge of security and identity management and specialises in the use of iris recognition technology, which uses the unique characteristics of a person's eye to verify his or her identity. Members might have seen this type of technology featured in Hollywood movies, but Argus proves it is now a reality. Argus Solutions holds distribution rights from the United States of America based software company, Iridian Technologies Inc. It is one of only two companies in the world with the rights to develop applications based on this technology, the other being a United Kingdom company.

Argus conducts its business from its headquarters in Sydney and also has agents in New Zealand, Singapore, Malaysia, Hong Kong and Japan. This technology is known as biometrics, which uses unique physical characteristics, for example, the contours of a face, the resonance of a voice, the texture of a fingerprint or the iris, to identify people. Iris recognition technology uses unique physiological patterns in the iris of the eye to a degree of accuracy surpassing even DNA matching. The procedure uses a video camera to capture a black and white digital image of an iris, translating it into an encrypted digital code. It works even with the use of contact lenses or glasses, and can identify a person from a database of more than 500,000 in less than a second. I am told the probability of two people having an identical iris is one in 10 to the power of 78.

Argus has successfully completed a 77-day trial of its technology at the Silverwater Correctional Complex, where it has been used to manage the identification of about 1,000 visitors each week. The iris photograph of each visitor is automatically checked against a database of 30,000 enrolled visitors in less than a second. More than 15,000 visitors were iris-scanned during the trial, and the technology was found to be 100 per cent accurate. Argus has targeted six specific market segments: police, correctional services, health, mining, government and corporate operational centres. I am advised that the Department of Corrective Services is currently establishing a project team to examine the feasibility, cost and benefit of rolling out the system across correctional facilities in New South Wales. I am proud that the Government is supporting the development of companies such as Argus Solutions in New South Wales, and I wish them success in the future.

MARRIAGE LAWS

Reverend the Hon. Dr GORDON MOYES: I ask a question without notice of the Treasurer, and Minister for State Development representing the Premier. First, has the Premier expressed that the Government's policy is to affirm that marriage consists of a man and a woman as husband and wife? Second, is the Premier aware that the notion of marriage as being between a husband and wife is enshrined in the Universal Declaration of Human Rights? Third, is the Premier aware that law professor Richard Wilkins has made a study of social historians, scholars and sociologists who have studied the role of marriage over the centuries and who have all said that marriage is an honoured institution between a man and a woman? Fourth, is the Premier aware that two years ago Professor Judith Wallerstein published her research into 30 years of no-fault divorce law with the conclusion that no-fault divorce law has had an extremely high societal cost because commitment to marriage has been replaced by the idea of disposable relationships? Finally, will the Minister ask the Premier to affirm the Government's position that marriage is between a husband and a wife?

The Hon. MICHAEL EGAN: I am not aware that the Premier has made a comment on this issue. In any event, marriage laws under the Australian Constitution are matters for the Federal Parliament. Nevertheless, I shall refer the honourable member's question to the Premier for a considered response. I am not sure that I would agree with the suggestion of the honourable member about no-fault divorce laws. I am old enough to remember the situation before the Family Law Act was introduced and I really would not want to see Australia go back to that sort of situation. Whilst I acknowledge that many people do not take marriage seriously these days when they enter into it, I think for those old enough to remember, the situation prior to the Family Law Act was not a situation that many people would want to go back to.

BANKSTOWN HANDICAPPED CHILDREN'S CENTRE ASSOCIATION

The Hon. JOHN RYAN: My question is directed to the Minister for Community Services. What are the reporting requirements for government-funded agencies in respect of allegations of sexual abuse of clients? Have investigations into the agency known as The Centre at Bankstown included a review as to how this agency dealt with allegations of sexual abuse? Is it a fact that in December last year a staff member employed by The Centre was dismissed for allegedly having sex with a 20-year-old client who had an intellectual disability? Is it also a fact that last February management of The Centre received allegations that a current member of their staff employed at another group home was alleged to have had sex with a 15-year-old female resident who was a client of the Department of Community Services? Were the required reports made to external agencies, such as the New South Wales Ombudsman, in both of these matters, and were these incidents properly documented and investigated? Does the Minister still have confidence in this agency?

The Hon. CARMEL TEBBUTT: I have already indicated to the Hon. John Ryan and to the House that the Bankstown Children's Handicapped Centre is subject to a review by the Department of Ageing, Disability and Home Care. I expect that review to be completed by the end of July 2004. In the course of that review the Department of Community Services is closely co-operating with the department. The Hon. John Ryan raised further issues today that I will refer to the department so that appropriate action can be taken. Obviously I am concerned about the nature of those allegations, which may need to be dealt with through a completely different process from that of the review of the centre.

I cannot comment on the veracity of the honourable member's allegations so I want to take more action to inform myself of that. Those allegations will then be dealt with in accordance with the required proper and legal processes, including reporting to the Ombudsman and to the Department of Community Services if the issue involves children, and other action that might involve the police. The review, which is continuing, deals with the governance and staffing practices of the centre, along with a number of other issues that have been raised by parents relating to the operations of the centre. I take on board the issues that have been raised by the honourable member and will seek to refer them to the appropriate authorities for action.

COMPANION ANIMALS ACT REVIEW

The Hon. TONY CATANZARITI: My question without notice is addressed to the Minister for Local Government. What is the latest information on the management of companion animals in New South Wales?

The Hon. TONY KELLY: Today the report of the review of the Companion Animals Act was tabled—a five-year review that is required under the Act. That report, which reflects wide consultation with animal welfare groups, local councils and pet owners, indicates a high degree of satisfaction with the Companion Animals Act. It also identifies some minor changes that may assist local councils in controlling cats and dogs. The Government is considering some suggestions that have come from the review. While some suggestions have been made with the best of intentions they are simply not practical. For example, the Government will not consider changing the rules for muzzling greyhounds, or additional laws about stray cats. The Government will continue to strengthen the State's dangerous dog laws. Several other changes will clarify definitions and help with the identification of companion animals. None of the other proposals in the report are being considered for further action. More than 850,000 cats and dogs are now recorded on the register.

The Government is committed to making the management of cats and dogs as easy as possible for councils, as well as ensuring that pet owners are aware of their responsibilities. While some pet owners and animal welfare groups have identified issues on which they would like action to be taken, many of the suggestions are not practical. The Government will consider the issues that have been raised and talk to the groups concerned about possible solutions. The Companion Animals Act 1998 requires community consultation to be undertaken. I thank the community for its ideas. The Government is duty bound to report on the ideas contributed by the community but it has taken a practical approach and will implement only those suggestions where there is an immediate benefit to the community. As I said when I first called for submissions to this review, I am not interested in reopening old debates. More than 10,000 submissions were received when the original legislation was debated, ensuring that it was one of the most widely debated Acts of Parliament in this State. I again thank the community, animal welfare groups and local government for their involvement in this review.

GREEN ACTIVISTS AND HOMEBUSH TOXIC CHEMICAL SOIL SITE

Reverend the Hon. FRED NILE: I ask the Minister for Industrial Relations, who is responsible for WorkCover, a question without notice. Did 20 green activists, who put their health at risk, illegally enter a dangerous toxic chemical soil site at Homebush on Sunday 27 June? Did those green activists transfer 58 drums of contaminated toxic soil by forklift to another government-owned site? Has that illegal and dangerous action prevented the incineration of that toxic soil waste? What action have WorkCover inspectors and police taken to charge these green activists with breaking occupational health and safety laws, Environment Protection Authority laws and criminal laws? For example, was the forklift driver licensed?

The Hon. JOHN DELLA BOSCA: Unfortunately, I do not have that information at my disposal and I am not specifically aware of the incident to which the honourable member has referred. I will seek urgent advice about the matter. Obviously, he referred to WorkCover and to the police. From a portfolio perspective I can comment only on WorkCover inspectors and their role in this matter. I also undertake to obtain information from my colleague the Minister for Police.

BINNAWAY TO GWABEGAR BRANCH RAIL LINE CLOSURE

The Hon. RICK COLLESS: My question without notice is directed to the Minister for Transport Services. Is he aware that two weeks ago a 100-tonne freight wagon was used to transport wheat from Baradine to Binnaway on the Binnaway to Gwabegar restricted railway line? What is the weight limit of freight transported on that line? Who authorised the use of the 100-tonne wagons? To what weight were they authorised to be loaded? Will the Minister also confirm that the use of this 100-tonne wagon, loaded in excess of what the line could carry, caused a derailment that recently closed the line?

The Hon. MICHAEL COSTA: I find the question quite amazing. The honourable member was in the Chamber when this Government implemented a set of regulatory structures to deal with any concerns that he might have. If he has any information he is compelled to present that information to the Office of the Transport Safety and Reliability Regulator. If he believes that there has been a breach of the Rail Safety Act I hope—and I will check to ensure—that he has taken that information to the Rail Safety Regulator. Under the Rail Safety Act the honourable member is obliged to present that information to the Rail Safety Regulator. If he believes that there has been breach of the Act he, as a member of Parliament, should take that information to the Rail Safety Regulator.

If the information is not accurate he should not waste the time of the Parliament. I will check to ensure that the honourable member has taken that information to the Rail Safety Regulator. The Government will look at any information the honourable member provides if he provides it in a form that I am able to interpret. I often have problems with information that I receive from members of the Opposition. The Opposition should not constantly carp and whinge about what the Government is doing. The Hon. Rick Colless should acknowledge that this Government established a body to examine the sorts of complaints and issues that he has brought to the attention of this Parliament.

The Hon. RICK COLLESS: I ask a supplementary question. Are two 100-tonne wagons now parked at Baradine that cannot be moved between Baradine and Coonabarabran? How will the Minister retrieve those two wagons from Baradine?

The Hon. MICHAEL COSTA: The honourable member has probably been a member of this Chamber longer than I have, but he is relatively new to public policy and issues. He had to endure the recent conference of The Nationals, which probably explains why he has been asking ill-informed questions and making ill-informed observations.

The Hon. Rick Colless: Point of order: I asked the Minister how he was going to retrieve the two wagons from Baradine that cannot be moved. The Minister is not referring to that issue. I ask you to draw him to order.

The PRESIDENT: Order! The Minister is aware that one thing he cannot do is debate the question.

The Hon. MICHAEL COSTA: I would never seek to debate a question. At the recent conference of The Nationals a number of issues were discussed, including rail reform. ABC Online made the following observation:

Several of the resolutions, including country rail lines and TAFE fees, are very similar to those put up at last week's New South Wales country Labor conference.

The Hon. Duncan Gay: Point of order: My point of order relates to relevance. The Minister knows that commenting on the conference of The Nationals has nothing to do with the question that was asked. The question that was asked was about the Binnaway to Gwabegar railway line and the two 100-tonne carriages.

The PRESIDENT: Order! The Minister was making a general comment, and that included a reference to country rail. The Minister was in order. However, the Minister's time for speaking has expired.

EARLY LITERACY DEVELOPMENT PROGRAMS

The Hon. IAN WEST: My question is addressed to the Minister for Community Services. Will the Minister advise the House what the Government is doing to support early literacy development for children aged nought to five in Western Sydney?

The Hon. CARMEL TEBBUTT: Being able to read and write is fundamental to our ability to engage fully with the society in which we live but, more importantly, to enjoy a good quality of life. Low literacy skills impact on an individual's achievements at school and his or her subsequent employment options. We live in an information-rich age and we must ensure that everyone is equipped to take full advantage of that information. There is clear evidence that without good levels of literacy the risk of poverty increases. Children need to start to learn the fundamentals of literacy long before they go to school. It is never too early to introduce reading to children. Activities such as reading to children provide a way for babies and children to explore the building blocks of language and literacy. Children learn through experience, and providing learning experiences—both formal and informal—stimulates activity in particular regions of the brain, and that then facilitates the growth of connections within the brain.

The Government has recognised this important part of child development through the Families First initiative, which aims to give every child in New South Wales the best chance in life. I am pleased to advise the House that as part of Families First two new early literacy projects are being established in Western Sydney. These early literacy projects have been developed as a result of research conducted by the region. The research identified that the integration of early learning into family life depended on the availability of accessible, affordable and culturally appropriate programs. The research also found that these types of programs not only assist children but also help to support parents. Parents who have traditionally not been keen to access local services find that through programs for children they can build trust with local service providers. The programs also create information networks that work towards a whole-of-community approach to the support of language and literacy development for children.

An expression-of-interest process has recently been completed, and Children First Inc. will auspice the projects. The two projects will receive $100,000 per annum for two years and they have also been provided with $93,500 in this financial year for establishment costs. Children First will provide early learning programs for children across the Blacktown, Baulkham Hills, Holroyd, Parramatta and Auburn local government areas. The programs will enhance access for families, particularly those from culturally and linguistically diverse backgrounds, to early literacy programs for their children; develop new services that focus on the relationship between children, their families and the community to promote the benefits of early literacy; and develop resources for parents to encourage reading to babies and young children. They will also link parents to existing programs, such as schools and community centres and community hubs, and support the transition to school programs with local preschools.

The early literacy projects will heavily promote the importance of book reading in the first 12 months of childhood as a way of assisting children to develop and acquire language and literacy skills. We need to dispel the notion that books are meant only for older children: books are very important for all children, even those in their first year of life. Supporting early literacy lays the foundations for learning throughout life. It is a major step forward in giving children the best chance in life. The Government is committed to helping children tap into the world of books and reading, and I look forward to reporting the outcomes of these programs to the House in due course.

ASHFIELD MUNICIPAL COUNCIL FUNDING PRIORITIES

The Hon. DAVID OLDFIELD: My question is directed to the Minister for Local Government. Is the Minister concerned that many Sydney councils are spending their time and ratepayers' money on issues not

within their charter of responsibility? In particular, is the Minister aware that Ashfield Municipal Council now plans to spend ratepayers' money on signs and associated materials declaring themselves to be a war-free zone? Is the Minister aware that Ashfield is in fact in the grip of a war: a crime war? Is he aware that the Ashfield local government area has a considerably higher incidence of armed and unarmed robberies, break and enters, drug offences and prostitution than surrounding council areas? Might the Minister suggest to the misguided mayor and councillors in Ashfield that if they wish to concentrate their efforts on matters other than roads, rates and rubbish they should concentrate on the war in their own suburb and its cost to their community? Will the Minister acknowledge that councils would serve their communities better by accomplishing tasks within their reach rather than grandstanding ideologically on issues not within their jurisdiction?

The Hon. TONY KELLY: I thank the Hon. David Oldfield for his question, the majority of which I will refer to the Minister for Police. The council's declaration of its war-free status has probably occurred since the last council election, as I think council meetings are now much calmer.

The Hon. DAVID OLDFIELD: I ask a supplementary question. Is Ashfield council's concentration on international affairs distracting it from local problems?

The Hon. TONY KELLY: Councils are independent and democratic bodies. It is not within my portfolio responsibility to interfere in the issues that councils choose to debate. However, I will refer the question to the Minister for Police.

EPPING TO CHATSWOOD RAIL LINK

The Hon. GREG PEARCE: My question is addressed to the Minister for Transport Services. Is the Minister aware that the construction company contracted to build the Chatswood to Epping rail line has exceeded noise limits set out in the Minister's consent order? Is he also aware that the company has not provided written advance notice to affected residents, advising of the degree or period of disturbance caused by tunnelling or what assistance would be offered to residents affected by excessive noise? What action is being taken to address these significant concerns raised by local residents?

The Hon. Rick Colless: Report him to the regulator.

The Hon. MICHAEL COSTA: The Hon. Rick Colless can make jokes about the regulator but it shows only that he does not understand the regulatory regime that governs rail. If I were the honourable member, I would take the advice of his leader and stop carping about it, because he is making himself look like a fool. It is not the Government's responsibility to deal with some of these matters; they are dealt with by the regulator. I am not aware of the complaints to which the Hon. Greg Pearce referred but I am happy to seek advice from the Transport Infrastructure Development Corporation [TIDC], the government organisation that deals with these matters—I think it is probably the appropriate body to consult—and return to the House with a response. I am aware that TIDC has an extensive communications strategy—if my information is accurate—and if it has not spoken to the community it ought to do so. I will certainly make sure that it takes action and talks to the local community about the matter. I would have thought there would be a much more extensive consultation program. That is part of the reason that friends of the Greens, people like Jack Mundy, are complaining about the historic Chatswood station. It seems that anything that is more than five years old in this country is labelled "historic"! I will get some information on the matter.

NORSKE SKOG PAPER MILL UPGRADE

The Hon. EDDIE OBEID: My question is addressed to the Treasurer. Will the Treasurer inform the House about the upgrading of the Norske Skog paper mill at Albury?

The Hon. MICHAEL EGAN: I thank the Hon. Eddie Obeid for a question of enormous importance to one of the great regions of our State. I am pleased to inform the House that Norwegian-based paper group Norske Skog has approved plans for a $110 million upgrade of its Albury paper mill. The upgrade will secure the ongoing employment of 260 people and 40 contractors. It will also create more than 250 extra construction jobs on site at Albury, peaking to 500 during the busiest periods. The decision by the Norske Scog board—which is based in Oslo, Norwegia, as I heard someone on television describe Norway—followed the Government's approval of the business plans in January.

The Government's Department of State and Regional Development has also been working very closely with the company in securing this investment. The paper plant is located at Table Top, 12 kilometres north east

of Albury. It uses wood from radiata pine trees and recycled fibre recovered from newspaper and magazines to make pulp. In the 2002-03 financial year, about 310,000 tonnes of pulpwood was used by the plant, 62 per cent of which came from New South Wales and the remainder from Victoria. When finished, the $110 million paper mill upgrade will increase production capacity by about 50,000 tonnes a year to 265,000 tonnes a year. The investment is expected to inject a great deal of money into the Albury economy not only through the provision of jobs but also in the purchase of local materials. The Government is pleased to be assisting important development such as this, and I look forward to keeping the House informed about the progress of Norske Skog.

STATE TRANSIT AUTHORITY DIESEL BUSES

Ms LEE RHIANNON: I direct my question to the Minister for Transport Services. Why has the Minister permitted the State Transit Authority to revert to diesel buses in its fleet acquisition program? Is short-term cost the only factor the Minister looks at in making policy decisions or does he also consider the long-term impact on the environment and community health? Does the Minister's decision reflect his increasingly isolated position as a self-proclaimed greenhouse sceptic?

The Hon. MICHAEL COSTA: I am glad the honourable member has asked me about the greenhouse effect. I certainly recognise that there is a greenhouse effect but I have real concerns about the scientific evidence that seeks to link the so-called greenhouse effect with global warming, given that the statistical base for it extends back somewhere in the order of only 250 years. Many reputable scientists actually take a different view of the matter. I realise the Greens need to build up a political constituency and scare the living daylights out of people to get them to join their party and provide research funds for associated organisations. But the fact is that the jury is still out on the greenhouse effect. I am not the only member in this Parliament who has an open-minded view about greenhouse and has not bought the political rhetoric of the Greens in relation to it. I am surprised that the honourable member assumes that someone who takes a balanced and objective view of the scientific evidence on greenhouse is isolated. If that is the case, I really live in fear for the state of politics in this country.

I am absolutely convinced the Government has taken a very sensible decision in relation to buses. I hope the honourable member is aware that there have been tremendous advances in diesel technology. I will put some of those advances on the record. I acknowledge that some of them were as a result of the Europeans signing the Kyoto Protocol—personally I would not have signed it—and as a result some research dollars have had to be put into diesel engineering. Diesel engines have been developed with emission outputs very similar to those of natural gas.

The Hon. Greg Pearce: Very similar to your methane output!

The Hon. MICHAEL COSTA: Methane is very important. It is often said that methane comes from very large animals that eat considerable amounts of grass. Unfortunately some members in this place smoke it, and that results in some of the questions we hear. I will not make further comment on that matter. In relation to natural gas, the Government seeks to implement the standard designated as Euro 3, which is currently the standard for our natural gas buses. It will also be the standard for diesel buses that will be purchased. If one is faced with having to make a decision about whether to purchase a vehicle that, in terms of performance, has the same level of environmental output as another vehicle but for 25 per cent less the cost of that other vehicle over its operating life, I suggest there could be but one decision. I know which one I would make, and it is the same as the decision made by the Government, that is, purchase the vehicle that provides the same environmental output at 25 per cent less cost.

I do not think that is mad economic rationalism: it is sensible purchasing on behalf of taxpayers, and the Government will continue to do just that. If the standards were to change—and I have been advised there is no Euro 4 standard—the Government will take those changes into consideration when it purchases new buses. At the moment the Euro 3 is the highest standard for such vehicles. Whether the vehicles are powered by natural gas, diesel or pedal matters not because the outcome is exactly the same environmentally. During the bus reform process I gave a commitment to the Greens that the Government would maintain a commitment to environmental standards, and it will continue to do so.

STATE SUPERANNUATION AND ROBERT JOHN HARDY ESTATE

The Hon. DAVID CLARKE: My question is directed to the Treasurer. Is the Treasurer aware that the executors and, therefore, beneficiaries of the estate of the late Robert John Hardy are still being pursued by State

Super, which is seeking to recover what it believes is an overpayment to the estate? That alleged overpayment came about as a result of calculations incorrectly made by an officer from Pillar Administration that were checked before the payment by two other officers. Is the Treasurer further aware that if this recovery process goes ahead, both elderly beneficiaries of the estate will be forced to sell their homes to meet the alleged debt, causing them extreme personal hardship, and that one home sale will result because one of the executors will consequently have to sue his mother to recover the money, therefore forcing her to sell her home?

Does the Treasurer recall his commitment in November 2003 to review the matter on advice from the trustees, if it became necessary? Does the Treasurer also recall his advice earlier this month that hardship was one of the reasons that should cause superannuation schemes not to pursue overpayments? Will the Treasurer now commit to urgently conducting this review, particularly given the extreme hardship that loss of their homes will cause these elderly people and the significant legal costs that have already been incurred by the estate?

The Hon. MICHAEL EGAN: I did ask State Super to review the matter. It is true that I believe hardship is a ground on which consideration should be given in such matters. I will ascertain the latest situation and report back to the member.

CITYRAIL CLEANING TECHNOLOGY

The Hon. CHRISTINE ROBERTSON: My question is addressed to the Minister for Transport Services. Will the Minister update the House on the cleaning services of CityRail?

The Hon. MICHAEL COSTA: This morning I was fortunate to see a demonstration of new cleaning technology that will be implemented across the CityRail system. For the first time, the technology enables our cleaners to very rapidly remove graffiti from seats. It is good technology. Liquid is sprayed on graffiti and then wiped off and the graffiti is removed. It is impressive Australian technology.

The Hon. Michael Egan: Does it remove graffiti from all sorts of surfaces?

The Hon. MICHAEL COSTA: Yes, including seats. With regard to the removal of graffiti from the outside of trains we have always had fairly powerful technology in terms of the chemicals involved—and people have had to be very careful using that technology—but we have never had technology that enabled us to quickly remove graffiti from seats. In the past, seats with graffiti on them have had to be either replaced or painted over, and this has meant that trains were out of operation for a number of days. It was unfortunate that we did not have this technology in the past, but the good news is that we have it now and that it is Australian technology. It will enable us to reach the objective I have asked CityRail to reach, that is, remove graffiti from trains within a 24-hour time frame by the end of the year.

All countries that have managed to effectively deal with this graffiti problem have adopted a strategy of removing graffiti tags very quickly to make short lived the perverse pleasure that people derive from seeing their tags on public utilities. That is the strategy we will be adopting. This technology will also be implemented with some additional cleaning staff. Today, with the Premier, I was able to announce an additional 50 new specialist cleaners to work on the rail system. As honourable members would be aware, last year we introduced 60 mobile cleaners, which have been a terrific success in cleaning up our trains. Indeed, it has been estimated that they remove three tonnes of rubbish a week from trains—this is after the trains come into service. That is a more than 140 tonnes of rubbish a year, and that is only in the period between the morning peak and when they are cleaned at night. That is a staggering amount of rubbish.

The Hon. Michael Egan: People should not leave rubbish on the trains.

The Hon. MICHAEL COSTA: Today the Premier commented about personal responsibility; he said that people should be responsible for rubbish and maintaining the ambience and comfort of public utilities. Certainly, I think all of us would agree with that. Unfortunately, some people leave rubbish on trains, and we must deal with that. As part of the Government's commitment to having a cleaner rail network, we introduced 60 specialist cleaners. Today we indicated that we will put an additional 50 specialist cleaners into the system. They will also be provided with new "gum buster" machines. This interesting technology enables cleaners to remove chewing gum from railway platforms quickly and effectively. The Greens will no doubt be pleased to hear that these machines use very little water compared to other technologies for cleaning gum off platforms. The new technology will also be introduced with a new system that enables the public to make observations and, more than that, to make complaints about potentially dirty carriages. [*Time expired.*]

The Hon. CHRISTINE ROBERTSON: I ask a supplementary question. Will the Minister elucidate his answer?

The Hon. MICHAEL COSTA: We are encouraging people who see dirty carriages to use the transport information line—the number is 131500—to make contact via mobile phone to give the carriage number.

The Hon. Duncan Gay: Why don't you table the press release?

The Hon. MICHAEL COSTA: Has the Deputy Leader of the Opposition not heard what his leader said? He said that he should stop carping and whingeing. If the Deputy Leader of the Opposition listened, he might learn something.

The Hon. Michael Egan: Who said that?

The Hon. MICHAEL COSTA: Andrew Stoner said that. He said that it has taken him 15 months to settle into the job. He thought he knew lots of things but he has realised he does not. The new cleaning technology enables us to use the SMS system linked—

The Hon. Melinda Pavey: Is that what you used on your head?

The Hon. MICHAEL COSTA: That is not very nice. I cannot help it if The Nationals had to copy all of Country Labor's resolutions at their recent conference. As a result, even the press observed that there was nothing new at The Nationals conference because they could not find any issues. That is not my fault. I think the Hon. Melinda Pavey should at least be courteous and let me talk about an important issue for the travelling public of New South Wales, which is a new strategy to deal with cleaning issues.

The Hon. Michael Egan: I hope they didn't criticise my budget.

The Hon. MICHAEL COSTA: They did not criticise the Treasurer's budget; they were quite rude about his budget. It is a very good budget, which delivers services and benefits for first home buyers. It is a terrific budget. It provides for improved investment in our rail and hospital systems. All The Nationals could do is carp and whinge. They never took Andrew Stoner's advice. They carped and whinged about the budget. [*Time expired.*]

WATER RECYCLING TARGETS

The Hon. Dr PETER WONG: My question without notice is directed to the Treasurer, representing the Minister for Energy and Utilities. Given that Sydney Water has abandoned the south-west pipeline, which is a critical component of the Waterplan 21 recycling strategy, when will the Minister be able to provide revised targets for water recycling and waste water management in Sydney in the near and long term? In view of the fact that Sydney Water has ditched the $110 million recycling scheme, what initiatives and strategies does the Government have to solve the long-term water shortage in Sydney?

The Hon. MICHAEL EGAN: I will take the honourable member's question on notice and refer it to the Minister.

SYDNEY SUPERDOME SALE

The Hon. DON HARWIN: My question is addressed to the Treasurer. Why did the Treasurer support the Sydney Harbour Foreshore Authority head, Gerry Gleeson, on the issue of the SuperDome, given that his own rules require that public commercial entities submit any "complex or innovative projects with significant risks" to the Cabinet Budget Committee for approval—action which was not taken? Or was the $75,000 in financial support of Arena Management, of which Mr Gleeson is a former director, enough to get him special treatment?

The Hon. MICHAEL EGAN: I will take the question on notice.

TRANSIT OFFICERS DISABLED PASSENGER TREATMENT

The Hon. PATRICIA FORSYTHE: My question without notice is directed to the Minister for Transport Services. Will the Minister explain why he has failed to make any contact with Ms Stansbury who

made a serious written complaint on 26 February regarding detainment by RailCorp staff of a young man with an intellectual disability at Wynyard station? Did the complaint include allegations that RailCorp officers used excessive force in dealing with this person? Has any action been taken to investigate the actions of these officers? Why has there been a four-month delay in contacting Ms Stansbury to obtain a full statement from her? Will the Minister take immediate action to contact Ms Stansbury and investigate this matter?

The Hon. MICHAEL COSTA: My advice is that the person named has actually been contacted, so I do not understand the basis of the question. However, just to make sure of that, I will have a look at it and ensure that the advice I have received is accurate. Transit officers have a responsible job to strike a balance between the system's requirements and other passengers in terms of safety, security and providing information when required in relation to operations that may be affected by the rail system itself. I view seriously any question of whether they dealt with someone inappropriately.

The role of transit officers is tricky. They often confront individuals who cause them enormous distress in terms of the way they behave. It is similar to the job of police officers. It is always a balance between getting it right and not impacting on the civil or other liberties of people using the rail system. I hope that there has not been a failure; if there has, we will certainly look at it and seek to address it through the training program. If it has been a specific incident of an inappropriate action—and I must put it on the record that we have had some of those—the individual will be dealt with.

GREY NURSE SHARK PROTECTION

Mr IAN COHEN: I ask the Minister representing the Minister for Primary Industries whether he will confirm reports that in the past month there have been three incidents involving fishers catching endangered grey nurse sharks in New South Wales waters. Will the Minister confirm that one of the incidents involved the spearfishing death of a grey nurse shark? If so, will the Minister direct New South Wales Fisheries to prosecute this offence in the Land and Environment Court? What proportion of the total New South Wales grey nurse shark population has been involved in fishing incidents in the past month?

The Hon. MICHAEL COSTA: Obviously that is a direct question for the Minister for Primary Industries, who is not here. I will take the question on notice for him and ensure that we get the appropriate response.

RAILCORP MANAGER, LAND USE AND PLANNING OF RAIL ESTATE CONTACT NUMBERS

The Hon. ROBYN PARKER: I ask a question of the Minister for Transport Services. Can the Minister inform the House why the contact phone number for the Manager, Land Use and Planning of Rail Estate at RailCorp, namely 02 9379-6142, is never answered and always diverts to an answering machine, and why faxes sent to the nominated fax number, 02 9379-6160, are not responded to? Why are these numbers listed as the contact points for queries about the RailCorp guidelines for local councils entitled "Consideration of Rail Noise and Vibration in the Planning Process" when they are never attended to and messages left on the answering machine are not responded to? Will the Minister give an undertaking to immediately investigate and rectify this matter?

The Hon. MICHAEL COSTA: I think it is completely outrageous that these individuals do not answer their phones! We provide them with telephones, answering machines, fax machines, and email addresses, and if they do not answer their phones or answer their emails we will certainly take action against these people! It is a complete outrage!

The Hon. MICHAEL EGAN: If members have further questions, they should place them on notice.

Questions without notice concluded.

DEPARTMENT OF THE LEGISLATIVE COUNCIL

Annual Report

The President tabled the annual report of the Department of the Legislative Council for the year ended 30 June 2003, Volumes 1 and 2.

Ordered to be printed.

RESIDENTIAL TENANCIES AMENDMENT (PUBLIC HOUSING) BILL

Second Reading

Debate resumed from an earlier hour.

The Hon. JON JENKINS [5.01 p.m.]: I am not fully prepared to make this contribution as I had assumed the Hon. Dr Arthur Chesterfield-Evans would resume his second reading speech. Though I have spoken to the Minister's advisers on several occasions, I still have two concerns. The first relates to a person with a mental disability who is incapable of understanding the concept of entering into a good behaviour contract. I ask the Minister to address that issue, although I acknowledge that a number of honourable members have made similar requests.

The second issue arises where one member of a family breaches a good behaviour contract. Two examples come to mind. One is of a teenage son of a single mother who may have other children, and the whole family is punished because of the unacceptable behaviour of the son. Perhaps the other members of the family could be offered the choice of continuing in some form of public housing, so that all members of the family do not end up on the streets. I ask the Minister to address that matter in his reply.

The Hon. DAVID OLDFIELD [5.03 p.m.]: I support this Government bill. It is about time that those who vandalise public housing, public property, paid a price for that. If the vandalism relates to a number of acts and is of such a nature that tenants are to be evicted as a consequence, I regard that as appropriate. That these people would find themselves on the street is a circumstance that they have created for themselves. Though I support the bill, I do not in any way support the concept of a right to public housing. I consider public housing to be a privilege that is extended by a decent society to the most needy or deserving. If that privilege is seriously abused by persons such as those targeted by the bill, it is appropriate that the House supports these measures.

At one point in the debate it was said that this bill could put New South Wales in the position of breaking the rules of the United Nations. I happily state that I think the United Nations is a sad and sick joke. The notion that putting in place an adverse consequence for those who destroy public property would upset the United Nations or somehow put Australia in breach of some United Nations declaration regarding the provisions of housing really is nonsense, considering that so many of the countries that constitute the United Nations are of lesser status than third-world countries. Some are exceedingly primitive countries in which, on a good day, housing is a sheet tin between two trees.

Those members of the United Nations have no right whatsoever to criticise anything that happens in Australia. It is a joke that we should be concerned about, or consider, what the United Nations has to say, considering the make-up of its members and what takes place in the majority of countries of the status that I mentioned, many of which are in Africa. Australia is not causing for its people problems of a kind that the United Nations should be remotely concerned about.

Another of my concerns relates to the cost and location of public housing. A substantial sum of money is tied up in the public housing portfolio in New South Wales. I believe it is in the order of $17 billion, but if that is wrong I would ask the Minister to give the accurate figure. I personally believe that much of public housing is in the wrong areas of Sydney and New South Wales. The cost of public housing in Sydney foreshore and harbour areas and seaside suburbs prevents a greater provision of public housing in cheaper areas. I do not consider that people who, properly and understandably, have the privilege of housing at taxpayers' expense should be able to pick and choose where they live.

As I have said, so much more public housing could be provided for the right people in areas of lower cost. That is more sensible than placing public housing tenants in high-rise apartments in the Sydney central business district or in seaside suburbs with harbour and ocean views. Those sorts of areas are not appropriate for public housing. I reiterate my support for the bill. It is time the Government and the Department of Housing is able to come down heavily on those who cause substantial damage to this public property, at substantial cost to the taxpayers. I am pleased to support the bill.

The Hon. Dr PETER WONG [5.07 p.m.]: As a general practitioner who worked in an area that has a considerable number of public housing tenants, I understand both sides of the argument. I support the bill in principle but I support the statement by a number of honourable members that special consideration should be given to tenants who have mental illnesses, who are victims of domestic violence, or who are the victims of circumstances beyond their control. I believe that the Minister has indicated that he will respond to the questions raised by many honourable members in the debate.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS [5.08 p.m.], by leave: I note that the number of places in residential parks and boarding homes is declining, and that the private rental market generally uses databases, including that of the Credit Reference Association, with the result that only the well behaved are able to get accommodation, if it is available. Agents tend to exclude people who have bad records. So, public housing is housing of last resort.

We have to face some harsh realities. The mentally ill are inadequately supported in our society. Many of them are on the streets. The ones that are given accommodation may still have mental problems. Some people are bad; they come out of gaol still exhibiting antisocial behaviour. There are bullies and thugs; let us not pretend there are not. Most people who do not fit in have trouble one way or another. If the Government wants to use this big-stick approach, has it adequately used the alternatives? Does it really have no choice? With better social support networks, could it keep many of these people in public housing?

The police say that when the mental health system fails and someone commits a crime, it falls back on them. The housing people might well say the same thing. When these support systems fail in other departments and people are put in housing but cannot be maintained there, they have to be evicted. It is all right to take up the time of the police and the housing staff, but no-one asks for more resources to support people.

The intention of the bill is to target those in public housing who continually disrupt and engage in antisocial behaviour. The bill may be well intentioned, because there is a small group of people who disrupt the amenity of others and have to be dealt with, but it could clearly backfire on people suffering mental illness or other disabilities. We are balancing the rights of housing tenants, who need to be protected against antisocial behaviour, with the rights of the people who behave in an antisocial way and are in need of help rather than being simply bad.

The bill introduces acceptable behaviour agreements [ABAs] that public housing tenants with a history of antisocial behaviour must sign. Failure to sign may be grounds for an order to terminate the tenancy. The claim is that ABAs, as trialled in the United Kingdom, will work, when properly administered with a combination of agencies' support, to curb antisocial behaviour among tenants in public housing. The bill aims to create special response teams of representatives from human services and other relevant agencies to support tenants in addressing the causes of their behaviour, which are often related to socioeconomic deprivation and/or mental health problems. A memorandum of understanding between different agencies will clearly outline the protocol of operation. That has not yet happened, so it is a promise by the Government to encourage us to pass the bill.

Proposed section 64 (2A) will reverse the onus of proof to tenants to prove why they should not be evicted. People involved in the law have great problems with that, and the Consumer, Trader and Tenancy Tribunal will have to enforce it. If there is bullying and harassment, people may be frightened to give evidence against the bullies, so there may be a problem getting evidence. That is an aspect that people in a more genteel environment—like the environment here—may not understand. I can understand why the Government wants the onus of proof to be reversed. Proposed section 68A allows conduct of a tenant that amounts to harassment, molestation or intimidation of departmental staff to be used as grounds for termination of a tenancy agreement, although it is claimed that this harassment has to be severe. It is not intended that these amendments will require further expenditure, as it is intended that existing resources will be used more effectively. That is a worry, because putting more support services in place will require more money.

The bill is opposed by the Council of Social Service of New South Wales, Shelter New South Wales, the Mental Health Co-ordinating Council, and People with Disability Australia because of its potentially adverse impact on already disadvantaged people, particularly those with mental illness and other disabilities. We believe the bill does not have enough safeguards for people with disabilities. Antisocial behaviour is not adequately defined in the bill, and that could leave it open to exploitation. There has been inadequate consultation with the peak bodies. The reversal of the onus of proof means that tenants must provide adequate reasons for continuation of the tenancy or be evicted. That is the most significant change, and it is contrary to basic legal principles.

There are inadequate safeguards in the ABA process to protect tenants against vexatious, racially motivated, family law, or domestic violence complaints. There are inadequate safeguards such as minimum periods of notice and expiration periods of the ABA if there are no breaches. The bill extends the reach of ABAs to persons not directly engaging in the alleged antisocial behaviour. That raises concerns that families will be evicted for the actions of one member, potentially leaving homeless wives and children who were not able to

control the behaviour of the aggressive person in their family. There are also inadequate safeguards to allow for appeals to the Consumer, Trader and Tenancy Tribunal.

The bill mandates termination when a tenant has failed to sign an ABA or has been accused by the department of a breach of an ABA. Nowhere in the bill is there the basic requirement that the department meet an evidentiary standard that its issuance of a notice of termination was reasonable. It may be debatable whether response teams will have adequate funding from existing resources to adequately monitor tenants affected by ABAs. Once a tenant has been evicted, the department will have to continue to provide support—and that may well be through RentStart—to help the tenant secure private rental accommodation. That will be more costly and will put the tenant at the mercy of the Sydney rental market, which will probably have that person on a database.

The Greens will move a number of amendments that have been suggested by the Carers Association, and I believe they should be supported. The Mental Health Co-ordinating Council suggests that the bill should be delayed at least until the details of the ABA regime have been worked out in consultation with the community. That is the key issue from my point of view. While I appreciate the need for a bill like this, I believe it has not been adequately workshopped with the people who support the so-called problem people. Therefore, I must oppose the bill.

The Hon. JOHN DELLA BOSCA (Special Minister of State, Minister for Commerce, Minister for Industrial Relations, Assistant Treasurer, and Minister for the Central Coast) [5.16 p.m.], in reply: I thank all honourable members who contributed to the debate. I reiterate that the Government's primary goal is not to interfere with people's daily activities or to evict tenants. Rather, the aim is to support those who engage in problematic behaviour, to change that behaviour and to sustain their tenancies. We are putting in place a number of new checks in the department, making the department more transparent and more accountable in its operations.

We need to balance the entitlement to secure housing with the need for tenants to be accountable for their behaviour. Under the provisions of the bill there will be far greater opportunity to monitor persons suffering from mental illness or behavioural problems and to take measures to sustain their tenancies through the support of specialist response teams. Although not part of the legislative response to antisocial behaviour in public housing, specialist response teams will form a crucial component of the proposed reforms. The key principles underpinning the use of these teams are developing effective strategies for sustainable tenancies while protecting and supporting healthy communities, focusing on early intervention, using a multi-agency approach, and providing tailored support to tenants and their families if their tenancies are at risk.

A multi-agency approach is vital to the success of the specialist response teams. In this way the Government can ensure that agencies' specific areas of expertise can be drawn on in implementing these reforms. The Department of Housing will consult a range of agencies before the teams are set up and before any protocols for interagency involvement are finalised. Agency input will be sought to refine and clarify the role of the teams, the report-back structure, and the framework for evaluating their effectiveness. It is anticipated that other agencies will help develop holistic strategies to deal with antisocial behaviour, share information with other agencies, and contribute to development and evaluation of the teams.

It is likely that many tenants engaged in antisocial behaviour are already receiving attention from more than one government agency, and that is why the additional resources are not required for this initiative. For example, specialist response teams could be located in areas where whole-of-government programs such as Community Solutions or Families First already operate. That would maximise the capacity of existing resources, as well as reduce the need for additional resources to support the teams. It is envisaged that agencies will be able to identify cost savings resulting from early intervention that result in a family's tenancy being preserved. It is well documented that unstable housing can lead to poor social outcomes, including an increased risk of homelessness, poorer health, increased child abuse and neglect, early school leaving and poorer educational outcomes, and increased interface with the juvenile justice system.

The Opposition has expressed concerns about the likely impact of the provisions on tenants with a mental illness. Those on low incomes with mental health problems are an important priority for public and community housing. The Department of Housing will continue to assist those tenants, notwithstanding the provisions of the bill. Many people with mental health problems and disorders are assisted on an individual basis through a range of services such as priority housing, community housing, and rent assistance. Many households will make their own arrangements for support or choose to maintain their privacy and not disclose their condition to the housing provider.

The department is currently working on two major projects with the Centre for Mental Health that will result in improved services for tenants with mental illness. First, the joint guarantee of service will be expanded to include community housing, crisis accommodation, and Aboriginal housing services to build on the existing success of the partnership between the Department of Housing and the Centre for Mental Health, whereby the joint guarantee of service better assists existing social housing tenants whose tenancy may be at risk, and assists housing applicants who may be homeless or at risk of homelessness to sustain their tenancies. Second, the department will extend the housing and accommodation support initiative.

In 2002-03 the first phase of the housing and accommodation support initiative was implemented between the Department of Housing and the Centre for Mental Health. The initiative is a three-way partnership between the housing provider, the clinical support provider, and health-funded non-government organisations for day-to-day support to provide supported housing to people with a mental illness. As a result of this initiative 100 people with mental illness and high support needs have been successfully housed. The success of the housing and accommodation support initiative was recognised by the New South Wales Council for Social Service in its pre-budget submission, which has led to current negotiations between the Department of Housing and New South Wales Health to assist additional people. It is expected that additional packages will assist people with mental illness who are already living in public housing but may need intensive support to maintain their tenancy. These packages will cover persons with low, high, and very high support needs.

The expansion of the joint guarantee of service and the housing and accommodation support initiative builds on past successes in assisting people with mental illness to secure housing. For example, under the Boarding House Program the Department of Housing worked with the Centre for Mental Health, area health services, and the Department of Ageing, Disability and Home Care to relocate more than 300 people with high-level support needs, including mental illness, from unstable private-for-profit boarding houses into community-based supported accommodation. The department has developed "my place" leases to assist homeless people, many of whom have a mental illness and require low-level support, and who are ready to move.

The Department of Housing worked with New South Wales Health on the Central Coast and in south-western Sydney to provide supported housing packages for people with mental illness. As with any new legislative provisions, a policy regarding the implementation of the new measures will be prepared. The policy will provide guidelines to ensure the measures are used appropriately and effectively, and to avoid any unintended consequences. The department will develop and provide training for client service staff to enable them to effectively and sensitively implement the measures outlined in the bill and reduce the incidence of abuse of acceptable behaviour agreements at a local level.

For example, it will be important for staff to understand when it is appropriate to ask tenants to sign an acceptable behaviour agreement, to understand that these circumstances are likely to be infrequent, to realise that acceptable behaviour agreements are not to be used to threaten tenants and that they are tools for tenancy management that will enable departmental staff to assist tenants to sustain their tenancies, and to understand when it may be appropriate to make referrals to the special response teams or other specialist support services. The Government is committed to ongoing consultation with stakeholders about the operation of the measures.

Ms Sylvia Hale suggested that the department could resolve problems stemming from antisocial behaviour by moving tenants. The department does that already. Antisocial tenants can be moved, which may result in their continuing their behaviour in the new location, and affecting the new neighbours. The neighbours of the antisocial tenants can be moved to enable them to escape that antisocial behaviour, but that can have two undesirable consequences: the antisocial behaviour continues and impacts on the new neighbours, and social connectors and children's schooling is disrupted. Ms Sylvia Hale referred to a loss of residential parks. I assure her that this issue is currently being examined by the Department of Infrastructure, Planning and Natural Resources, despite the fact that the parks are private resources. The Government will make public the guidelines that will apply to the use of acceptable behaviour agreements, which will be published in the *Government Gazette*. In addition, the Minister has stated that a review of the operation of the provisions will be carried out after 12 months to ensure there are no unintended consequences. I commend the bill to the House.

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

The House divided.

Ayes, 23

Mr Catanzariti	Mr Lynn	Ms Robertson
Mr Clarke	Reverend Dr Moyes	Mr Roozendaal
Mr Colless	Reverend Nile	Mr Tsang
Mr Della Bosca	Mr Obeid	Mr West
Mrs Forsythe	Mr Oldfield	Dr Wong
Miss Gardiner	Ms Parker	*Tellers,*
Ms Griffin	Mrs Pavey	Mr Harwin
Mr Jenkins	Mr Pearce	Mr Primrose

Noes, 5

Dr Chesterfield-Evans
Mr Cohen
Ms Hale
Tellers,
Mr Breen
Ms Rhiannon

Question resolved in the affirmative.

Motion agreed to.

Bill read a second time.

In Committee

Clauses 1 to 3 agreed to.

Ms SYLVIA HALE [5.31 p.m.]: I move Greens amendment No. 1:

No. 1 Page 4, schedule 1 [3], proposed section 35A. Insert after line 15:

(2) A reference in this section to anti-social behaviour is a reference to any intentional or deliberate conduct that would otherwise constitute a contravention of section 23.

In the course of debate honourable members expressed a number of reservations about the bill. The Greens amendments seek to address all those concerns. We do not believe that it is appropriate for it to be left to the whim of Department of Housing officers to decide whether public tenants are required to sign acceptable behaviour agreements or whether they will be hauled before a tribunal which will determine whether they should be evicted. The bill is clearly deficient, as evidenced by the Minister in reply to the second reading debate. The Special Minister of State said that the Department of Housing will continue to assist people with problems, "notwithstanding the provisions of the bill". If anything demonstrated that the provisions of the bill are extraordinarily draconian it is that statement by the Minister.

This bill will pass through Parliament because, in the words of the Minister, the Government's intends to make the process whereby Department of Housing tenants are dealt with more transparent and accountable. That is precisely what is lacking in the bill, and it is those concerns that the Greens amendments seek to address. Misgivings have been expressed, including one by the Hon. Jennifer Gardiner, who said that the Opposition was concerned about the reversal of the onus of proof. I refer her to Greens amendment No. 8. The Hon. Patricia Forsythe and the Hon. Jon Jenkins also expressed concern. The Hon. Patricia Forsythe is concerned that people may be evicted from Department of Housing accommodation because of antisocial behaviour beyond their control.

The Greens amendment introduces a procedure to curb such draconian activity and to ensure that matters are subjected to proper appeal processes before they are taken to the tribunal. Reverend the Hon. Dr Gordon Moyes said that "The Government does not intend to require tenants who are unable to enter into an acceptable behaviour agreement due to mental illness, intellectual disability or for some other reason, to do so". There is nothing in this bill that indicates any such intention on the part of the Government. The Government asks us to take its word for that. Greens amendments Nos 1 and 7 address that failure in the bill. Indeed, they encompass all the concerns that have been expressed.

Reverend the Hon. Dr Gordon Moyes said that "The Consumer, Trader and Tenancy Tribunal, not the Department of Housing, is responsible for terminating a tenancy … ". I am sure that the tribunal will act to protect the rights of individual tenants but the bill does not provide the tribunal with any discretion. If a tenant is shown not to have signed an acceptable behaviour agreement or to have breached that agreement, the tribunal does not have the power to exercise discretion: it must find the tenant guilty, without the benefit of an appeal process. One may like to believe that the Government will do the right thing, but experience has shown that it is far better to spell out in legislation any provisions to ensure a fair and equitable system—and that will be the result if the Greens amendments are accepted—rather than relying on the Government to act appropriately.

Reverend the Hon. Dr Gordon Moyes said also that "The United Nations agreement on housing and forced evictions indicates that the person should not be evicted for reasons that are unreasonable", and that the bill does not contain anything that is unreasonable. That is simply untrue. It is not reasonable to evict someone merely because they litter, make a noise or, in the example given in the Minister's second reading speech, they throw stones on a roof. As I said in my contribution to the second reading debate, the bill will contribute directly to the number of homeless people on our streets. The Government has consistently said that the bill is not intended to evict mental health patients or entire families because of the behaviour of a single member.

The Hon. Dr Arthur Chesterfield-Evans: There are crowds on the streets already.

Ms SYLVIA HALE: Indeed there are. Irrespective of the Government's claimed intent, the bill, as it currently stands, gives the Government powers to evict people in a wide range of circumstances. Section 23 (1) of the Residential Tenancies Act 1987 already stipulates that tenants must not cause nuisance or interfere with the peace, comfort or privacy of their neighbours. That is the requirement of all existing public housing tenancies. Greens amendment No. 1 will effectively tighten the definition of antisocial behaviour to ensure that the behaviour must be deliberate, intentional and directly contravene the current acceptable behaviour requirements set out under the Act. Section 23 (1) of the Act states:

> It is a term of every residential tenancy agreement that:
>
> (a) the tenant shall not use the residential premises, or cause or permit the premises to be used, for any illegal purpose,
>
> (b) the tenant shall not cause or permit a nuisance, and
>
> (c) the tenant shall not interfere, or cause or permit any interference, with the reasonable peace, comfort or privacy of any neighbour of the tenant.

The Act already covers a sufficient range of activities and behaviours. The department does not need additional powers to evict tenants unless the behaviour is deliberate and directly contravenes the Act. I urge all members to support the Act. Opposition members have argued that it is not their role to correct bad legislation. The Government makes the law; it has made its bed so it should lie in it. The Government may have a bed to lie in but very few people whom the bill makes homeless will have a bed in which to lie. It is surely the role of this Chamber to prevent the passing of bad legislation. If we have a role other than that I do not know what it is. From the speeches that have been made by all members who have spoken, it can be seen that the bill is extraordinarily flawed.

The Hon. Henry Tsang: Point of order: The honourable member should address the amendment. This is not the opportunity for the type of speech that would be appropriate at the second reading stage. I ask that honourable members to focus on the amendment.

The TEMPORARY CHAIRMAN (The Hon. Kayee Griffin): Order! I suggest that Ms Sylvia Hale confine her remarks to the first of the amendments circulated in her name, which she has moved. If she wishes, she may seek the leave of the Committee to move the remainder of her amendments in globo at the conclusion of consideration of this amendment.

Ms SYLVIA HALE: It is a matter of conscience and principle that the amendment be supported, particularly when members are well aware of the shortcomings and failures of the bill.

The Hon. HENRY TSANG [Parliamentary Secretary] [5.41 p.m.]: The proposed amendment would restrict the operation of the bill by limiting the definition of antisocial behaviour to little more than what is currently known as nuisance and annoyance. That would mean that the application of the proposed measures to deal with antisocial behaviour would be similarly limited. That is not acceptable to the Government because it would fail to deal with the broader range of antisocial behaviour which is of concern and which the Government intends to address by the provisions of the bill. The Government opposes the amendment.

Ms SYLVIA HALE [5.42 p.m.]: Littering, the emission of noise, dumping cars, vandalism and graffiti seem extraordinarily narrow and relatively trivial matters to be used against tenants as a reason for evicting them. As has been said by the Opposition, the bill is an extraordinarily blunt instrument that takes no account of particular circumstances. As I read out earlier, section 23 seems sufficiently broad in its compass to capture the forms of misbehaviour that many people complain about. Reducing it to such specifics in the way that the bill does leaves tenants open to capricious, discriminatory and punitive action by the department, which is not an outcome that any of us would welcome.

Amendment negatived.

Ms SYLVIA HALE [5.44 p.m.]: I move Greens amendment No. 2:

No. 2 Page 4, schedule 1 [3], proposed section 35A (2), line 22. After "agreement", insert "unless the tenant can demonstrate that he or she has made reasonable efforts to prevent the anti-social behaviour of the lawful occupier".

When a tenant has taken steps in the right direction and made a genuine attempt to modify problematic behaviour it should be taken into account as a mitigating circumstance. The bill as it currently stands permits the eviction of tenants the minute they contravene an acceptable behaviour agreement. Surely there must be some mechanism that recognises and rewards improvements in behaviour, even in cases where, by the strict definitions of the acceptable behaviour agreement, a contravention may have occurred. A parent may have trouble with a teenager engaging in a particular activity that had previously occurred on a weekly basis but that had subsequently been curbed. Should the family be evicted for a single breach after a three-month or four-month period? The Greens amendment simply says that any improvement in behaviour should be taken into consideration. I urge members to support the amendment.

The Hon. HENRY TSANG [Parliamentary Secretary] [5.45 p.m.]: This amendment seeks to limit the vicarious responsibility of tenants in relation to lawful occupiers of the premises. Tenants already have responsibility for the actions of lawful occupiers under section 23 (2) of the Residential Tenancies Act 1987. The bill clarifies a tenant's responsibility when a lawful occupier acts in an antisocial manner. It is acknowledged that difficult circumstances arise when a tenant has trouble with the behaviour of others living in the premises. As previously indicated, the Department of Housing will be required to use these provisions in a sensible and balanced way and to deal sensitively with such situations. However, the Government does not agree that the proposed amendment would achieve appropriate outcomes for either the tenants or their neighbours, and it may well conflict with the tenants' current responsibilities under section 23 of the Act. The Government opposes the amendment.

Ms SYLVIA HALE [5.46 p.m.]: The Hon. Henry Tsang said that the Government will require Department of Housing officers to deal sensitively with such situations. The tenants may not be the ones who are causing the problem. If they have made a genuine attempt to restrain other lawful occupiers such as other members of their family and have been unsuccessful, what is achieved by seeking an order in the tribunal that the lease be determined and the tenants be evicted? It is most punitive to those who may have been the victims of the misbehaviour of the lawful occupier. They may be as much the victims as any neighbours, yet the bill provides that they will also be the victims of the Government's punitive measures. As I have said, it is improper and wrong to rely upon officials when it is so easy to amend the legislation to ensure that the right thing is done in the first place. Account should be taken of endeavours to ensure that the right thing is done.

Amendment negatived.

Ms SYLVIA HALE [5.49 p.m.], by leave: I move amendments Nos 3 and 6 in globo.

No. 3 Page 4, schedule 1 [3], proposed section 35A. Insert after line 34:

(4) The Corporation must not make any such request unless the Corporation has reasonable grounds for making the request and the request is proportionate to the anti-social behaviour specified in the notice.

No. 6 Page 5, schedule 1 [4], proposed section 57A, line 24. Insert "unreasonably" before "failed".

These two Greens amendments are designed to ensure that the corporation must, first, have reasonable grounds for requesting an acceptable behaviour agreement; second, that the request is proportionate to the behaviour; and, third, that the request is made in an open and transparent manner. In the Minister's second reading speech he used throwing stones on the roof as an example of antisocial behaviour.

I do not deny that throwing stones on a neighbour's roof on a daily basis over a prolonged period may constitute antisocial behaviour, but I also draw the attention of the Committee to the fact that a stone thrown on a roof is a time-honoured part of the traditions of Halloween. If acceptable behaviour agreements achieve the Government's stated aim, which is to improve antisocial behaviour, surely the agreements must be perceived within the community to be just and reasonable. They must not be allowed to result in tenants being evicted for a stone being thrown on a roof.

I have been told that in some public housing communities there is significant disquiet over the possibility of this bill being used by the Department of Housing to evict tenants who are having trouble paying their rent. Such concern is deeply troubling. As the bill stands, there is little to prevent that from occurring, and for that reason the Greens believe that the bill must require the corporation, when a request for an acceptable behaviour agreement is made, to clearly specify the exact antisocial behaviour. That is the only way to avoid acceptable behaviour agreements being regarded by tenants as an unfair and underhand eviction tool of the department. Greens amendment No. 6 seeks to insert the word "unreasonably" before the word "failed" and recognises that there may sometimes be cases in which the department has requested an acceptable behaviour agreement on unreasonable grounds. I urge honourable members to support that amendment. I commend the amendments to the Committee.

The Hon. HENRY TSANG [Parliamentary Secretary] [5.51 p.m.]: I thank Ms Sylvia Hale for moving amendments Nos 3 and 6 in globo. Amendment No. 3 requires the Department of Housing to have reasonable grounds for making a request that a tenant enter into an acceptable behaviour agreement. Amendment No. 6 proposes to insert a reasonableness test when a tenant refuses to agree to an acceptable behaviour agreement. Both amendments seek to insert a requirement that the Department of Housing have reasonable grounds for making a request for tenants to enter into an acceptable behaviour agreement. I point out that new section 35A (3) requires the corporation to form a view that a tenant is likely to engage in antisocial behaviour on the basis of the history of the current tenancy or prior tenancies. That is considered to be an adequate safeguard. The Government opposes both amendments.

Ms SYLVIA HALE [5.52 p.m.]: As the Hon. Henry Tsang has pointed out, the thrust of both amendments is reasonableness, and reasonableness has been the tenor of many contributions made by honourable members in this debate. All along there has been an expectation of, and reliance upon, the Government's assertions that it will act reasonably, that it will not act unfairly, discriminatively or punitively. Everyone who has contributed to this debate has taken that on trust, but when it comes to inserting that as a requirement in the bill, apparently that is too much for the Government—and, I suspect, many members of the Legislative Council—to swallow. Surely that must give honourable members cause to consider why there is such a reluctance to do something that is so eminently reasonable. Surely that causes one to reflect upon what the Government's intentions are when it is prepared to give such unfettered power to a department. I believe that is unconscionable. As I said earlier, I believe that the legislation and the Government's response to the amendments is inherently unfair and unreasonable.

Question—That the amendments be agreed to—put.

The Committee divided.

Ayes, 5

Dr Chesterfield-Evans
Ms Hale
Ms Rhiannon
Tellers
Mr Breen
Mr Cohen

Noes, 27

Ms Burnswoods	Mr Jenkins	Ms Robertson
Mr Catanzariti	Mr Kelly	Mr Roozendaal
Mr Clarke	Mr Lynn	Mr Ryan
Mr Colless	Reverend Dr Moyes	Mr Tsang
Mr Costa	Reverend Nile	Mr West
Ms Cusack	Mr Obeid	
Mr Della Bosca	Mr Oldfield	
Mr Egan	Ms Parker	*Tellers,*
Mrs Forsythe	Mrs Pavey	Mr Harwin
Mr Gay	Mr Pearce	Mr Primrose

Question resolved in the negative.

Amendments negatived.

Ms SYLVIA HALE [6.12 p.m.]: I move Greens amendment No. 4:

No. 4 Page 5, schedule 1 [3], proposed section 35A (6), lines 14 to 16. Omit all words on those lines.

Greens amendment No. 4 seeks to remove specific so-called antisocial activities from the bill. It is patently unreasonable that a family could be evicted from their home for littering. No-one else in the Australian community faces such extraordinary restrictions, and it is nothing short of discrimination to impose such draconian measures on public housing tenants. Public housing tenants are entitled to the same rights and privileges as any other tenants or home owners in New South Wales. I have yet to hear of a home owner being evicted for littering. I made the point when speaking to Greens amendment No. 1 I made the point that the current Act already requires public housing tenants to abide by reasonable standards of behaviour. Definitions of acceptable behaviour should be based on the intent and frequency of any behaviour, as well as on contextual issues and any extenuating circumstances. Rigid definitions such as "excessive noise, littering and vandalism" are not helpful. For that reason the Greens believe the list of specific actions in the bill should be removed. I urge all members to support the amendment.

The Hon. HENRY TSANG [Parliamentary Secretary] [6.03 p.m.]: Greens amendment No. 4 would remove the definition of antisocial behaviour. For reasons previously given in relation to the proposed amendment linking the definition of antisocial behaviour to "nuisance and annoyance", the Government opposes the amendment.

Amendment negatived.

Ms SYLVIA HALE [6.04 p.m.]: I move Greens amendment No. 5:

No. 5 Page 5, schedule 1 [3], proposed section 35A. Insert after line 16:

35B Tenant's rights in relation to acceptable housing agreements

(1) A notice to a tenant under section 35A (1) must:

(a) specify the specific anti-social behaviour to which the proposed acceptable behaviour agreement relates, and

(b) contain a copy of the proposed agreement, and

(c) contain the Corporation's reasons for requesting the tenant to enter into the proposed agreement, and

(d) inform the tenant of the tenant's rights under this section in relation to the proposed agreement, and

(e) warn the tenant that the Corporation may apply to the Tribunal for an order for possession of the premises if the Corporation takes action to terminate the tenancy agreement for the reasons specified in section 35A (4).

(2) After receiving the notice, the tenant must be given at least 30 days to respond to the Corporation's request and to provide evidence that the proposed acceptable behaviour agreement is not justified.

(3) An independent review of the Corporation's request must also be made available to the tenant during that 30-day period to ensure that the Corporation is not acting unreasonably or in a discriminatory manner. Any such independent review is to be carried out by the Housing Appeals Committee in the Department of Housing.

(4) The Corporation must take into account:

(a) any response made by the tenant during the 30-day period, and

(b) any findings resulting from the independent review under subsection (3).

(5) If the Corporation decides to proceed with the proposed acceptable behaviour agreement, the Corporation must give the tenant a further 14 days notice of its intention to proceed.

(6) An acceptable behaviour agreement is of no effect unless the requirements of this section have been complied with in relation to the making of the agreement.

(7) An acceptable housing agreement ceases to have effect 12 months after it is entered into.

Greens amendment No. 5 provides a number of important checks and balances, including a requirement that an acceptable behaviour agreement [ABA] be issued in a specified form and that it specifies the behaviour to which the order relates, a requirement that the tenant must receive a copy of the ABA, a requirement that the agreement includes the corporation's reasons for requesting the ABA, a requirement that the agreement includes information informing the tenant of his or her rights, a requirement that the agreement includes an explanation that a breach may result in eviction, an independent appeals process that provides at least 30 days for the tenant to respond to a request for an ABA, and a time limit of 12 months validity for any ABA.

These requirements are necessary to ensure basic probity and transparency. It is extraordinary that the Government has consistently refused to entertain these core requests from tenancy rights and advocacy organisations such as the Tenants Union of New South Wales and the Council of Social Service of New South Wales. The Greens urge members to support the amendment. In my view the requirements proposed in the amendment are not unusual; there is nothing radical or extraordinary about them. I am sure that none of us would have a problem dealing with any of them if we were to enter into agreements—albeit agreements that are not of our own making but with which we are obliged to comply.

The bill provides an uneven balance of power. The Department of Housing says to tenants, in effect, "If you don't enter this agreement, we can evict you." In the face of this overwhelming authority, pressure and power, the tenant is powerless. The passage of this amendment would at least provide a framework for evening up that imbalance of power. The requirements set out in the amendment are minimal. It is extraordinary that the bill does not provide requirements such as that the ABA be issued in a specified form, that the ABA specify the behaviour to which it relates, and that the tenant must receive a copy of the ABA. As I said, the failure to provide such requirements leaves it open for the legislation to be used in a highly discriminatory fashion, in a way that I believe will not reflect the Government's stated intentions in having the legislation passed.

The Hon. HENRY TSANG [Parliamentary Secretary] [6.07 p.m.]: The proposed amendment to section 35A would seek to detail a range of matters about the operation and content of acceptable behaviour agreements. In the Government's view the amendment introduces an unnecessary level of detail in the proposal, and potentially restricts the way in which the acceptable behaviour agreements can be administered. Operational issues of this type can be introduced by way of departmental guidelines. As a matter of administrative law, the Department of Housing has an obligation to ensure procedural fairness, which is best achieved by providing a tenant with details of the behaviour of concern and an opportunity to modify the behaviour. The Minister for Housing has already given undertakings at a crossbench briefing that appropriate guidelines on these matters will be provided, and that there will be an opportunity for tenants to appeal at a senior level within the department. The Government opposes Greens amendment No. 5.

Ms SYLVIA HALE [6.09 p.m.]: The thrust of the Government's argument is that these are operational issues and that guidelines will be provided. It is extraordinary that we are prepared to pass a bill that is so dependent for its effectiveness on guidelines, yet none of those guidelines have been made available or, indeed, have even been drawn up. I am appalled by the haste with which the bill has been introduced, and the Government's refusal to listen to, and take heed of, the concerns of organisations such as Shelter and the Tenants Union.

To say to the House, "We will push this legislation through and then produce the guidelines", is to put the cart before the horse. With many other pieces of legislation that have gone through this House people have been unhappy that regulations and guidelines have not been incorporated in the bill. It is most important for that to be done in this case, because we are dealing here with people's lives. As I have said repeatedly, we are dealing with the prospect of people being evicted from their homes, with the consequential impact upon not only themselves but also their families.

It is assumed that it is good enough to wait for the guidelines to eventually appear and that people will adhere to those guidelines, but we could incorporate in the bill fairly specific requirements as to how tenants will be afforded procedural fairness. I believe that is the correct and appropriate way to proceed rather than to rely upon ministerial assurances that guidelines will be produced—guidelines that no-one in this House will be able to amend or affect no matter how inappropriate, draconian or unfair they are.

Question—That the amendment be agreed to—put.

The Committee divided.

Ayes, 5

Mr Breen
Mr Cohen
Ms Hale
Tellers,
Dr Chesterfield-Evans
Ms Rhiannon

Noes, 27

Ms Burnswoods	Mr Jenkins	Ms Robertson
Mr Catanzariti	Mr Kelly	Mr Roozendaal
Mr Clarke	Mr Lynn	Mr Ryan
Mr Colless	Reverend Dr Moyes	Mr Tsang
Mr Costa	Reverend Nile	Mr West
Ms Cusack	Mr Obeid	
Mr Egan	Mr Oldfield	
Mrs Forsythe	Ms Parker	*Tellers,*
Miss Gardiner	Mrs Pavey	Mr Harwin
Mr Gay	Mr Pearce	Mr Primrose

Question resolved in the negative.

Amendment negatived.

Ms SYLVIA HALE [6.20 p.m.]: I move Greens amendment No. 7:

No. 7 Page 5, schedule 1 [4], proposed section 57A. Insert after line 28:

(2) Any such notice of termination, if made on the grounds referred to in subsection (1) (b), specify the alleged breach or breaches concerned.

This amendment requires the corporation to document the details of any alleged breach of an acceptable behaviour agreement. This amendment is required to introduce basic transparency and integrity into the process. Once again, it is extraordinary that the Government did not include such a provision in the first place. It is extraordinary that the corporation should not be required to document the details of any alleged behaviours that could ultimately result in a person being evicted from his or her home. The fact that the Government and the Department of Housing have been so resistant to these basic transparency requirements raises serious concerns.

The Greens urge all honourable members to critically assess the Minister's assertion that no unjust evictions will occur. Ministers change and bureaucracies are placed under pressure. There is no reason these basic provisions should not be contained in the bill. Notwithstanding the good work done by some individuals in the Department of Housing, overall the department is chronically underfunded and members of staff are often placed under enormous pressure. The Minister is well aware of cases in which, for whatever reason, unjust evictions occur. The Minister maintains that the bill is designed to root out the bad apples, but it must also contain provisions that minimise the possibility of victimisation of tenants. The Greens urge all honourable members to support the amendment.

The Hon. HENRY TSANG (Parliamentary Secretary) [6.21 p.m.]: This amendment would require the notice to the tenant to specify the breach that has given rise to a termination process. That is considered to be a standard requirement to meet the department's obligations in relation to procedural fairness, and it will be addressed in departmental guidelines. This is not a matter for legislation. The Government opposes this amendment.

Amendment negatived.

Ms SYLVIA HALE [6.22 p.m.]: I move Greens amendment No. 8:

No. 8 Page 6, schedule 1 [5], line 25. Omit "tenant has failed to satisfy the Tribunal". Insert instead "Tribunal is satisfied".

Currently the bill requires tenants to demonstrate why they should not have their tenancy terminated. Greens amendment No. 8 shifts the onus of proof on to the tribunal before a termination order can be issued. I believe that the onus of proof should remain with the department. Only in extraordinary or exceptional circumstances should that onus of proof be placed on the tenant. After all, tenants have none of the resources that are at the department's disposal. This is a further indication of the punitive nature of this bill. It will mean that the Act will operate unfairly to the detriment of vulnerable people. I urge all honourable members to support the amendment.

The Hon. HENRY TSANG (Parliamentary Secretary) [6.23 p.m.]: This proposed amendment seeks to remove the obligation on a tenant to satisfy the tribunal that a serious or persistent breach of the acceptable behaviour agreement has not occurred. The Department of Housing is obliged to present evidence of a breach to the tribunal. The wording in this bill is intended to ensure that a tenant has a clear and unequivocal responsibility to satisfy the tribunal that there has not been a serious or persistent breach. This proposed amendment would reduce the accountability of the tenant. The Government opposes this amendment.

Ms SYLVIA HALE [6.24 p.m.]: Under the bill the department is obliged to produce evidence to show that there has been a breach of an acceptable behaviour agreement, but it does not oblige the department to show that that breach occurred because a tenant was unaware of the need to sign an agreement, or because a tenant was mentally, intellectually or psychologically incapable of recognising that his or her behaviour had breached such an agreement. One of the worst aspects of this bill is that it is so blunt—an adjective used earlier to describe the bill—in its approach to tenant misbehaviour. Once again I urge all honourable members to support the amendment. I cannot think of any circumstances in which the onus of proof should be removed from the department and placed on the tenant.

Amendment negatived.

Ms SYLVIA HALE [6.25 p.m.], by leave: I move Greens amendments Nos 9 and 10 in globo:

No. 9 Page 6, schedule 1 [5]. Insert after line 27:

(2B) Despite subsection (2A), the Tribunal may, in the case of the ground referred to in section 57A (1) (a), order the tenant to enter into an acceptable behaviour agreement with the Corporation on such terms as the Tribunal thinks fit.

No. 10 Page 6, schedule 1. Insert after line 31:

[7] Section 64 (5)

Insert "However, the Tribunal may, in the case of a termination under subsection (2A), refuse to make an order for possession of the residential premises if the Tribunal considers that it would be unjust to do so." after "effect.".

This bill gives the tribunal no latitude. Reverend the Hon. Dr Gordon Moyes suggested that that latitude existed, but it does not. Once a tenant has breached an acceptable behaviour agreement the tribunal is obliged to issue a termination notice. Greens amendments Nos 9 and 10 will give the tribunal some discretion and some latitude by providing a mechanism that enables the tribunal to issue a second acceptable behaviour agreement if it sees fit. The amendments will give the tribunal some latitude in cases in which eviction would be unjust on humanitarian, social or justice grounds. I urge all honourable members to support the amendments.

The Hon. HENRY TSANG (Parliamentary Secretary) [6.26 p.m.]: Amendment No. 9 would give the tribunal power to require a tenant to enter into an acceptable behaviour agreement. This amendment is not necessary. It is quite open to the parties involved to withdraw from tribunal proceedings and to enter into an agreement at any time up to finalisation of the matter. Amendment No. 10 would give the tribunal an additional discretion to decline to make an order for possession. This additional discretion is unwarranted and would defeat the intention of the bill, which is that antisocial tenants should be presented with a clear and unequivocal message that antisocial behaviour is not acceptable. The Government opposes Greens amendments Nos 9 and 10.

Amendments negatived.

Schedule 1 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 Orders of the Day Nos 4 to 8 postponed on motion by the Hon. Tony Kelly.

JOINT STANDING COMMITTEE ON ELECTORAL MATTERS

Establishment

Consideration of the Legislative Assembly's message of 14 May.

The Hon. TONY KELLY (Minister for Rural Affairs, Minister for Local Government, Minister for Emergency Services, and Minister for Lands) [6.29 p.m.]: I move:

(1) That this House agrees to the resolution in the Legislative Assembly's Message of 14 May 2004, relating to the appointment of a Joint Standing Committee on Electoral Matters.

(2) That the time and place of the first meeting of the Committee be 10.00 a.m. on Thursday 16 September 2004 in the Waratah Room.

Amendment by the Hon. Duncan Gay agreed to:

That the question be amended by adding at the end of paragraph 1 the following words:

", with the following amendment, in which amendment the concurrence of the Legislative Assembly is requested:

Paragraph (4) (a) and (b), Omit the subparagraphs, insert instead:

(a) three Government members of the Legislative Assembly, and

(b) four members of the Legislative Council of whom:

(i) one must be a Government member,

(ii) two must be Opposition members, and

(iii) one must be a crossbench member.

Motion as amended agreed to.

Message forwarded to the Legislative Assembly advising it of the resolution.

RETAIL LEASES AMENDMENT BILL

Bill introduced, by leave, read a first time and ordered to be printed.

Second Reading

The Hon. TONY KELLY (Minister for Rural Affairs, Minister for Local Government, Minister for Emergency Services, and Minister for Lands) [6.32 p.m.]: I move:

That this bill be now read a second time.

The Retail Leases Amendment Bill amends the Retail Leases Act 1994. The Retail Leases Act 1994 established a legislative framework for regulating the relationship between landlords and small- to medium-sized retailers. It introduced minimum standards for the leasing of retail space and created a mechanism for dispute resolution. The legislation's track record speaks for itself. Since its establishment in 1994 the Retail Tenancy Unit has handled over 37,500 inquiries from landlords and retail tenants, resulting in over 3,800 informal mediations and over 1,600 formal mediations. Ninety per cent of these mediations have successfully resolved the matters in dispute. It is also noted that since the introduction of the Act fewer than 0.004 per cent of the retail leases in New South Wales are formally mediated through the New South Wales Retail Tenancy Unit in any one year.

The amendments implement the recommendations of a national competition policy review of the Act. The review report found that the Retail Leases Act 1994 does not have the effect of restricting competition and

recommends retention of the legislative scheme on net public benefit grounds. While the Act does impose some conditions on retail leasing, the associated compliance costs are considered to be minimal and are offset by the associated benefits. The legislation was found to provide a net public benefit. However, the report did recommend changes, first, to the recovery of lease preparation expenses by landlords from tenants and, second, to six-monthly statements of expenditure on outgoings.

The amendments will prohibit landlords from recovering the costs of preparing and entering into a lease from tenants, except the costs associated with specific requests from a tenant. This change will make the negotiating process more transparent and allow the tenant to see more clearly the costs of entering into the lease. Small business tenants will no longer be surprised by large legal fees and other bills after they sign a lease. The bill also removes the requirement on landlords to provide an outgoings expenditure report every six months. This reporting requirement was found to be costly to landlords and to provide little benefit to tenants. The requirement to provide written expenditure reports on an annual basis remains. These reforms will assist in creating a more even-handed, better-informed and more transparent environment for the negotiation of retail leases for small business. I commend the bill to the House.

Debate adjourned on motion by the Hon. Don Harwin.

[*The Deputy-President (Reverend the Hon. Fred Nile) left the chair at 6.35 p.m. The House resumed at 7.30 p.m.*]

PARLIAMENTARY ETHICS ADVISER

Appointment

Consideration of Legislative Assembly's message of 12 March.

Motion by the Hon. Tony Kelly agreed to:

That the appointment of Mr Ian Dickson as Parliamentary Ethics Adviser, which was due to expire on 13 December 2003, be extended for a further eight month period from that date.

Message forwarded to the Legislative Assembly advising it of the resolution.

ADMISSION OF THE TREASURER INTO THE LEGISLATIVE ASSEMBLY

Consideration of Legislative Assembly's message of 30 March.

Order of the day discharged.

LOCAL GOVERNMENT AMENDMENT BILL

Withdrawal

Order of the day for the second reading discharged.

Bill ordered to be withdrawn.

ENVIRONMENTAL PLANNING AND ASSESSMENT AMENDMENT (PLANNING AGREEMENTS) BILL

Withdrawal

Order of the day for the second reading discharged.

Bill ordered to be withdrawn.

PRIVACY AND PERSONAL INFORMATION PROTECTION AMENDMENT BILL

Withdrawal

Order of the day for the second reading discharged.

Message forwarded to the Legislative Assembly advising it of the resolution.

BUDGET ESTIMATES AND RELATED PAPERS

Financial Year 2003-04

Order of the day discharged.

APPROPRIATON BILL

APPROPRIATION (PARLIAMENT) BILL

APPROPRIATION (SPECIAL OFFICES) BILL

CROWN LANDS LEGISLATION AMENDMENT (BUDGET) BILL

SUSTAINABLE ENERGY DEVELOPMENT REPEAL BILL

Second Reading

The Hon. TONY KELLY (Minister for Rural Affairs, Minister for Local Government, Minister for Emergency Services, and Minister for Lands) [7.37 p.m.]: I move:

That these bills be now read a second time.

I draw the attention of members to the speech of the Hon. John Della Bosca delivered on 22 March relating to the budget estimates and related papers for the financial year 2004-05, which appears at page 9683 of *Hansard*.

The Hon. PATRICIA FORSYTHE [7.38 p.m.]: The House will be pleased to know that as the sessional orders have been confirmed and honourable members will have an opportunity to debate the budget on Wednesday afternoons when the House resumes in August, I will not deliver what I call a budget speech, as I have done in recent years; I will concentrate on the bills. The cognate bills, with the exception of the Crown Lands Legislation Amendment (Budget) Bill, are essentially non-controversial. They are the normal cognate bills introduced with the Appropriation Bill. The object of the Appropriation (Special Offices) Bill is to appropriate out of the Consolidated Fund sums for both recurrent and capital works for the following offices: the Independent Commission Against Corruption, the Ombudsman's Office, the State Electoral Office and the Office of the Director of Public Prosecutions.

When one compares the bill with last year's bill, and given that State or local government elections are not anticipated, it is perfectly obvious that the amount to be appropriated to the State Electoral Office for its normal running has decreased significantly from last year. In the year ahead—my colleague the Hon. Don Harwin has a strong interest in this—the electoral boundaries will be considered. So a particularly important issue will be on the State Electoral Office agenda but apparently fewer resources are necessary to change electoral boundaries than to conduct both State and local government elections. I suppose that is correct. The State election was in 2003 and the local government elections were in the previous budget period.

I note that there has been a small drop in the recurrent allocations to the Independent Commission Against Corruption and to the Ombudsman's Office. However, there has been an increase of about $10 million to the Office of the Director of Public Prosecutions. We welcome increased resources for the Office of the Director of Public Prosecutions as it may allow for more efficient operation, and some of the delays the office is sometimes accused of may be addressed. However, the increase also recognises the higher workload. Crime overall in this State is not declining, and the role of the Office of the Director of Public Prosecutions is significant. As for the Appropriation (Parliament) Bill, a comparison between last year's appropriation and the amount for this year shows a $1.5 million increase in recurrent expenditure and a minor drop of about $400,000 in capital expenditure.

I imagine that someone in the media may want to write a story suggesting that it is good that there is less money for the Parliament, that the money spent on the Parliament is somehow a misuse of taxpayers' money. However, the strength of a democracy is a good working parliament, and the strength of the New South Wales democracy is partly the role of the Legislative Council and the committees. Sometimes we are told that there is an issue with resources in terms of the allocation of staff to support the work of members. That becomes most relevant when we are writing reports or reviewing available evidence. So while some people in the media may think it is good that there is only a marginal increase in the appropriation for the Parliament, I do not see it

in that light. I see the work of the Parliament as fundamentally important. Indeed, it is at the essence of democracy. Effectively, any government that starves a parliament of its resources weakens democracy. Perhaps it is time some people in the media had another look at the role of parliament, and I am happy to talk to them at any time.

The Sustainable Energy Development Repeal Bill, another of the cognate bills, repeals an Act that was part of the Government's energy reform package in 1995. The words spoken in 1995 about the role of the Sustainable Energy Fund and the work of the Sustainable Energy Development Authority referred to the vision for sustainable energy in grand terms. As we know, the Government has moved on from there and the work of the Sustainable Energy Development Authority is to be incorporated within the energy administration. So what the Government saw as a grand achievement in 1995 has lasted less than a decade. But the Opposition does not opposed that.

The Crown Land Legislation Amendment (Budget) Bill is significant legislation. My colleague the Deputy Leader of the Opposition will want to say a few words about it later. Having heard Mr Ian Cohen yesterday, I have no doubt he will have much to say about the bill. Essentially, the bill provides for a uniform minimum annual rent in respect of certain leases, licences and enclosure permits relating to Crown land and other land. The bill also provides for the adjustment of the annual minimum rent in line with movements in the consumer price index [CPI], for the CPI adjustment of certain annual rents payable under the Crown Lands (Continued Tenures) Act 1989 and for a minimum annual instalment or half-yearly instalment in respect of the purchase of certain land under the Act and under the Hay Irrigation Act 1902. There are a number of other provisions.

The most important provision is the establishment of special arrangements for the purchase by a leaseholder of land comprising a perpetual lease under the Act. I am certain that that will excite some comment from the Greens. We were alerted to this bill in the mini-budget, when the Treasurer suggested that the management of Crown lands in New South Wales would be changed root and branch, to use his expression. As one can see from this legislation, he was not wrong. The Treasurer said:

> We will simplify the administration of public land, introduce fairer rents and, by converting perpetual leases to freehold title, do away with the need for on-going administration.

This is all about saving money; it will be interesting to see at what cost. I am confident that my colleagues will welcome this measure. The Treasurer noted that the changes will reduce the cost to the State budget of running the Department of Lands by $36 million next year. In that context it is definitely a money-saving exercise. The most significant element of the bill is the fact that the minimum rent, which was previously between $50 and $70, will now be $350 per annum; it will be CPI adjusted. Our concern is that the bill provides that fees may be charged or an amount approved by the Minister for services provided by the Department of Lands in connection with Crown land. Given the Government's history of waste and mismanagement, one needs to ask what indeed the Minister might approve.

The amendments establish arrangements for the purchase of perpetual leases if the rent on the lease is not subject to redetermination. That means that holders of such leases can buy the land at 3 per cent of the land value. We are concerned that the amendments will allow the Minister to impose restrictions on public positive covenants, to use the expression in the bill, on the land on or before selling the land. My colleague the Deputy Leader of the Opposition will say more about that. On one hand the bill is about saving money for the Government; on the other hand it is about reaping additional rent. An increase from between $50 and $70 to $350 is significant, and I understand that about 11,500 freehold Crown leases are involved.

Finally, I turn briefly to the most important bill we are dealing with. The Appropriation Bill relates to the appropriation from the Consolidated Fund, the Government's principal account for general government budget-dependent transactions. The Consolidated Fund could be considered the public purse, to use the expression in the bill, and largely comprises receipts from and payments out of taxes, fines, some regulatory fees, Commonwealth grants and income from Crown assets. It is interesting to look at what is behind that because the Government notes that it includes revenue from taxes, fines and some regulatory fees—otherwise known in the budget papers as part of other State revenue. Fines, fees and licences are specifically referred to in the budget papers. It is interesting to note that the Government is becoming more dependent on that source of revenue. In 2002-03 "other State revenue" represented $852 million; this year in the budget papers it is $979 million. That significant increase is well above the CPI.

Last week this House debated licences. These are driver's licences and licences generally for road users. There has been a significant increase in recent years in revenue from licence fees. In 2002-04 the actual amount

that the Government reaped from licences was $80 million. In the 2003-04 budget the revised revenue was $113 million, and this year it will be $171 million. So, from 2002 to 2004 there has been more than a doubling of revenue from licences—a substantial increase. The budget papers suggest that is due in part to the volatility of this revenue due to three-year and five-year renewals of licences. But nothing accounts for the significance of that increase other than the fact that there has been a real increase in licence fees.

Another item that the Government notes as part of its Consolidated Fund is Commonwealth grants. As honourable members would be well aware, that has been the subject of much debate in this State in recent times, partly because the Government used Commonwealth grants as an excuse for introducing its mini-budget in April. The budget paper items relating to Commonwealth grants are interesting. I put this on the record because it is time the New South Wales Government became a little more honest in identifying Commonwealth grants. Of course, it quite honestly includes those grants in the budget papers; it is the spin from the Treasurer that is not quite honest.

The Hon. Duncan Gay: Like Minister Macdonald's spin on drought, which I sprung him on.

The Hon. PATRICIA FORSYTHE: Absolutely. It is the spin that is dishonest. In 2003-04 I am prepared to acknowledge that the actual amount of total general purpose payments made to the Government was below the amount that it had budgeted for—$10.039 billion compared to $9.941 billion. But the total of all Commonwealth grants to the New South Wales Government in fact increased. Last year the New South Wales Government budgeted for $15.497 billion, which was revised upwards to $15.595 million. Why did the New South Wales Government get more? It was because of an increase in the total of specific purpose payments. So, although the Government cries poor and says it has to raise new taxes and cut back services because it has received less from the Commonwealth Government, the New South Wales budget papers put the lie to that. In fact, this year's budget notes an increase in the total specific purpose payments, to $15.760 billion. So it is nonsense for the New South Wales Government to claim it got less from the Commonwealth. It might have been less than the Carr Government budgeted for by way of general purpose payments, but the Government is less than honest when it says that there has been a decrease in Commonwealth funding.

I do not wish to go line-by-line through each of the portfolios. I will reserve some comments on portfolio spending for the take-note debate on the budget. But I wish to note that recurrent spending has increased from $28.676 billion last year to $32 billion this year. This is the first time that State budget appropriations for recurrent services have exceeded the $30 billion mark. The sum allocated for capital works decreased from $3.590 billion to $2.711 billion. A breakdown of portfolio allocations establishes where the Government's priorities lie. I welcome the increase in funding for the Minister for Community Services. That is particularly significant in terms of the Department of Community Services. I hope at the end of the day the increase in the resources of the department will be matched by an improvement in outcomes. The Coalition has long argued that although a lot of money is poured into the department, that does not necessarily achieve an improvement in outcomes. The budget papers do not enable us to determine whether there will be such an improvement.

I am delighted that the allocation to the Department of Ageing, Disability and Home Care has more than doubled—although that is in capital works. I would hope that that is for more than office accommodation and computers. It is fair to say that the appropriations for health and education have increased, but one would expect that because of the increase in the salaries of nurses and teachers. However, some departments have reduced allocations. The Budget Statement hints where those would be, noting that the establishment of the Department of Primary Industries is intended to save $37 million, and noting a requirement that the Department of Environment and Conservation will work more closely with catchment management authorities, the Department of Infrastructure, Planning and Natural Resources, and the Department of Primary Industries to save $30 million in 2004-05. It notes also that there is to be continued reform of the Department of Infrastructure, Planning and Natural Resources in conjunction with catchment management authorities, increasing previously announced savings by $5 million to $75 million. The Budget Statement notes one-off reductions of suspension of grants to local government for work on floodplains, estuaries, waterways, river entrances and other minor works, saving $16.5 million. That is to be regretted because that is putting off work to another day. The Government talks about these as "minor works". They are only minor in relation to the overall allocation, but those works can be quite significant in the particular areas of spending.

The Hon. Duncan Gay: Like country water and sewerage spending.

The Hon. PATRICIA FORSYTHE: Absolutely. It is clear where the Government's priorities are. The Budget Statement notes as another savings measure capping of spending on the North West Transitway, with a

saving of $80 million per annum. In essence, that sums up how some savings are to be made, although the budget papers make it clear that the Government intends to make savings of $80 million in advertising, travel and accommodation, printing, publications and other administration across a range of portfolios. Of course, the Opposition applauds those savings because those are some areas in which we know this Government is wasteful.

When I was looking through the appropriations for each portfolio, one stood out as being significantly increased, seemingly without justification in terms of services on the ground. The Coalition asks, "Where has the money gone?" We can read budgets as well as Government members. But why are not people getting better outcomes in the delivery of services? The one increase that struck me when I was going through the portfolios was the enormous increase in the appropriation for the Ministry for Police—not an increase in the number of police in the front line, or the delivery of police services that will make the community feel safer. Here we are talking about funding for the Ministry for Police increasing from $5.349 billion to $11.341 billion. The shadow Minister for Police, the honourable member for Vaucluse, noted in his summary of the budget that the number of Minister's advisers would increase from 24 to 44, while the ministry budget increased by 109.7 per cent. So more people will be engaged to provide advice to the Government. That does not translate to police on the ground providing services to ensure a safer community.

Because many other honourable members wish to comment on this important legislation, I will not take up any more of the time of the House tonight. I welcome the Government's acknowledgment that in recent years we have not been afforded a proper take-note debate on the budget, and I look forward to speaking further on those issues at a later date. Other than that, I note the bills as presented to the House.

The Hon. DUNCAN GAY (Deputy Leader of the Opposition) [7.58 p.m]: I wish to speak only to the Crown Lands Legislation Amendment (Budget) Bill.

Mr Ian Cohen: The fun part!

The Hon. DUNCAN GAY: Mr Ian Cohen says, "The fun part!" In most regards, I think this is a very good part of the legislation. It may be fun for the honourable member, but as far as I am concerned this is a quite outstanding part of the legislation for farmers. I have some issues that I wish to raise on behalf of Andrew Stoner, because this is not an area on which I normally speak. However, I would indicate that the Opposition supports changes to the Crown lands legislation that will give farmers more security of their land ownership. That said, we have some serious concerns about some of the provisions of the bill and its regulations.

I will return to those later and will ask the Minister to make a commitment in Committee that I hope will address some of those concerns. One concern is the new uniform minimum rent of $350 on all holdings. The concern that has been raised with me is what happens if a holding is made up of different bits? For example, if a residential piece of a holding is added to other parcels of land, they may add up to 25 hectares. The rent could be $2,000 or $3,000 if a number of small parcels are within a total holding. I hope a holding means a holding so that that minimum rent of $350 applies. Honourable members will understand the concern that has been raised by one of my colleagues. That is to be found in the explanatory notes, and we would like clarification of it.

The object of the bill is to provide for a uniform minimum annual rental in respect of certain leases, licences and enclosure permits relating to Crown land and other land; to provide for the adjustment of that minimum annual rent in line with movements of the consumer price index [CPI]; to provide for the CPI adjustment of certain annual rents payable and to provide for a minimum annual instalment or half-yearly instalment. Schedule 1 to the bill imposes new minimum annual rent for Crown land leased under the Crown Lands (Continued Tenures) Act of 1989. The minimum rent was between $50 and $70 but will now be $350 per annum and CPI adjusted. I hope those concerns are addressed. The amendments also allow regulations to impose a higher minimum rent.

It should be noted that minimum rents do not apply to the Western Division but the Government has allegedly left open the option of applying it to the Western Division through regulation. Frankly, many people do not trust the Government on an issue like that. Too many times, particularly with local government amalgamations and the Department of Primary Industries, we have seen that the Government cannot be trusted. We also note that we are waiting for the regulations in relation to the natural resources legislation that went through Parliament in December. I note that on 1 July the national livestock identification scheme [NLIS] is meant to start and that as of last Friday there was no regulation on the NLIS. Some are over-organised and some are just not organised at all.

Another worrying element in schedule 1 is that it was made clear that fees may be charged, of an amount approved by the Minister, for services provided by the Department of Lands in connection with Crown lands. Once again, these fees are left to the Minister's discretion. We are looking for some reassurance from the Minister in this area. Schedule 2 provides for the adjustment of the annual rate of a perpetual lease, special lease, term lease or Commonwealth lease under the Crown Lands (Continued Tenures) Act for CPI movements. These provisions will not apply to leases of land situated in the Western Division, meaning existing minimum rent provisions and CPI adjustment provisions will continue to apply to those leases. However, again, the regulations may extend the application of the new provisions to those leases. I ask the Minister to explain how he plans to use the powers in relation to regulation making under this legislation and give some guarantees about how he will act and whether he will act equitably and sensibly.

Currently, redeterminations occur every five years but now they will be done every three years on the market value of the land. This legislation allows for the phasing in of the new redetermination intervals. Western Division leases will continue on five-year redetermination intervals and any existing concessions on the redetermination of rent will remain unchanged. However, regulations may be introduced to apply the new provisions to those leases. The Crown Lands (Continued Tenures) Act allows land that is the subject of a lease under that Act to be purchased. The minimum annual instalment in relation to incomplete purchases is $100 but this legislation imposes a new minimum annual instalment of $350, CPI adjusted. The new minimum instalment provisions will be phased in so that the full amount of the minimum annual or half-yearly instalment will not be payable in respect of existing incomplete purchases on dates that occur before 1 July 2006.

For any purchases notified after 1 July this year land-holders will not be able to pay by instalments. They will now have to pay in full within such time as the Minister requires. That is pretty tough in the current climate. The amendments establish arrangements for the purchase of perpetual leases where the rent of the lease is not subject to redetermination. Holders of such leases can buy the land at 3 per cent of the value of the land. As I indicated earlier, we applaud and congratulate the Minister on this. As stated elsewhere, it is something we tried to do in government, and in opposition we have not changed our minds. I am pleased that the political opportunists in the Government have changed their minds and are with us.

As I understand it, if the leaseholder does not convert he will be charged an annual market rent to be determined according to the purchase of the lease. The NSW Farmers Association has described this element of the legislation as a win for all affected farmers because it will improve the value of the land. The legislation places a two-year time frame for this to occur. I take this opportunity to flag our concerns about the time frame farmers are given to convert—just two years! After the worst drought in living memory, a number of farmers will be simply unable to have the liquid assets available to convert their leases, even though it is only at 3 per cent. This will put considerable pressure on a number of farmers at a time when they need it least. I put it on the record that the Opposition is not in favour of increasing fees and charges to farmers during the worst drought in living memory. I ask the Minister what hardship provisions he is putting in place for those land-holders suffering under drought? One concern we have is that the amendments allow the Minister to impose restrictions or "public positive covenants" on the land on or before selling the land. The bill states:

> Such restrictions or covenants may be imposed for the purpose of protecting the environment, protecting or managing natural resources, or protecting cultural, heritage or other significant values of the land or of items or works on the land.

I was under the impression that the Government's natural resources legislation, passed late last year, governed how our natural resources were to be managed, in association with other legislation. This seems to be in conflict. I ask the Minister what role the Minister for the Environment will take in the process of the public positive covenant?

I note that schedule 3 amends the Hay Irrigation Act 1902 in a similar manner to the other amendments I have outlined already. The Opposition welcomes the conversion to freehold title, which will improve the value of the affected farmers' land and could give them more rights under the law. But we will watch the Government closely to ensure that Crown leases do not become yet another revenue raiser for this financially inept Government. We will also look for an undertaking from the Minister at the Committee stage that rental increases will not rise to unreasonable levels and that the Minister will not use regulations to impose a higher minimum rate and do what he did recently to fishing clubs along the coast of New South Wales. Their rents increased by up to 500 per cent when the Government decided to cash in on waterfront locations on Crown land leases. Having asked the Minister for that assurance, I indicate that the Opposition will support the bills.

Mr IAN COHEN [8.10 p.m.]: As I clearly indicated when I delivered my second reading speech on the Crowns Lands (Prevention of Sale) Bill, I am particularly concerned with the Crown Lands Legislation

Amendment (Budget) Bill and the Sustainable Energy Development (Repeal) Bill. The Crown Lands Legislation Amendment (Budget Bill) provides for the adjustment of certain annual rents payable under the Crown Lands (Continued Tenures) Act 1989. It also establishes special arrangements for the purchase of perpetual leases. The bill also makes for the imposition of certain public positive covenants on land that is purchased under the special arrangements. Honourable members will be aware that I commented extensively on this proposal yesterday when I spoke to my private member's bill, the Crown Lands (Prevention of Sale) Bill. The bill proposes a number of changes to charges and also sets a purchase price of 3 per cent of the market value for leases.

I understand that these changes are based on a report by PricewaterhouseCoopers on the management of Crown land in New South Wales. I call on the Government to table the PricewaterhouseCoopers report, and I seek the Minister's assurance in reply that, if possible, that will be done. Both this House and the general public are becoming heartily sick of the secrecy surrounding this Government and its financial management of public assets. What comes to mind is the Government's approach to quarantine stations. The Greens are firmly of the view that it is inappropriate for the bill to be cognate with the Appropriation Bill. The fact that it is cognate means that it was passed through the other place without any debate. The bill was introduced in that place on 22 June and passed on 23 June. It appears that not one word was uttered about Crown lands in the blink of an eye it took to go through that place.

I felt the urgent need to protest the process, which prompted me to introduce a private member's bill that is exactly the same as the 1993 bill introduced by the Australian Labor Party in the lower House when the then Coalition Government proposed to lift the moratorium on the conversion of Crown leases to freehold. The Labor opposition was most strident in its vocal rejection of the proposal. It prepared the Crown Lands (Prevention of Sale) Bill, which was, and remains, an excellent bill. With the support of Parliamentary Counsel, I was able to copy it and introduce it yesterday. Originally an urgent motion was moved to insist that the government of the day reinstate the moratorium until both Houses had the opportunity to consider the prevention of sale bill. As honourable members know, in those days the government of the day needed the support of the Independents in the other place to pass legislation. Alternatively, the Opposition, if supported by the Independents, could succeed in passing both motions and legislation. We look forward to the time when a similar situation exists in the other place. Only then, perhaps, will the arrogance of government be reined in.

The Hon. Rick Colless: So one member has all the power. How fair is that?

Mr IAN COHEN: The Hon. Rick Colless mentioned one member with all the power, but the power is derived only from the fulsome support of other major parties. Perhaps the honourable member, in his interjection, is misconstruing the emphasis on power in the House. Any member who has the so-called balance of power in this House or in the other place, as happened in the lower House between the Independents and the Greiner Government and later the Fahey Government, is totally dependent on the support of one or other of the major parties. To say that individuals or one member somehow has that power is misleading. It is not the case. The power derives from the support of either major party. I know from reading the debate on the original bill that the Labor Party did a sterling job in opposition during that time. It acted decisively.

The Hon. Duncan Gay: They will after the next election, as well.

Mr IAN COHEN: That might be the case. But we do not see the same degree of stridency emanating from the Opposition benches in this House during the term of this Parliament. Could it be that both major parties are becoming so similar that there is a commonality of interest that seems to override any opportunity to differentiate between the two? I certainly look forward to the time when a similar situation exists in the other place. Then, perhaps, we can see some change and improvement in performance all round. Both the Government and the Opposition should keep each other on their toes rather than spend so much time agreeing with each other. As a result, poor governance seems to persist. It is clear that the Government is looking increasingly to privatise important components of our natural and built heritage and, in general, it gets the support of the Coalition for the sell-off. I was interested to read the speech of Michael Richardson in the other place about the long-term lease of the quarantine station, in which he said:

> The Opposition has consistently opposed leases of longer than 10 years on significant public lands. We believe that the original proposal for a 45-year lease on this property to Mawland was tantamount to selling public property.

Last week the Coalition was more than happy to support the ALP's legislation to extend 15-year leases on water access to perpetual leases. They were not prepared to support the Greens amendment, which would have resulted in public consultation before major public water infrastructure could be sold. At least on this bill they

are being consistent with their support for the sale of public assets. The Greens will move several amendments to the bill that will seek to remove the provision that allows the sale of these leases If that is unsuccessful we will attempt to change the sale price of the leases from 3 per cent of market value to 93 per cent of market value. We will ensure that land that is a wilderness area under the Wilderness Act 1987 cannot be sold, and that any lands the Minister administers under the National Parks and Wildlife Act that he advises are of conservation interest cannot be sold. A relevant article in today's *Sydney Morning Herald* by Richard Macey states:

> Sydney researchers believe they have found strong evidence that land clearing can trigger devastating climatic changes.
>
> The Macquarie University team also said its findings warn that the climate can respond suddenly and dramatically, almost without warning, to centuries of environmental abuse.

The article quotes a Professor Pittman as saying:

> Forests, now cleared for farming, had slowed moist winds blowing in from the Indian Ocean." This slowing of the atmosphere causes turbulence, which in turn generates rainfall. Without the tree cover, the water in the atmosphere flows across the landscape and is deposited elsewhere.

The article continues:

> The findings, to be published in the Journal of Geophysical Research, also showed that climatic changes could appear decades or centuries after humans began interfering with the environment.

Professor Pittman is then quoted as saying:

> It may be that when the effects of deforestation suddenly exceed a threshold the climate is likely to respond in a dramatic way.

That is relevant to this discussion. I turn now to the Crown Lands Legislation Amendment (Budget) Bill. I remind the House of the statements made by Bob Carr, the Premier of New South Wales, when he was Leader of the Opposition. When Government tried to hold a fire sale on Crown land he is reported in the *Canberra Times* of 8 May 1983 as stating:

> There may not be a decision in this parliament that will reverberate down through the years like this one... If that land is sold and much of it cleared, then there is no comeback. The public hasn't got a chance of asserting its interests. If there is environmental degradation … as a result of that land passing into private ownership, there is no way a future government, no matter how good its environmental intentions, can rectify that wrong.

The *Telegraph-Mirror* of 8 May 1983 stated:

> Opposition leader Bob Carr said the Premier had "caved in" to National Party pressure and lifted the three year moratorium on the sale of public bush land.

In those days the ALP was the champion of the environment. These days it just chases votes and is quite happy to give away public assets if it will appease powerful sectors of industry or if it needs to sell the family silver to balance the books. It is a mere shadow of its former governmental self, I would suggest. In regard to the Sustainable Energy Development Repeal Bill, the Sustainable Energy Development Authority [SEDA] was a visionary project and gave a lot of environmentalists considerable faith and optimism in the Government. It had a charter that involved genuine environmental programs and not just hot air. Unfortunately, hot air is what it is to become. Nearly all of the programs that SEDA initiated to remove carbon from the atmosphere and to contribute to the fight against global warming and climate change have been undermined by budget cutting measures under this Government.

We have no confidence that the components of SEDA that are now to go to the Department of Energy, Utilities and Sustainability will produce any real results, other than hot air. Between July 2001 and July 2004 SEDA was responsible for a large number of greenhouse gas abatement programs that targeted more than 20 million lifetime tonnes of carbon dioxide and $150 million of private investment. Its programs were targeted and its outcomes focused on the endgame: reducing greenhouse gas emissions in New South Wales. A second focus for SEDA was the preparation of investment in 30 commercialisation and use of sustainable energy technologies. Sustainable energy is the fastest-growing industry sector in New South Wales, valued at $5.3 billion, and employment opportunities are currently increasing at a rate of 12 per cent a year. However, the Carr Government has failed to ensure that New South Wales is no longer a major greenhouse gas producer and investor in renewable, non-polluting technologies and it has done all it can to ensure that old, coal-fired power technology continues to be first off the rank for planning approval.

The simple fact remains that unless there is a commitment to invest in the future of the renewable energy industry, New South Wales will lose its away and be left behind the rest of the world. The Premier committed his Government to reducing greenhouse gas emissions and to achieving the targets set out in the Kyoto protocol. However, last year it cut SEDA's funding by 25 per cent and this year it has been abolished completely. We have gone from having a dedicated organisation providing information and encouragement for the adoption of renewable energy technologies to a minor component of a department that sees our energy future in coal-generated power.

The Hon. Duncan Gay: It used to be the only department that bought green energy, so there will be none now.

Mr IAN COHEN: That is right. The Deputy Leader of the Opposition points out the abject failure on green energy production in this State. In my area I often see alternative energy producers, consumers using alternative energy and perhaps hundreds of thousands of people in the community who are really dedicated to trying to improve the environment, in a small way, by putting energy-efficient systems in their houses. I often talk in this House about the Rainbow Power Company and other organisations that are dedicated to alternative production. Stand-alone electricity generation and other activities can be undertaken, often in isolated areas. However, instead we see the development of grid electricity, often at greater cost and certainly at greater cost to the environment. The Government has taken a significant step backwards.

After statements made in this House by the Minister for Transport Services and the Treasurer about the scepticism of global warming and climate change resulting from increased man-made CO_2 emissions, one has to wonder whether the demise of the authority has something to do with their views. A brief comparison of the web sites of SEDA and the Department of Energy, Utilities and Sustainability shows that the SEDA web site is information rich, full of suggestions for action at a personal and professional level about how to decrease our emissions. The department's web site, on the other hand, is information poor, with very few pointers to more information or how to effect change. This decision is a dumbing-down and yet another sad day for the New South Wales environment. This is an interesting set of circumstances, particularly with something so symbolic as SEDA being shut down. Equally, the Greens will continue to be a thorn in the side of any government that does not live up to its rhetoric about many environmentally enhancing opportunities at the State level. It is regrettable that we see what I believe to be a great failure of the Government at this time in history. This really reinforces the suspicions of many people in the green movement, when we see the so-called green Labor Government going a decided brown in these pieces of legislation. It really is troubling to see that.

Whilst I acknowledge that others in the House see benefits to landholders and security of land, and a certain windfall in certain circumstances through the Crown Lands Legislation Amendment (Budget) Bill that has passed through the House, it is a very sad day to see such a fragile tenure for environments. Both bills have a significant, negative impact on the environment. I ask everyone to be concerned about that and to not look at the short term. In the long term the bills will have a significant detrimental effect on the quality of life and the New South Wales environment.

Reverend the Hon. FRED NILE [8.26 p.m.]: The Christian Democratic Party supports the Appropriation Bill, the Appropriation (Parliament) Bill, the Appropriation (Special Offices) Bill, the Crown Lands Legislation Amendment (Budget) Bill and the Sustainable Energy Development Repeal Bill. As honourable members know, the object of the Appropriation Bill is to appropriate various sums of money required for the recurrent services and capital works and services of the Government during the 2004-05 financial year. I refer to the appropriation of funds for the Department of Education and Training. An analysis of the appropriation expenditure from the Catholic Education Commission indicates that no existing expenditure items for non-government schools have been deleted or reduced. There was some concern that there might be a reduction. The $659.9 million for non-government schools is only 8.7 per cent of the total State allocation for all schools, whereas 32.8 per cent of students attend non-government schools.

The funding is based on 25 per cent of students, so there is a major difference between the old formula and reality, because of the movement from government schools into non-government schools. That has caused concern. On the other hand, the government school sector has projected a decline of 2,929 students, or 0.4 per cent, and a net decline of 102 teachers in 2004-05. The capital expenditure of $364 million for government schools does not have a flow on to non-government schools. Thankfully, there is no change in the Interest Subsidy Scheme, which was signalled by the Government and appeared to be something that would flow on from the April mini-budget. That decision is to be supported. The School Student Transport Scheme is being maintained. Projected expenditure for 2004-05 will be $469.1 million, compared with $447 million in the

previous budget. There is concern about the continuous increase, with an estimated 52.8 per cent of the expenditure going to non-government school students.

I turn now to the Crown Lands Amendment (Budget) Bill. The New South Wales Farmers Association has requested that the Christian Democratic Party support the bill being passed into law so that the conversion of perpetual leases to freehold can begin as soon as possible. The association is adamant that we should do what we can to defeat the Greens Crown Lands (Prevention of Sale) Bill, which it claims will only add unnecessary administration and cost. Lands NSW is already developing a transparent review process for what are regarded as environmentally sensitive leases. Changes in Crown lands management will mean that holders of perpetual leases that are not regarded as sensitive will be able to convert them to freehold. It is intended that the moratorium on the conversion of sensitive perpetual leases will be lifted, a review process will be undertaken and certain licences will be able to be transferred.

The changes in the bill will benefit farmers, the environment and the community. The main benefit to most farmers will be the upgrade in asset class of the converted leases. This will allow farmers more flexibility and certainty in their financial arrangements. It will also encourage farmers to be better environmental custodians of these pieces of land. The increased security that freehold title gives will allow farmers to make investment and planning decisions that benefit the environment. With a decrease in loss-making administration, the Government will also make large cost savings. The New South Wales Farmers Association believes—and we support this position—that the current rules for the conservation of the environment apply equally to all land regardless of title. Therefore, the prevention of the conversion of leases will not give better environmental outcomes. I remember the hardship that occurred a few years ago when the leases of people who had virtually been pioneers in the north of New South Wales were not renewed. They had invested in those properties with buildings, fences and other capital expenditure, but suddenly they had nothing. Conversion of perpetual leases to freehold wherever possible will take away that uncertainty. We commend the Government for initiating the legislation.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS [8.33 p.m.]: As we cannot amend money bills some people have questioned why members bother talking on them. I guess that reflects an interesting approach to the way the Government looks at the function of this House. The Appropriation Bill lists how much money is spent on each department but it is interesting that a large amount of the finance of the budget of this State does not come under the bill. Health expenditure is an estimated $7.9 billion, an extra $707 million. That is obviously good. I would like to take some credit for the changes as one of the instigators—probably the instigator—of the Walker inquiry and the terms of reference of General Purpose Standing Committee No. 2, looking at health and the failings of health in New South Wales.

On my web site, *chesterfieldevans.com*, I have a plan to fix the health system. It involves one funding source: in other words, a rationalisation of the Federal-State divide and the problems of cost shifting within that to try to make more money available for productive use. That was a big element in the problems at Campbelltown. However, I take credit for the fact that we are spending more money on health because of the problems shown up by the inquiries that I put together. I notice that there is $241 million extra for mental health. Again, I take credit for that, having got the numbers for the motion that set up the mental health inquiry. Initially the Government was not interested in it, but it has since taken a very positive interest in it. The Hon. Dr Brian Pezzutti is sharing the implementation of it with Cherie Burton. They are working very hard in that area.

I was interested to find that what was allocated from the top did not necessarily get to the bottom: it was siphoned off down the passage from the Department of Health through the area health services to the managers at departmental level, and they could not account for where the money was spent at the bottom. The Government supposedly allocates money to various areas but what happens on the ground is not necessarily what was intended. I will take up with the Minister whether the Government now has an accounting system that ensures that moneys go where they are supposed to go.

The budget for the Department of Community Services [DOCS] is $2.15 billion, with the much-touted $1.2 billion increase over six years after the DOCS inquiry. Again, I take some pride in the DOCS inquiry. I gave notice of a motion for an inquiry into DOCS. According to Coalition members, I was two votes short—although this was not tested on the floor of the Chamber. Eventually they moved an amendment to the motion and supported the inquiry 20 months after I gave notice of it. So while the Government takes credit for these things one ought to ask where it was initiated. There is an extra $100 million for DOCS this year. Again, it is not entirely clear with DOCS how much money is spent. The Government always talks about how much it spends. It is always much less clear whether there are results. It is hoped that the DOCS database to manage where the money goes, which has been very long in gestation, will have some results this year.

Legislation and money allocations have to be justified with results, not just money. It is not good enough for a Minister to say that he has spent X dollars without the slightest pretence that the Government is getting any value for money from the dollars. There must be evidence-based legislation. It must be outcome based, not just money input based. I noticed that there is now a department called DEUS—the Department of the Environment, Utilities and Science. Of course, DEUS is under Frank Sartor and "deus" is Latin for god. Is that not odd? I wonder whether Frank was involved in the formulation of the acronym? It is a bit of a worry.

Under DEUS the Sustainable Energy Development Authority [SEDA] has been abolished. That is a great step backwards. Nine months or more ago somebody in the know in the energy sector said, "All the good people in SEDA are leaving—at least the ones who are not very naive. The ones who can see what is going on are leaving. SEDA is not interested in doing anything about sustainable energy and greenhouse gases; it is only interested in appearing to do something. The people who actually want to do something rather than put up plans that are going to get nowhere or have intentions which are not going to be fulfilled are leaving." It is interesting that now SEDA is being abolished. I think the Government's commitment to greenhouse gas abatement and sustainable energy is highly suspect. It has been put to me by people who run the coal-fired power stations—whom I know because I used to judge their first-aid contests years ago when I was at Sydney Water—that production of a lot more greenhouse gases could be prevented by making coal-fired power stations more efficient rather than conducting small projects involved in sustainable energy.

While that may be so in the short term, it should not be a major driver of government policy. I believe that the development of sustainable energy in the domestic, industrial and commercial sectors is extremely important. A government without an energy agency pushing the use of sustainable energy at derisory cost with quite good prospects of cost recovery as a percentage of its budget is reprehensible. I note that the Government talks up its big investments of $30 billion over four years, which amounts to $7.5 billion per year in its simplest form. The total capital works budget set out in the Appropriation Bill is $2,607 million in round figures. Therefore, a great deal of capital works expenditure is being financed from a source that does not appear in the Appropriation Bill. Bob the Builder boasts about the provision of infrastructure, but the fact is that a large component of that is being financed by private-public partnerships [PPPs].

The Government boasts that as part of its Education budget, new schools will be constructed at Ashtonfield near Maitland and at Hamlyn Terrace near Warnervale. An overall allocation of $364 million has been earmarked for the construction and enhancement of schools during 2004-05, but the budget does not set out that the cost of those schools and 32 other big projects was not included among State expenditure items because they are privately financed under PPPs. This is already happening because the construction of three schools has been privately funded by ABN Amro and St Hilliers, Hansen Yucken and SSL Nationwide Facilities Management, which is known as Spotless. The Treasury is very keen on the model of private sector funding of public infrastructure because it does not appear on the Government's books as debt. That is a worrying trend because PPPs are not necessarily value for money. The Government often bears the liability but does not necessarily own the assets.

Governments are responsible for developing the State and need to borrow for infrastructure development at rates that are as favourable as possible. This Government has a triple-A credit rating and should be negotiating on its own behalf to borrow in the international money market rather than acting through an intermediary with additional costs associated with the agent's profit motive. No intermediary will broker a deal unless it can make a return of 12 or 15 per cent, or at least a return that is comparable to returns that can be achieved by investing in the stock market. Instead of the Government borrowing money cheaply, it engages private sector agents on the assumption that the private sector is so efficient that the agent's cost is absorbed by the favourable rate of interest and other lucrative arrangements attached to the deal. If the Government cannot control its costs and expenditure, how can it control the cost of capital works expenditure when the entity undertaking the construction is not endeavouring to control costs but, rather, is trying to maximise profits?

The cost of lease payments over 30-year terms of public-private partnership arrangements is greater, even if there are no unforeseen costs, than if the money for construction is borrowed by the Government at competitive rates and the Government retains ownership of the property. An article by Allison Pollock in the *British Medical Journal* of May 2002 examined the United Kingdom experience of public finance initiatives [PFIs] since 1992 and, in particular, analysed the relative cost benefits of private versus public financing of infrastructure. The author stated that the way PFIs operate in the hospital sector is that a private consortium designs, builds, finances and operates the hospital. In return, the government, through a National Health Service [NHS] trust, pays an annual fee to cover both the capital cost—which includes the cost of borrowing and maintenance of the hospital—and any non-clinical services provided over the 25-year to 35-year life of the contract.

There is no evidence that PFIs have increased overall levels of service. On the contrary, its use has had two adverse effects: first, it has displaced the burden of debt from the central government to the NHS trusts and with it the responsibility for managing spending controls and planning services. Second, the higher cost of PFI schemes has presented the NHS with an affordability gap. This has been closed by external subsidies, diversion of funds from clinical budgets, sale of assets and more reliance on charitable donations that have led to a 30 per cent cut in bed capacity and 20 per cent reduction in staff in hospitals that are financed through PFIs. The author concluded:

> Not only are the macroeconomic arguments in favour of PFIs illusory but there is also a negative impact on levels of service... the government claims that PFIs deliver value for money through lowering costs over the life of the project because of greater private sector efficiency and because the private sector assumes the risks that the public sector normally carries. The M2 has illustrated this in NSW, as did the Sydney airport rail link.

It also refers to a document that was produced by the Evatt Research Foundation that examined the Australian experience with PPPs. The document stated:

> **Project: Sydney airport rail link**
>
> The Sydney airport rail link involved the construction of a 10 kilometre underground railway line linking the Sydney CBD to the airport. The former Coalition Minister for Transport, Bruce Baird, called for expressions of interest for the privately funded rail link in October 1990. Minister Baird assured the community that the "airport link will not require one cent of government money".
>
> The experience so far:
>
> By January 1994 it was clear that the government would pay $470 million out of the $600 million cost. Over the five years since the contracts were signed, the taxpayer contribution continued to grow. In May 1996 the taxpayer had contributed $570 million. Furthermore, a station at Wolli Creek added another $130 million, amounting to a bill of $700 million. In July 2000 one of the PPP consortium members, ALC, lodged a claim with the State Rail Authority claiming $15 million. In November 2000 the consortium defaulted on a $200 million loan with the National Bank. ALC went into receivership on 30 November 2000.
>
> A number of other critical problems arose with the project. Passenger levels were projected to be around 48,000 when the link opened, rising to 68,000 within 10 years. In practice they were around 12,000 a day. Problems with the service included overcrowded carriages at peak times, lack of luggage space and high ticket prices. A one-way ticket from the airport station at Mascot to the city's Central Station is $9, compared with $7 on a bus and approximately $22 by taxi. The end result of this PPP was that the NSW Carr Labor government had to bail out the project, costing taxpayers $704 million.

When I was at Sydney airport last year I was asked, "Who is paying for pumping all this water?" When I sought elucidation, I was told that water in the tunnel has to be pumped out because the tunnel has a roof but not a floor, and water pours in from below. I asked the Minister about it and received a reassuring answer that did not mean very much. I wonder whether water will have to be pumped from the tunnel forever? I am worried about redevelopment of the Newcastle Mater Misericordiae Hospital being touted as a model PPP in New South Wales. Management is restricting its definition of establishment figures so that the hospital will not be seen to be affected by downsizing.

The problem with PPPs is that every aspect of the project must be defined. Anything that is not in the contract will not be part of the project, and variations of the contract to remedy mistakes are a highly expensive exercise, which sometimes results in additional expenditure in the order of 20 per cent on top of the original contract agreement that had been signed with such official fanfare. Redevelopment of the Mater hospital site will incorporate the James Fletcher Hospital, which is a mental health facility. I have been informed that the private sector is not interested in private-public partnerships unless the project is worth approximately $1 billion, which is the reason for incorporation of the James Fletcher facility into the project despite concerns over a lack of space. Some of the funding for the redevelopment may be offset by the sale of the James Fletcher Hospital site—a prime investment site that is within a stone's throw of Newcastle's surfing beach. The site has a magnificent outlook over the park and the ocean. The borrowing of money would be no problem because we have a triple-A credit rating. In effect, the market is telling us, "You can borrow. We will give it to you extraordinarily cheaply because you have so little debt for the amount of equity you have."

If we look at other examples of PPPs, the M2 is a shining example of the South Sea bubble in New South Wales. The M2 prospectus overestimated the number of vehicles that would use the road. Some estimates of the percentage of proper available traffic that would use the toll road, even if there were an even slower pre-road, are as low as 10 per cent. The overestimated traffic for the tollway allowed the promoter of the scheme to sell the ideas to government. In many cases the promoters are the government agencies themselves, like the Roads and Traffic Authority, in concert with the consortium, because it gets investors on board.

The return to shareholders of the M2 was promoted at 15.8 per cent. The figure is essentially underwritten by the Government because, whether it is in the building stage or the operating stage, the project has to be completed and has to be kept running. The cost of the cross-city tunnel was originally estimated to be $273 million; the latest cost estimate is $640 million. For this money we get a 2.1 kilometre tunnel that will fill with cars. For less than half this price, we can get a 4.4 kilometre tram track, which would take thousands of cars off the road because the carrying capacity of one tram is approximately equal to the carrying capacity of 35 cars.

The alternative plan, which was to run trams from Central to Kensington to carry the 20,000 students who commute to the University of New South Wales daily, was floated at the time of the Eastern Distributor tollway project, and would have cost roughly the same amount. The beauty of the alternative plan was that because the trams would transport students to university and commuters to the city, a large amount of traffic would have been taken off the roads to Central railway station, which is an excellent hub for any light rail that goes through the city. However, the Government did not see fit to introduce such a plan but instead built the cross-city tunnel, which makes people become highly car dependent in areas where they have the best opportunity of not becoming car dependent. The Government does not have a transport strategy; it has a roads strategy. It is therefore spending a large amount of money without necessarily ensuring ecologically sustainable development.

The point that the Greens have made, coming through quietly in this debate, is that the Crown Lands Legislation Amendment (Budget) Bill gives the Government the ability to sell land at 3 per cent of its value. I was horrified to hear this. It turns out that PricewaterhouseCoopers reports that because these are perpetual leases the Government cannot revoke them without providing compensation. Effectively, the land has already been given away in the perpetual lease, and thus the equity that the Government retains, according to PricewaterhouseCoopers, is between 2 per cent and 4 per cent. Apparently, the Government says that that is the reason for the mid-range figure of 3 per cent provided in the bill. Given that the native vegetation legislation is in place, the Government says that regardless of whether the land is subject to a perpetual lease or is freehold, the vegetation on it is covered by that legislation.

The Hon. Michael Egan: Are you speaking to the right bill?

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: I am speaking to the Crown Lands Legislation Amendment (Budget) Bill.

The Hon. Jan Burnswoods: Why were you talking about hospitals?

The Hon. Peter Primrose: Point of order: I raise the issue of relevance.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: To the point of order: I had finished talking about the funding of hospitals. I was talking about the Crown Lands Legislation Amendment (Budget) Bill when I was rudely interrupted by a question about a subject I had finished speaking about some time ago. I am now talking about the Crown Lands Legislation Amendment (Budget) Bill and the 3 per cent—

The Hon. Michael Egan: It's outside the leave of the bill.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: It is not outside the leave of the bill.

The Hon. Charlie Lynn: Point of order: The Hon. Dr Arthur Chesterfield-Evans does not understand which point of order he is talking about.

The Hon. Rick Colless: Point of order on the point of order: Mr Deputy-President, the Hon. Dr Arthur Chesterfield-Evans is trying to justify what he has been saying and members are speaking to two points of order at the same time. There should be only one speaker at a time on a point of order.

The DEPUTY-PRESIDENT (The Hon. Eric Roozendaal): I uphold that point of order. I draw the attention of the Hon. Dr Arthur Chesterfield-Evans to Standing Order 92, which provides:

> A member may not digress from the subject matter of any question under discussion.

The contribution of the Hon. Dr Arthur Chesterfield-Evans should be relevant to the question before the Chair.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: I was making a point about the Government retaining equity of 3 per cent. It is outrageous that I was criticised for that by way of an absurd interjection from Government members who were not paying attention. Schedule 2 [31] inserts in the Act new schedule 7A, clause 3 of which reads:

> (1) The purchase price of the land comprised in a lease to which this Schedule applies is the special purchase price, or the purchase price that would apply under Schedule 7 but for this Schedule, whichever is the lower.
>
> (2) the ***special purchase price*** is 3 per cent of the land value of the land (within the meaning of the *Valuation of Land Act 1916*) as at the date the application to purchase the land is made under Schedule 7.

When I was rudely interjected upon I was speaking about the price of land under one of the bills we are dealing with. I am flabbergasted at such an absurd interjection. It is worrying that the Crown Lands Legislation Amendment (Budget) Bill has been introduced as a budget bill, because it perhaps weakens the scrutiny of the legislation. The Government's responses are that as the leases are perpetual leases they are currently traded at much the same price as freehold, that not all the land will be sold, that the land will be inspected prior to any sales, and that caveats will be placed on land of special conservation value.

As I said today on another subject, the Government's approach of Bob the seller—who is more than happy to sell assets to avoid borrowing, basically because of a dogmatic following of the idea that we must not have debt even if we are losing equity or not gaining equity—is of concern and, I believe, will ultimately be the end of the Government because the public will simply not tolerate the lack of services provided by this foolish funding strategy. The Appropriation Bill cannot be modified or even rejected, but there are certainly elements of the Government's economic strategy that are extremely suspect. Some of the matters that are not provided for in the bill, such as the PPPs, will come back to bite the Government, as they have in the past.

The Hon. TONY KELLY (Minister for Rural Affairs, Minister for Local Government, Minister for Emergency Services, and Minister for Lands) [8.58 p.m.], in reply: I thank members for their contributions to the debate. With regard to the questions from the Deputy Leader of the Opposition and Reverend the Hon. Fred Nile in relation to the two-year time frame, I can assure them that while we will encourage perpetual leaseholders to convert to freehold, we will sympathetically handle cases that face extreme hardship, most notably because of the ongoing drought. All I would encourage leaseholders to do is to get their applications in to the department within the two-year time frame, so we can consider their ability to pay on a case-by-case basis. There are provisions within the Act to consider individual cases on hardship grounds.

With regard to multiple holdings, the Opposition can rest assured that the department recognises that there are anomalies and huge complexities in lease holdings throughout the State. This is one of the reasons we undertook these reforms in the first place. The department will consider individual circumstances. With regard to the Western Division, I can assure the Opposition that these reforms will not affect Western Lands leases. Regardless, I will take the matter up with my colleague Craig Knowles, who has carriage of the Western Lands Act.

With regard to rent increases, the Government has catered for some instances in which rent increases will be considerable. In these cases, we will stagger rent increases. For example, minimum rents going from $70 to $350 will be staggered over a three-year period. I believe that this will accommodate any significant increase in the rents payable.

These important changes to the management of Crown land in the Eastern and Central Division of the State of New South Wales were foreshadowed in the recent mini-budget. The bill applies to the Crown Lands Act 1989, the Crown Lands (Continued Tenures) Act 1989 and the Hay Irrigation Act 1902, which relate to the Eastern and Central Division of the State. For the purposes of the Crown Lands Act 1989 the State is divided into two divisions, the Eastern and Central Division and the Western Division. Hence, the measures referred to later will not apply to tenures in the Western Division. Within the Eastern and Central Division of the State, which is the focus of these legislative changes, around 20 per cent of the land area is within the Crown estate.

The purpose of this bill is to enable the Government to obtain a fair and equitable return on the Crown land assets of the State on behalf of the people of New South Wales. This will be achieved by applying the principle of market rent to all Crown land tenures while retaining an equitable rebate system, addressing the cost effectiveness of administrative arrangements and managing Crown land assets as a sustainable public asset. In recent times the community's expectations for effective management have changed to that of responsible land management and stewardship, addressing the risks on Crown land of bushfire, weed and feral animal control and the provision of land to meet the diverse needs of the community.

In relation to minimum rents it is proposed that the lessees be subject to a market rent or an explicit subsidy by way of rebate, subject to a minimum rent. In the case of minimum instalments on purchase, the size of the minimum instalments will be increased to a level consistent with minimum rents in order to make the collection of purchase money more cost effective. There are some 11,000 Crown land leases in perpetuity at very low rents, the majority on base rents of $146 per year, with very low annual rental yields. They have lease conditions that provide limited effective control over the activities of lessees.

Environmental protection for lands to be converted from perpetual lease to freehold title will be achieved by strengthening the Minister's power to include conditions on title at the time of conversion. This includes the capacity to impose covenants, which run with the land providing for the protection of environmental or other significant values, and to provide that the land cannot be subdivided without the Minister's consent. The bill has been drafted to protect these covenants from being overridden by environmental planning instruments. Section 28 of the Environmental Planning and Assessment Act 1979 will not suspend the operation of these covenants without the concurrence of the Minister for Lands. In addition, the existing provisions that protect forestry resources have been retained.

In circumstances where environmental and other significant values cannot be adequately protected by covenants and restrictions on subdivision the lands will be kept in public ownership. We will continue dialogue with the environmental stakeholders. Existing arrangements to consult the Department of Environment and Conservation will continue in relation to the assessment and protection of high environmental or other significant values in relation to perpetual leases. The bill requires consultation with the Minister for the Environment on perpetual leases that do not have an automatic right to convert to freehold before any decision is made to allow conversion in relation to the conditions to be imposed before any decision is made to remove conditions and before giving concurrence in relation to Section 28 of the Environmental Planning and Assessment Act. With the passing of the bill this State will be in a better position to enable the Government to obtain a fair and equitable return on the Crown land assets of the State, to ensure administrative arrangements are cost effective, to manage the Crown land assets as sustainable public assets and to ensure that environmental values are adequately protected. I commend the cognate bills to the House.

Motion agreed to.

Bills read a second time.

In Committee

The CHAIRMAN: Order! With the consent of the Committee I will deal with the Appropriation Bill, the Appropriation (Parliament) Bill and the Appropriation (Special Offices) Bill by putting the question, That the clauses, schedules and title be agreed to, in respect of each of them. The Committee will deal first with the Appropriation Bill.

Clauses, schedules and title agreed to.

The CHAIRMAN: Order! The Committee will deal now with the Appropriation (Parliament) Bill.

Clauses, schedules and title agreed to.

The CHAIRMAN: Order! The Committee will deal now with the Appropriation (Special Offices) Bill.

Clauses, schedules and title agreed to.

The CHAIRMAN: Order! The committee will deal now with the Crown Lands Legislation Amendment (Budget) Bill.

Clauses 1 to 6 agreed to.

Schedule 1 agreed to.

Mr IAN COHEN [9.07 p.m.], by leave: I move Greens amendments Nos 1, 2 and 3 in globo:

No. 1 Page 22, schedule 2 [7], lines 31–34. Omit all words on those lines.

No. 2 Page 26, schedule 2 [24], lines 1–4. Omit all words on those lines.

No. 3 Pages 28–34, schedule 2 [31], line 1 on page 28 to line 32 on page 34. Omit all words on those lines.

These amendments seek to remove new schedule 7A, which establishes special arrangements for the purchase of perpetual leases. Given the lack of debate and the scarcity of information provided to members on this matter, it is inappropriate that a major change to policy on the management of Crown leasehold land should proceed in this manner. I commend the amendments to the Committee.

The Hon. TONY KELLY (Minister for Rural Affairs, Minister for Local Government, Minister for Emergency Services, and Minister for Lands) [9.08 p.m.]: The Government does not support these amendments, which seek to delete proposed new schedule 7A of the Crown Lands (Continue Tenures) Act 1989. There are 11,000 land leases held in perpetuity at very low rents, the majority of these on base rents of $146, with very low annual rental yields. They have lease conditions that provide limited effective control over the activities of lessees. The leases are costly to the ratepayers and do not in themselves provide adequate protection for the environment.

Proposed new schedule 7A establishes special arrangements for the purchase of perpetual leases, which apply only if the rent of the lease is not subject to redetermination. The arrangements allow land to be purchased by the holder of the lease at a price that is currently payable under the Crown Lands (Continued Tenures) Act 1989, or at a special purchase price of 3 per cent of the value of the land, whichever is the lower.

The option to purchase at 3 per cent of market value will be available only to those lessees who have perpetual lease, the rent of which, under current legislation, cannot be redetermined to market rent. Whilst 3 per cent of market value represents a significant theoretical discount of the purchase price in the case of low rent leases, the discount is theoretical because the leases sell on the open market at prices approaching the freehold price. The rent of the lease will become subject to redetermination by the Minister at market rates at the end of the period of two years after the Minister has notified the leaseholder of the special purchase arrangements.

These special arrangements will also allow the Minister to impose, on behalf of the Crown, restrictions or public positive covenants on the land. These restrictions or covenants may be imposed for the purpose of protecting the environment, protecting or managing natural resources, or protecting cultural, heritage or other significant values of the land, or of items or works on the land. Restrictions may also be imposed to prevent or restrict subdivision of the land. Restrictions or public positive covenants are to be imposed under the Conveyancing Act 1919.

The Hon DUNCAN GAY (Deputy Leader of the Opposition) [9.11 p.m.]: The Opposition opposes these amendments. In debate on the second reading and in speaking in debate on these amendments, Mr Ian Cohen either deliberately or accidentally said that converting these leases was akin to converting something of a lesser value to something of a greater value, which is understating the purpose of a perpetual lease. A perpetual lease is very close to freehold title. It is like comparing a company title to a strata title in a block of units. They are close in value and ownership and there is not much between them. There is even less between a perpetual lease and freehold title. I suspect that Mr Ian Cohen deliberately misled the Chamber in order to give the impression that the Government is giving people a huge financial benefit. The Government, by transferring a little more security, is saving itself a lot of money in administration fees.

Amendments negatived.

Mr IAN COHEN [9.13 p.m.]: I move Greens amendment No. 5:

No. 5 Page 34, schedule 2 [31]. Insert after line 32:

10 Wilderness and other areas not to be sold

An application to purchase land comprised in a lease to which this schedule applies must not be granted (and any reservation from sale under the Crown Lands Acts in respect of such land is not to be revoked) if:

(a) the land is a wilderness area under the *Wilderness Act 1987*, or

(b) the Minister is notified by the Minister administering the *National Parks and Wildlife Act 1974* that the land is considered to be of conservation interest.

While this bill includes a requirement for consultation with the Minister administering the National Parks and Wildlife Act 1974, the Threatened Species Conservation Act 1995, and the Wilderness Act 1987 before making a decision to convert leasehold to freehold or imposing a covenant on the land, there is no requirement for the deciding Minister to heed the advice given. This amendment will ensure that, when a conversion application is

for land that is a wilderness area under the Wilderness Act 1987, or the Minister administering the National Parks and Wildlife Act 1974 advises that the land is considered to be of conservation interest, the land is to be reserved from sale. This bill is a budget bill because the Government is counting on the money to balance its books, and there is a strong incentive to proceed with as many sales as possible. I commend Greens amendment No. 5 to the Committee.

The Hon. TONY KELLY (Minister for Rural Affairs, Minister for Local Government, Minister for Emergency Services, and Minister for Lands) [9.17 p.m.]: The Government does not support this amendment. The bill contains extensive provisions for the protection of the environment and other significant values. As part of the consultation provisions the Minister for Lands is required to consult with the responsible Minister for administering the Wilderness Act 1987, the Minister administering the National Park and Wildlife Act 1974 and the Minister administering the Threatened Species Conservation Act 1995 in relation to moratorium leases that are subject to perpetual lease special purchase arrangements in proposed schedule 7A. That consultation is required before any decision is made to allow conversion in relation to the conditions to be imposed, before any decision is made to remove conditions, and before giving concurrence in relation to section 28 of the Environmental Planning and Assessment Act.

Environmental protection for lands to be converted from perpetual leases to freehold title will be achieved by strengthening the Minister's power to include conditions on title at the time of conversion. That includes the capacity to impose covenants that run with the land providing for the protection of environmental or other significant values, and it includes the capacity to provide that the land cannot be subdivided without the Minister's consent. The bill has been drafted to protect these covenants from ever being overridden by environmental planning instruments. Section 28 of the Environmental Planning and Assessment Act will not suspend the operation of these covenants without the concurrence of the Minister for Lands. In addition, the existing provisions that protect forestry resources have also been retained.

Amendment negatived.

Schedule 2 agreed to.

Schedules 3 and 4 agreed to.

Title agreed to.

The CHAIRMAN: Order! The Committee will now deal with the Sustainable Energy Development Repeal Bill.

Clauses, schedules and title agreed to.

Bills reported from Committee without amendment and passed through remaining stages.

STATE REVENUE LEGISLATION FURTHER AMENDMENT BILL

Second Reading

The Hon. TONY KELLY (Minister for Rural Affairs, Minister for Local Government, Minister for Emergency Services, and Minister for Lands) [9.19 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 clarifies a number of issues that have emerged following passage of the State Revenue Legislation Amendment Act 2004 by the Parliament in May this year.

In relation to the First Home Plus Scheme the bill clarifies that, if the concession is claimed in relation to the acquisition of vacant land and the subsequent construction of a dwelling, the concession is not subsequently available for the acquisition of an existing dwelling. For purchases of vacant land, the bill replaces the requirement that the home, once constructed, be occupied to qualify for the concession with a provision allowing the Chief Commissioner to grant the concession if satisfied that the applicant

will build a home on the land and reside in it. This change will be taken to apply from 1 July 2004, the date the other reforms introduced in May are to take effect.

In relation to Premium Property Duty the bill clarifies that where a transaction for the purchase of residential property involves more than one property and at least one of those properties is sold for more than $3 million, the Premium Property Duty rate will only apply to that part of the consideration for each property that exceeds $3 million. This provision will also be taken to have applied from 1 June, the date Premium Property Duty was introduced.

In relation to Vendor Duty the bill:

- Extends the exemption to the sale of land subject to all kinds of conservation agreements under the National Parks and Wildlife Act 1974;

- Extends the exemption from Vendor Duty to the sale of land that is the subject of a registered trust agreement under the Nature Conservation Trust Act 2001. These two changes implement the Government's commitment during the Parliamentary debate on the Vendor Duty to ensure it does not apply to the disposal of land subject to conservation agreements;

- Clarifies that Vendor Duty will apply to the higher of the consideration received or the actual value of the property sold;

- Clarifies that periods of ownership counted for the exemption for absences from a former principal place of residence cannot also be counted towards principal place of residence status of a second property owned and occupied by the vendor;

- Clarifies that home owners who on 1 June 2004 were in the process of selling their former home after acquiring and moving into their new home have six months from 1 June 2004 rather than the date of acquisition of the new home to dispose of their former home without incurring Vendor Duty;

- It also provides the Chief Commissioner with the power to extend the six month period in which the former residence may qualify for exemption in certain cases, such as in the event that an auction fails or a purchaser is unable to complete a contract;

- Clarifies that a residence will be eligible for the principal place of residence exemption even if it is not wholly owned by the occupant. The requirement will be that at least 50% of the ownership interest is held by one or more natural persons who reside in the home as their principal place of residence. This means, for example, that where a person helps a relative or friend to buy a home, the subsequent sale of the home will not attract Vendor Duty provided the person living in the home owns at least 50% of the home.

The bill also

- removes a current restriction that prevents the principal place of residence exemption from applying where any of the vendors is not a natural person;

- Clarifies the application of Vendor Duty on the disposal of land-related property when interests in the property were acquired at different times;

- Clarifies the "new building" exemption for the disposal of vacant buildings to ensure that it only applies where the building is never occupied or used for its intended purpose prior to sale unless it is sold within twelve months of completion, in which case it may have been occupied or used prior to sale;

- Clarifies when a building is considered "completed" for the purposes of this exemption;

- Clarifies that the exemption applies only in relation to the first sale of premises "off the plan" and not subsequent sales;

- Clarifies that the exemption for "improved vacant land" only applies when improvements have been made at the vendor's expense;

- Clarifies the provisions that exempt from Vendor Duty transactions involving entities or transactions that are exempt from Purchaser Transfer Duty or subject to concessional Purchaser Transfer Duty. This amendment ensures that vendors need to qualify in their own right for any exemption. They do not qualify merely by virtue of the exempt or concessional status of the purchaser to whom they are selling;

- Clarifies that the period of the exemption from Vendor Duty on the sale of a deceased's former principal place of residence commences from the grant of probate or letters of administration. The bill also provides that executors and beneficiaries who, on 1 June 2004, were in the process of disposing of a deceased's former principal place of residence, have twelve months from 1 June 2004 to complete the disposal of the property without incurring Vendor Duty;

- Clarifies that the executor or beneficiary's exemption from Vendor Duty on disposal of a deceased's former principal place of residence subject to a life interest lasts for twelve months following surrender or termination of the interest;

- Clarifies that a disposal of land-related property by a mortgagee, receiver, liquidator or trustee in bankruptcy pursuant to the bona fide exercise of their powers is not liable for Vendor Duty;

- Clarifies that the exemption for the disposal of land-related property as part of the sale of a business only applies where the whole of a business is sold.

These measures will ensure that Vendor Duty applies as it was originally intended. Many of the measurers are of benefit to taxpayers. Accordingly, to ensure that taxpayers in those situations are not disadvantaged, the measures will apply from 1 June 2004.

In relation to Mortgage Duty the bill amends the provisions applying to inter-jurisdictional mortgages so that, in relation to property located in Australia, from 1 September 2004, duty will only be payable in respect of property located in New South Wales.

In view of the Government's commitment to exempt the sale of land subject to conservation orders from Vendor Duty the Government has decided to expand the exemption from land tax already provided for land subject to certain conservation orders to align it with the scope of the Vendor Duty exemption. This broader exemption will apply from 31 December 2004, in time to be applied in the 2005 land tax year.

Finally, the bill revokes the repeal of the Petroleum Products Safety Act 1965 to ensure Commonwealth subsidies provided in relation to the transportation of fuel to remote localities are maintained. I commend the bill to the House.

The Hon. PATRICIA FORSYTHE [9.19 p.m.]: We are now dealing with the State Revenue Legislation Further Amendment Bill. Just six weeks ago the House passed the State Revenue Legislation Amendment Bill, which was patently inadequate. The Government, and the Treasurer in particular, got it wrong. The so-called "big, bold and fair mini-budget" that the Treasurer delivered in April should now be viewed in the context of the mean, inadequate and complex legislation that has flowed from it. In May the Legislative Assembly and the Legislative Council debated and passed the State Revenue Legislation Amendment Bill but did not get it right.

We are here tonight to clear up, clarify, fix, sort out and somehow or other make the iniquitous vendor tax workable. The Opposition opposed that tax when we debated the original legislation in May and we will oppose it again tonight. We will oppose this legislation and move in Committee to omit that part of the bill that deals with the vendor tax. I urge the House to reconsider the position we took in May and to re-examine the Opposition's arguments. We were right in May and we are still right in June.

The bill is designed to do six things: clear up problems that have arisen with vendor duty—I will return to that issue shortly—and extend a vendor duty concession for land subject to a conservation agreement; clear up some anomalies in the First Home Plus stamp duty concession; clarify the wording of the new premium property stamp duty; give a land tax concession for lands that are subject to the Nature Conservation Trust Act 2001 and remove restrictions to the concession that is available for lands that are subject to a conservation agreement under the National Parks and Wildlife Act 1974; change the way in which mortgage duty is charged on interjurisdictional mortgages in all States and Territories—previously the Northern Territory and the Australian Capital Territory were treated differently as they had no mortgage duty, which amounted to a $500,000 tax cut—and reinstate the Petroleum Products Subsidy Act 1965, which was abolished in 2001. When the Government abolished the Act it did not realise that a Commonwealth subsidy depended upon it—in other words, the Government got it wrong.

The main issue tonight is vendor duty. The Hon. Greg Pearce, the Opposition's waste watch committee chairman, will have more to say about this subject later as he has done some excellent work identifying the paper trail between the Treasurer and Treasury officials with regard to this tax. When the Treasurer delivered the mini-budget on 6 April—which he did with some measure of fanfare in the other place, although it was perfectly obvious from his speech that it was not much more than a ministerial statement; it did not have any associated appropriation bills and could have been delivered in this House—he said:

To ensure that only property profits are being taxed, properties will be exempt from the duty in cases where the vendor's sale price does not exceed 12 per cent of their original purchase price, with the exemption phasing out between 12 per cent and 15 per cent.

Legislation for the new duty will be introduced in May and the new duty will apply from 1 June.

During drafting of the legislation consultation will be held with the property industry to prevent any unintended effects and to maximise administrative efficiency and simplicity.

In April the Treasurer acknowledged that consultation would take place. He did so because the vendor tax was a back-of-the-envelope decision taken by the Treasurer on, as far as we know, the weekend before the mini-

budget was delivered. It appears that the Treasurer made that decision without the benefit of consultation or advice, even from his officers. The Treasurer continued:

> Clearly exceptions will need to be put in place for genuine builders to ensure that the duty does not become a value added tax on new homes.
>
> This duty is expected to raise in the order of $690 million per annum.

That is a back-of-the-envelope figure as well. Time will tell exactly how much the tax raises, but we know that this iniquitous tax will impact on many more people than the Treasurer forecast at the time of his mini-budget statement. The Treasurer also referred to the need for consultation while drafting the legislation to ensure that there were no "unintended effects and to maximise administrative efficiency and simplicity". People who read the bill and talk to those who are trying to understand this tax will find that it is far from administratively efficient or simple and will certainly have unintended effects. The Government and the Treasurer failed to consult on this issue.

If honourable members read the emails traded between Treasury officials they will understand why we are having this debate six weeks after Parliament passed the original legislation. I do not want to embarrass Treasury officials—although the documents concerned are on the public record—but the day after the mini-budget was delivered one email stated:

> The date from which the tax applies is uncertain at this stage … We wanted to say 1 June in the Budget but the Treasurer took it out so ask him what date is relevant.

The date 1 June appears in the corrected electronic version of *Hansard*. Treasury officials seemed to be somewhat uncertain, and that measure of uncertainty increased as the consultation period progressed. Treasury officials expressed concern that they would be caught on the hop. Treasury officials were unsure as to whether the Parliamentary Secretary, the honourable member for Campbelltown, Graham West, who read the second reading speech on the State Revenue Legislation Amendment Bill in the other place, was on top of his brief. Another email states:

> Hope he is good at reading the hastily scribbled notes.

The notes were hastily scribbled because Treasury officials were still trying to work out how the tax would work. They discussed the sorts of questions that they might have to answer:

> Like why are renovations excluded when this means I can sell for less than I paid in aggregate for the property (because I overcapitalised into a falling market). This should not be taxed as there is no profit and the Treasurer said he was taxing profits. Our answer is?

I love this next bit—

> Apart from fair point and it is a bit tough but too bad.

The Opposition does not think "too bad" is good enough. We think the Government should have returned to the drawing board and not proceeded with this iniquitous tax—a tax on a tax—which is having a disastrous impact on property prices in New South Wales. Only a relatively small number of properties are currently on the market because people have been frightened by this tax. An email written a couple of days after the initial debate on the bill states:

> This evening we noticed we may have inadvertently let people who buy off the plan on-sell their entitlement free of VD [vendor duty]. This should not be the case but it is probably too late to fix. We have to run with what we have and put together a list of things it is feasible to fix by 22 June.

We are fixing what is feasible to fix, but the Opposition does not believe they are good grounds on which we should pass this legislation and we will vote against it. Another approach is to throw out the tax. If the Treasurer is not computer literate, as he often claims, he misses out on what is being said about him, his Government, and his tax. I searched for "vendor duty" on the Internet to find out how the tax is being interpreted by the people of New South Wales, and among the many fascinating responses were solicitors' advice to clients, and presumably partners, on the interpretation of this new tax. Remember that the Treasurer said he was looking for something that was going to be "administratively efficient and simple". On 28 May the web site of Corrs in Brief stated:

> **Some Issues to Consider**
>
> - Has the value of the land increased by more than 12% since it was acquired?
> - If a 'new building' is sold, are there any other buildings located on the land which are not 'new'?

- If a business is being sold, does the value of the land being transferred exceed 60% of the value of all dutiable property being transferred?

- Can the land be sold GST-free or under the margin scheme? If so, this may reduce vendor duty.

- Has a valuation adjustment been made for land which will be subject to GST on sale, but which was not subject to GST on acquisition? Such adjustment may reduce vendor duty.

- Could the sale be effected by the sale of shares/units in the land holding entity?

A lengthy article on vendor duty appears on the web site of Bartier Perry Solicitors. It states:

Some implications

- In many cases, particularly the exemption for land sold as part of a business sale, the application of the duty will depend on the valuation of assets. It may be necessary to value land as at dates well in the past. The duty will generate plenty of work for valuers …

- Compulsory acquisitions are exempt from the duty. A side effect of that exemption may be to discourage owners from entering into agreements with State authorities, but instead to wait for compulsory acquisition process to occur.

The new tax is complex and this is a brief summary only.

That is a rather picky comment. The Treasurer is asking us to accept further amendments to this complex legislation to clarify, clear up, fix up, or sort out something he got very wrong. An article published on the web site of Acuiti Legal by Murray Landis, a partner, entitled "The New South Wales Stamp Duty—New Vendor Tax", states:

EXEMPTIONS AND CONCESSIONS

Principal place of residence exemption

The principal place of residence exemption applies to the one principal place of residence of the vendor. To qualify:

- the land and no other land must be continuously used and occupied by the vendor for residential purposes and for no other purposes for a period of at least 2 years before transfer; or

- at least 3 out of the preceding 5 years; or

- if the vendor owned the land for less than 2 years then for the entire period since the land became the person's principal place of residence …

Residential land will not qualify if any part of the land is used to derive income or if the building contains occupancies other than that of the vendor unless they are excluded residential occupancies. There are a number of tests but basically you can rent out one room.

The lawyers in this House will enjoy this further statement:

STAMPING AND ENFORCEMENT

A relevant instrument must be stamped with both purchaser duty and vendor duty or stamped not chargeable.

The Titles Office is not permitted to register an instrument that effects or evidences a vendor duty transaction unless it has been stamped to indicate the duty has been paid or is not chargeable.

In practice this means:

- a vendor will have to separately pay the vendor duty on the transfer before completion. Generally the purchaser's solicitor will submit a transfer stamped with the purchaser's duty to the vendor prior to settlement. The payment of vendor duty therefore presents a cash flow and timing issue for the vendor; or

- the vendor may direct the purchaser to pay the vendor duty on its behalf out of the purchase price.

Mr Landis also talked about some transitional provisions in relation to dates that we are dealing with. Mr Landis further states:

No doubt this hastily drafted legislation will be subject to further concessions and amendment.

Spot on, Mr Landis! The Government is asking us to do that tonight, but has it got this legislation right? Have all the problems identified by Treasury officials been sorted out? I recall my discussion with the Treasurer when

the initial bill was being debated, and, as I understand it, the chief commissioner will have discretion in relation to when a person ceases to occupy a residence. For example, a person who does not own an investment property and has lived in his or her principal place of residence could move into a nursing home for the rest of his or her life. It makes no sense to leave the home vacant because it could be subject to vandalism, so it is leased out. Often family members choose whether to sell or lease the property until the person dies, and then the property will be sold. Technically the person has not been living in his or her principal place of residence while in the nursing home.

The Treasurer talked about investment income—and these people could well have derived income which, in many cases, is used to offset the cost of their accommodation and support within the nursing home—but Treasury officials should clarify how the tax applies to people who live in a nursing home for longer than two, three, five or six years, or longer for younger people who may be suffering from dementia or are stroke victims. The Opposition believes that many more issues in relation to this legislation have not seen the light of day. The Opposition does not believe that this bill will resolve the issues being debated by solicitors and the many confused people involved in the property industry. At the end of the day the Government got this fundamentally wrong in principle in the mini-budget in April and in the detail in the initial bill in May, and the Opposition will not assist it to fix up its mistakes. I urge the House to support the position of the Opposition.

The Hon. DAVID OLDFIELD [9.39 p.m.]: To a degree, I go back to what I said about this tax when it was put to us originally. The Treasurer has continuously denied that it is a capital gains tax. I agree that the Opposition has made a number of good points about the anomalies and difficulties of calculating all the various aspects of land, valuation, tenancy and capitalisation of investment. But as I said at the outset when this tax was first presented to us, it is a capital gains tax because people are being taxed on a capital gain they are making. Whatever the Treasurer wishes to call it—he can call it an exit stamp duty, a vendor tax, or whatever he may wish to come up with—it is purely and simply a capital gains tax. People are being taxed on a capital gain on an investment. The situation is deplorable from my point of view in that I always hate the concept of a tax because the Government can. That is all it is: it is a tax because the Government can.

The Government has no right to impose this tax in any real sense, other than it needs more money so it wants to tax somebody. It is as simple as that. The Government is taking money from hardworking people who have put a little aside for such things as a negatively geared investment. These people are not exceedingly rich—no doubt a few of them are rich, but by and large they are simply hardworking taxpayers, middle-income earners, who have put a little aside for an investment, and the Government is kicking the hell out of them because it can. I hope that this will attack a significant part of Labor's core constituency, perhaps without them being fully aware that it is taking place. When this was put together I suggested that a number of things would happen for which the Government was perhaps not prepared. I suggest that Labor governments as a whole are usually not prepared for the way people will react to such taxes on their investments. I do not know why that is a particular aspect of Labor ideology that perhaps gets in the way of understanding investments and what people do with investments.

When this tax was introduced I suggested that a number of things would happen. One suggestion was that, with a property such as we are speaking about here, three to five years is not a long time. Indeed, few people would realistically negatively gear a property for less than three years, despite the climate in recent times. So three to five years is not a long time. Indeed, six to eight years is not a particularly long time and the Government will find that some people will be willing to wait. One reason they will be willing to wait is if, as I suggested at that time, the Opposition reasonably quickly suggested that it would remove the tax once coming to office. If the Coalition should fail to come to office in 2007, I hope it will carry that promise over because I am sure it would bring to it considerable—

The Hon. Patricia Forsythe: We'll be there in 2007.

The Hon. DAVID OLDFIELD: We will see. I am simply saying that should the Coalition fail to win office in 2007 I hope that it will carry this pledge over to the following election.

[*Interruption*]

We are already getting a pledge from the Hon. Greg Pearce that the Coalition will do that. The Hon. Greg Pearce has just pledged from the front bench that the Coalition will carry this promise over to the 2011 election.

The Hon. Greg Pearce: I will certainly support it.

The Hon. DAVID OLDFIELD: So we can be sure that that will take place. In terms of investment, that is not necessarily too far away. Should that be the case, we are now happy that the Liberals have pledged, in conjunction with their Coalition partners, The Nationals—is that right?

The Hon. Rick Colless: Yes, absolutely.

The Hon. DAVID OLDFIELD: The Hon. Rick Colless of The Nationals has also pledged that the Coalition will ensure that this promise stays put for the 2011 election.

The Hon. Rick Colless: That's not quite what I said.

The Hon. DAVID OLDFIELD: That being the case, I suggest that expected revenue from this tax may fall somewhat short of the approximately $700 million a year that the Treasurer is expecting. Investors are likely to hold off selling; without sales there will not be the capital gain; without the capital gain there will not be the exit tax, and revenues will fall short, putting the Government back to a degree. I hope it puts the Government in the hole that it deserves to be in as a consequence of its extremely poor financial management over many years, which has only been upheld by a booming real estate market, in which the Government has grifted money that it should not have received in the first place as a consequence of increasing real estate prices. I also suggested—and this has already happened, because the Coalition made this pledge this evening—that the Coalition would make a pledge to carry its promise over to the next election.

I reiterate that this is a tax because the Government can. Frankly, in the first instance stamp duty should be a matter of simply a rubber stamp with almost a development application and building approval cost involved, not the huge funds that are reaped and raped from the investment community. Hopefully—as honourable members would be aware, I never side with either major party—this issue will come back to bite the Government in terms of revenue not being raised, investors holding off and, in some cases, property prices in some areas rising because of a lack of stock available. Some of Labor's core constituency, who may rent property in those areas, may be hit with increases as a consequence of their landlords deciding that the tax will be worth a lot of lost revenue to them in the future. Hopefully, all of this will come back to bite Labor. I hope the Government will not raise the money, that there will be a shortfall as a consequence, and that Labor's core constituency will be hit with rising rents, and hence dissatisfaction. Those voters will probably not go to Labor; they will probably go to the Greens, but that will not be helpful. I hope also that the Coalition will continue with its pledge and probably reap considerable rewards, at least at some stage in the future, as a consequence of this simply unfair, bastardly tax because the Government can.

The Hon. GREG PEARCE [9.45 p.m.]: This vendor tax is a bad tax, and the Coalition will abolish it when it wins the 2007 State election. Certainly, the tax will not exist after that. The manner in which the Government introduced this tax was extraordinary. It has often been said that the Treasurer has never seen a bad tax, and that he has never seen a tax he did not want to increase. In this case one must wonder whether a man who normally does not panic did indeed panic when he saw that he was facing his first deficit, although that had been known since at least last December. He grabbed a tax that was clearly a tax on the run; it certainly was not thought through. However, it is coming home to roost because the Treasurer, when introducing the tax, made the silly promise that it would only be a tax on profits on property investment.

The Treasurer did not understand how this tax would apply and what impact it would have on the property industry in New South Wales. It is having a terrible impact on the property industry. I do not want to repeat many of the fine points made by other speakers. However, I draw the attention of honourable members to the process relating to this budget and the scrutiny of the whole budget process undertaken by the House. Honourable members will remember that the Treasurer introduced his mini-budget in April. Subsequently an inquiry was established pursuant to a motion I moved, which was passed by the House. The committee chaired by Reverend the Hon. Fred Nile found that the basic tenets on which the mini-budget was introduced were simply not true. The first was the alleged Federal Government revenue cuts. Those cuts were never there.

The second tenet was the extra money needed to pay the teacher and nurse pay rises. It transpired that that was already in the budget figures. The third tenet was the expenditure cuts and savings to which the Treasurer referred. The head of Treasury has admitted that that was part of the normal budget process; it was never part of the mini-budget. But the real killer was this vendor duty, which was introduced in the week between the Treasurers' meeting in Canberra and the Treasurer coming back to Sydney and making his speech

on the mini-budget. Treasury officials admitted that they had not done any proper investigation or modelling of this new tax. Indeed, at various stages the Treasurer fell back on suggesting that this tax was simply a matter of commonsense. There is no commonsense about this tax.

One only has to go to the Treasury emails released a week or two ago, to which the Hon. Patricia Forsythe referred. Those emails came from the Opposition increasing the level of scrutiny of the budget by introducing an order for papers. That order revealed that there were virtually no papers relating to the mini-budget. This was one of the easiest orders for papers that the Government has ever had to respond to, because there was nothing much to produce. The few things they did produce—

The Hon. Rick Colless: The back of the bus ticket.

The Hon. GREG PEARCE: —were the back of the bus ticket, and the emails, which were very embarrassing to the Government and to all involved. This is a case where the Government, and particularly the Treasurer, jumped at the chance to introduce this new tax, without reflecting on how it would operate or how it would affect the property market. It is a demonstration that the Treasurer's waste and profligacy is finally coming home to roost, with a massive blow-out in employment costs in the New South Wales public service as the bureaucracy keeps blowing out. The Government does not have any means of dealing with that, and the many examples of hundreds of millions of dollars being lost on everything from Millennium trains to the bus transitways demonstrate that its incompetence has come home to roost. On the night the original bill was introduced the Government introduced a number of amendments itself. It had to start fixing up the mess even at that stage. However, the Government ignored some other amendments, which we are dealing with tonight, and there will be many other amendments to this dreadful tax. The Coalition will get rid of it when the opportunity presents itself.

Reverend the Hon. FRED NILE [9.52 p.m.]: The State Revenue Legislation Further Amendment Bill will amend Government legislation that introduced various taxes, including the vendor duty and the premium property duty. As has been said by other honourable members, all that this bill seeks to do is clarify the application of taxes that have already been passed by this House. If the House rejects this bill, that will not have any effect on the taxes that have been introduced, including the vendor duty, other than to make it very difficult to administer the tax.

As the bill clarifies procedures, it would not be very helpful if the Opposition were to vote against the bill or delete almost all of schedule 1. For example, the operation of the new premium property duty is clarified by the bill to provide that "where a transaction involves more than one property that is sold for over $3 million, the premium property duty rate will only apply to that part of the consideration for each property that exceeds $3 million". That is a benefit for those who pay the tax. On face value, it seems they will pay less tax.

The bill also makes it clear that the "vendor duty concession that applies to the sale of a former principal place of residence within 6 months of ceasing to occupy the residence will be broadened," so that "the Chief Commissioner will be able to extend the period of 6 months if satisfied there is good reason for doing so". Obviously, in some instances the principal place of residence may be vacant for some reason. For instance, the occupiers may have been transferred overseas. Some people in the services have been transferred overseas for a year, away from their principal place of residence, which on their return they may wish to sell. If this amendment were not to be passed, those sorts of people would be victimised in that they would have to pay the vendor duty on their principal place of residence.

I make a similar comment about the provision of the bill that will expand the exemption for new and substantially new buildings. The bill also makes similar provisions regarding the vendor duty concession that applies to the sale of the principal place of residence in the event of the death by the owner, so that the 12 months will start from the grant of probate or letters of administration, rather than the date of death. The bill actually expands the period of the exemption. Further, the criteria for eligibility for the First Home Plus stamp duty concession is to be clarified. It may be a just criticism that the initial legislation should have contained all these details and clarifications. However, often it is not possible to foresee every possible impact of a new tax bill, sometimes not until lawyers challenge some aspects of legislation. The commissioner must have an answer to those challenges, and that is what the bill seeks to do. It will clarify all those procedural matters. So, if the bill is defeated, the taxes will still exist, but in some cases they will be unworkable. Therefore the Christian Democratic Party will support the bill.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS [9.55 p.m.]: The Democrats support the bill. Basically, it seeks to remedy some problems and clarify the application of some provisions of the State Revenue Legislation Amendment Act 2004. The bill clarifies a number of issues. The first of the five most important of

those is that the operation of the premium property duty will be clarified so that where a transaction involves more than one property that is sold for more than $3 million, the premium property duty rate will apply only to that part of the consideration for each property that exceeds $3 million. Second, the exemption from vendor duty extends to the sale of land that is subject to a registered trust agreement under the Nature Conservation Trust Act 2001.

Third, the bill removes the current restriction that prevents the principal place of residence exemption applying where the vendor is not a natural person. Fourth, the bill clarifies that the exemption for improved vacant land applies only when the improvements have been made at the vendor's expense. Fifth, the bill provides that executors and beneficiaries who at 1 June 2004 were in the process of disposing of a deceased's former principal place of residence have 12 months from 1 June to complete the disposal without incurring vendor duty. Mortgagees, liquidators and so on are not subject to the vendor duty. The Government has assured me that if a property is sold as part of the disposal of an estate, the property is duty exempt for 12 months following the granting of probate, rather than from the time of death of the person. These points are simply clarified by the bill. Obviously, if there were ambiguities in the previous legislation, they should be clarified. Thus this bill should be supported.

Ms LEE RHIANNON [9.57 p.m.]: The bill tidies up the errors, oversights and omissions of previous land tax and vendor duty legislation. It reflects the irrational and unnecessary haste with which the original mini-budget legislation was drafted. Many times the Premier and Treasurer repeated their mantra that the mini-budget was necessary. But, as honourable members have come to learn—and as many of us suspected at the time—the mini-budget was a stunt, a hastily constructed piece of parliamentary theatre, carried out for political reasons. It certainly was not the action of a responsible government; it was the action of a spin-obsessed government, where what you read in the *Daily Telegraph* or hear on talkback radio is more important than reality. To justify the mini-budget, enabling legislation had to be drafted and passed quickly. Parliament had to continue the charade that the whole thing was urgent, so we had to deal with a bill that was hastily cobbled together—and we had to debate it in a mad rush! There was no reason to rush, except to maintain the illusion that the mini-budget was important and necessary. But reality refused to play ball. We knew it was a stunt. The only real outcome of all that rush and haste was flawed legislation.

One of the things somewhat lost in all the rush was the full exemption from land tax and vendor duty for all land under voluntary conservation agreements and nature conservation trusts. The Greens were pleased that the Government supported our amendments, which provide valuable tax relief for people undertaking important long-term conservation work for the good of our environment. However, because negotiations took place at breakneck speed, we could not ensure that all kinds of land were covered. The amendments were complicated, as they had to mirror existing exemptions that were scattered through several Acts and were of several kinds. However, the Government promised to tidy things up later, and the Greens welcome the fact that it has kept its word. We wish the Government was always so co-operative on environmental matters. Obviously the mini-budget will not be remembered as good economic governance. It will be yet another piece of evidence in history's judgment that for the Carr Government the media matters more than the masses.

The Hon. MICHAEL EGAN (Treasurer, Minister for State Development, and Vice-President of the Executive Council) [9.59 p.m.], in reply: I thank honourable members for their contributions to the second reading debate. I apologise that I was not here for all of it although I did hear some of it from my office. There is really only one point I would like to respond to, and that is the Hon. Patricia Forsythe's point about people in nursing homes. The legislation allows for a former principal place of residence to be sold up to six years after the person moves out. This is already in the vendor duty legislation and no amendment is required to provide for this concession.

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

The House divided.

Ayes, 23

Ms Burnswoods	Ms Griffin	Ms Rhiannon
Mr Catanzariti	Ms Hale	Ms Robertson
Dr Chesterfield-Evans	Mr Jenkins	Mr Roozendaal
Mr Cohen	Mr Kelly	Ms Tebbutt
Mr Costa	Mr Macdonald	Mr Tsang
Mr Della Bosca	Reverend Dr Moyes	*Tellers,*
Mr Egan	Reverend Nile	Mr Primrose
Ms Fazio	Mr Obeid	Mr West

Noes, 13

Mr Clarke	Mr Lynn	Mr Ryan
Ms Cusack	Mr Oldfield	
Mrs Forsythe	Ms Parker	*Tellers,*
Miss Gardiner	Mrs Pavey	Mr Colless
Mr Gay	Mr Pearce	Mr Harwin

Pair

Mr Hatzistergos	Mr Gallacher

Question resolved in the affirmative.

Motion agreed to.

Bill read a second time.

In Committee

Clauses 1 to 5 agreed to.

The Hon. PATRICIA FORSYTHE [10.10 p.m.], by leave: I move Opposition amendments Nos 1, 2 and 3 in globo:

No. 1 Pages 4-10, schedule 1 [6]-[18], line 10 on page 4 to line 19 on page 10. Omit all words on those lines.

No. 2 Pages 10 and 11, schedule 1 [20], line 23 on page 10 to line 26 on page 11. Omit all words on those lines.

No. 3 Pages 11-14, schedule 1 [22]-[28], line 30 on page 11 to line 3 on page 14. Omit all words on those lines.

In my the second reading debate I explained the purpose of the amendments—as someone said, to gut schedule 1. We opposed the vendor duty tax before, and we oppose it now. We make the point that you cannot make a bad tax good. As the Hon. Dr Arthur Chesterfield-Evans was concluding his speech he questioned whether the tax would apply to the sale of property as probate. He said he had sought the advice of the Government because his staff was not certain. I had a quick look at the Minister's second reading speech and the bill, and I am still uncertain. It seems that we will continue to find uncertainties because the tax was drawn together hastily and the bill was introduced hastily and passed. This bill is a hasty attempt to fix the tax. I ask the Committee to support our amendments.

The Hon. MICHAEL EGAN (Treasurer, Minister for State Development, and Vice-President of the Executive Council) [10.11 p.m.]: Needless to say, the Government opposes the amendments moved by the Opposition. It really is a weird Opposition: it opposes the imposition of a vendor duty and then opposes concessions to a vendor duty. Work that one out! It is either the grossest hypocrisy one has ever heard of or it is the most incredible incompetence one has ever seen. The Hon. Patricia Forsythe is not unintelligent; in fact, she is a very intelligent woman. This must be the most humiliating experience she has ever had in all the years she has been a member of her party, because she is intelligent enough to know that the Opposition's position is one of opposition to the vendor duty.

How is it that she gets up here and opposes amendments to the vendor duty that provide exemptions to the vendor duty? She understands that. She is just carrying out instructions that have been given to her by some underling from the office of the Leader of the Opposition in the other place. The Opposition does not know what it is doing, but the Hon. Patricia Forsythe does. Therefore she must feel very humiliated to be given this dud job tonight. The Opposition's amendments would make taxpayers suffer. They will not wind back or repeal vendor duty; they will simply undo the changes in this bill. For example, if a family misses a couple of mortgage payments and the bank moves in as mortgagee in possession to sell the family home, the family will still end up paying 2.25 per cent of vendor duty. We do not believe that is fair. That was not the intention of the legislation. That is not the intention of the policy. We want to clarify that.

We want to provide that relief. But this mob opposite believes that someone who is losing their home should have to pay 2.25 per cent of vendor duty. Mind you, they objected when the multimillionaires who had

made a profit of $1 million had to pay, but they want someone who has lost their home to pay. What a hypocritical Opposition we have! The bill provides additional time for executors to sell a home that was the principal place of residence of a deceased person. The Hon. Patricia Forsythe doubts that. She said that it is not clear to her. That is simply because in all the time she has been here she has never learned to read or understand legislation. Let me give her a tip: you get the amendments in the bill and marry them up with the principal Act. It is virtually impossible—

The CHAIRMAN: Order! The level of interjection in the Chamber is unacceptable. I am having difficulty—as I am sure Hansard is—hearing what is being said by the member with the call. I remind members that interjections are disorderly at all times. I ask the Treasurer to speak into the microphone at the table when contributing to debate.

The Hon. MICHAEL EGAN: Everybody knows that it is virtually impossible to understand what an amendment means if you do not read the thing it is amending. My suggestion to the Hon. Patricia Forsythe is that she should do her homework. The fact that she has some silly instruction from the other place does not absolve her from the responsibility to find out what she is talking about. Without the amendment the 12-month limitation for an executor to sell the house of a deceased person free of vendor duty will commence at the time of the death of the deceased person, not from the grant of probate. Executors cannot act until probate is granted. To fulfil the policy intention the bill provides that the 12-month period will not start until the grant of probate.

The CHAIRMAN: Order! I call the Hon. Greg Pearce to order.

The Hon. MICHAEL EGAN: If the Opposition's amendments are passed, families who have just lost a loved one will hardly have time to grieve before they have to rush to apply for a grant of probate. Passing the Opposition amendments will only increase that family's suffering. The bill clarifies that a home owned 50 per cent by an occupier and 50 per cent by another qualifies as a residence, and its sale will be exempt from vendor duty. However, if the Opposition's amendments are passed, when parents help their children to buy a home by purchasing a share of the property as tenants in common, or when a sister helps her brother to buy a home by taking a share as a tenant in common, vendor duty will apply to the eventual sale of that property. That is, the Opposition's amendments attack parents who try to help their kids buy a home, not investors. Mums and dads who try to give their kids a head start will be frustrated by the Opposition's amendments, which will negate the immunity provided by the bill.

We know that the Opposition is not interested in helping people to buy their first home. They would have given more stamp duty relief to a multimillionaire than they would have given to a first home buyer. They were going to give them an across-the-board stamp duty of 10 per cent. Someone buying a $3 million or a $4 million house would have had a much bigger saving than someone buying a $300,000 or $400,000 house. We have completely abolished stamp duty for first home buyers on the price of a home up to $500,000. We are the only State in the Commonwealth that has taken that step and we are very proud to have done it.

The Hon. Duncan Gay: This is a second reading speech. It has nothing to do with the amendment.

The Hon. MICHAEL EGAN: I am simply making the point that the Opposition has no intention ever of helping people get their first home, and it has no intention—

The Hon. Duncan Gay: Point of order: I've have had enough of this rubbish.

The CHAIRMAN: I hope it is not a debating point.

The Hon. Duncan Gay: Would I use a debating point in a point of order? The Minister has deliberately moved into a second reading speech. If he wanted to make a contribution to the second reading debate he should have been here to do it. The amendments are quite specific to the vendor tax, but the Minister has moved right away from them. I request that you draw him back to the amendments before the Committee.

The Hon. MICHAEL EGAN: I concede the point of order.

The CHAIRMAN: Order! I uphold the point of order. The Treasurer should address the amendments.

The Hon. MICHAEL EGAN: These Opposition amendments show that the Opposition fully supports the vendor tax. It wants no concessions at all, particularly to help people who may be in need, people who may

lose their home, people who have just lost a loved one, or people who rely on other members of their family to help them buy a home.

The Hon. Duncan Gay: Have you read the amendments?

The Hon. MICHAEL EGAN: I have read the amendments. Tonight we are seeing the ultimate hypocrisy. The Opposition wants to abolish the whole tax, but there are bits that it does not want to abolish. I suggest the Committee treat the amendments with the contempt they deserve.

Question—That the amendments be agreed to—put.

The Committee divided.

Ayes, 12

Mr Clarke	Mr Lynn	
Ms Cusack	Ms Parker	
Mrs Forsythe	Mrs Pavey	*Tellers,*
Miss Gardiner	Mr Pearce	Mr Colless
Mr Gay	Mr Ryan	Mr Harwin

Noes, 24

Dr Burgmann	Ms Hale	Ms Robertson
Ms Burnswoods	Mr Jenkins	Mr Roozendaal
Mr Catanzariti	Mr Kelly	Ms Tebbutt
Dr Chesterfield-Evans	Mr Macdonald	Mr Tsang
Mr Cohen	Reverend Dr Moyes	
Mr Costa	Reverend Nile	
Mr Della Bosca	Mr Obeid	*Tellers,*
Mr Egan	Mr Oldfield	Mr Primrose
Ms Griffin	Ms Rhiannon	Mr West

Pair

Mr Gallacher	Mr Hatzistergos

Question resolved in the negative.

Amendments negatived.

Schedule 1 agreed to.

Schedule 2 agreed to.

Title agreed to.

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

INSTITUTE OF TEACHERS BILL

Second Reading

The Hon. CARMEL TEBBUTT (Minister for Community Services, Minister for Ageing, Minister for Disability Services, and Minister for Youth) [10.28 p.m.]: I move:

That this bill be now read a second time.

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

Leave granted.

In bringing the Institute of Teachers Bill to the House, I acknowledge the detailed and constructive advice from stakeholders.

While not all wishes could be fully met, this is a good piece of policy, a major reform and a very good bill. We would not have reached this stage if it were not for the committed input and constructive criticisms of individuals and representatives of the Professional Teaching Council, the Primary and Secondary Principals Associations in the government sector, the Catholic Education Commission, the Association of Independent Schools, the Teachers Federation, the Independent Education Union and parent organisations.

An institute to represent the professional interests of teachers will have both significant and positive impacts on the profession, and most importantly on the quality of learning for our children.

In particular, an Institute of Teachers will provide an objective means to articulate professional standards; support the career-long development of teachers; assure both the profession and the community of the quality of teacher education programs; accredit and recognise the high quality teaching that exists in schools; support and improve teaching; and raise the quality of student learning outcomes.

In June 2002, a former Minister established the Interim Committee for a New South Wales Institute of Teachers, chaired by Professor Alan Hayes, Dean of the Australian Centre for Educational Studies at Macquarie University.

The Committee reported to my colleague, the Deputy Premier and Minister for Education and Training in July 2003. The cornerstone of the committee's work is the development of a framework of professional standards. A draft of these standards has been in the public domain since June 2003.

In the near future, the draft standards will be subject to a comprehensive validation study by the University of New England, involving 7,000 teachers from different sectors across the State. A New South Wales Institute of Teachers is needed to assure the ongoing quality of the professional skills and capacities of teachers. This can be achieved through professional teaching standards linked to a teacher's professional development for the entirety of their career.

I now turn to the detail of the Institute of Teachers Bill. In part 1, preliminary, one will find the definitions. There are three key definitions that are fundamental to this bill. They are "teach", "teacher" and "accredited".

This bill breaks new ground in defining the terms "teach" and "teacher" for the purposes of teacher accreditation.

The bill defines "teach" as undertaking duties that include, but are not limited to, the direct delivery of courses of study that are designed to implement the curriculum, as determined by the Board of Studies under the Education Act 1990, combined with the responsibility for assessing student performance, progress and participation in such courses.

It is critical to make clear that this definition does not extend to people with particular skills who assist schools and teachers in specialist areas. Examples might be people who tutor music or coach sporting teams, visiting artists, school chaplains, work place assessors of higher school certificate vocational education and training courses, or people who work in schools offering courses in, for example, study skills and so on. Those people will not be required to be accredited but are able to apply if they meet the requirements.

The Government has no problem with schools employing these people to enrich the educational experience of students and would want to encourage their participation in schools. But they are not required to be accredited as teachers for the purpose of this bill.

This definition is important because it draws a distinction between those who are teachers who should be accredited and those for whom this legislation is not intended. However, in its specificity it is capable of including teachers such as school librarians, itinerant support teachers, and casual and temporary teachers who are essential to supporting and maintaining learning in schools.

A "teacher" is quite simply a person who is, or is to be employed to undertake the delivery of a course of study designed to implement the Board curriculum and assess students' participation in those courses. This does not, of course, preclude them undertaking other duties that are part of daily school life or teaching activities in addition to the delivery of board-determined courses. The Minister for Education and Training will direct the institute to monitor the application of these terms after the first year of its operation.

"Accredited" is the formal acknowledgement that a person has satisfied the requirements of the professional standards for which they have made application. There are four career stages at which people can be accredited. Two are mandatory: graduate teacher and professional competence. The two higher levels of professional accomplishment and professional leadership are voluntary.

Responsibility for approving those with authority to accredit teachers in Government schools is vested in the Director-General. The Minister will have that responsibility for non-government schools. Along with this power to approve comes the power to suspend or revoke the approval of a body or person to accredit teachers if they fail to uphold the standards.

Part 2 of the bill outlines the constitution and functions of the institute. The institute will be responsible for advising the Minister on matters as set out in part 2, division 1, clause 7. These cover the development, function and application of the professional teaching standards.

In that role the institute will ensure the standards are fairly and consistently applied and the processes for accrediting teachers are supported and monitored. In monitoring the application of the standards the institute will work closely with the Board of Studies.

It will not create an inspectorial system replicating the work of the board, nor will it replicate the recently introduced mandatory reporting requirements in non-government schools. It will rely on its capacity to share information with the Board of Studies and to identify and monitor patterns of accreditation decisions within and across schools.

This process of information sharing should ensure that schools or school systems will not bear compliance costs arising from the institute's monitoring processes.

Additionally, the Minister is responsible for approving the persons or bodies who provide initial and continuing teacher education courses and programs, and those who provide professional development courses in accordance with the requirements of the professional teaching standards. The institute will limit its involvement with professional development to courses supporting the accreditation of teachers.

The institute will be led by a chairperson who will be a respected educator. There will be a Board of Governance and a Quality Teacher Council. The chairperson will chair both those bodies.

The Board will be responsible for overseeing the operations of the institute, and monitoring its management, performance and governance. The principal source of advice to the institute on professional matters that impact on the profession of teaching will be the Quality Teaching Council. The Council will comprise 21 members, including the institute's chairperson. Ten members will be teachers who are elected.

The institute will prepare a roll of teachers, and the 10 elected members will be drawn from that roll, and elected by teachers. The election will be conducted by the Electoral Commission. Electoral colleges will be established so that the interests of all teachers are fairly represented. Initially, these colleges will allow for the election of seven government school teachers, including a principal of a government high school and a principal of a government primary school. Two teachers will be elected from amongst teachers working within Catholic schools and one from independent schools.

These distributions reflect the proportions of students within each sector. Regulations will be drafted to bring these intentions into effect. Establishing these colleges in regulation will allow changes to the number of people to be elected from each sector should there be a change in the enrolment share.

The remaining 10 members of the council will be appointed by the Minister and will include nominees from the teacher unions, the Board of Studies, government and non-government schools, teacher education providers, the Professional Teachers Council, parents and the community.

The Chief Executive Officer will be responsible for the operations of the institute. The roll of teachers will include an electoral list as well as a list of accredited teachers. The electoral list is to exist for only one purpose. That is to allow for the conduct of the elections of council members. Being on the roll will have no bearing upon whether an existing teacher is able to be employed or not.

Part 4 of the bill addresses the accreditation of teachers against the professional standards at four levels. Teacher accreditation authorities are those persons or bodies in New South Wales vested with the authority to accredit teachers against the professional standards. In government schools the Director-General of Education will approve people such as school principals and regional directors to undertake this role. These accrediting authorities should be people in a position, generally at school level, who are able to make their decisions based on first hand information and observations.

In non-government schools the accrediting authority will be persons or bodies approved by the Minister. Examples might be individual principals, school authorities or representatives of particular school systems. In the first instance all registered and provisionally registered schools will be the accreditation authorities unless they advise the Minister otherwise.

The Minister and Director-General will have discretion in approving different authorities to undertake accreditation at each level if such arrangements are more effective at a school or within a system of schools. The institute will advise and assist teachers in schools that may not be approved or have the capacity to accredit teachers at some levels to access an appropriate accreditation authority.

Part 4, division 2, clause 21 deals with the rights and responsibilities of those accrediting teachers at a school level. It covers the ability to both accredit teachers employed at the school or seeking employment at the school. Once a teacher is accredited, accreditation has force in any school. However, that accreditation may be revoked by the authority in any school at which that teacher is employed at the time of the revocation.

All accredited teachers must pay a fee to the institute. It is a condition of the accreditation that the fee is paid. Refusal or failure to accredit, or revocation of accreditation may be subject to a full merit review by the Administrative Decisions Tribunal. Given that the institute is to have no industrial function, it is appropriate that an accreditation decision is seen as an "administrative" decision.

A person will not need to be accredited until they are employed. This means accreditation authorities will only be required to consider the accreditation of a successful candidate for employment. The role of the institute to advise and monitor the application of accreditation will ensure fair, valid and consistent decisions are made for teachers wherever they teach in the State. It will also ensure that accreditation will not be used unfairly or in ways in which it is not intended.

Part 4 division 3 deals with new scheme teachers. These are people who have never been employed to teach in New South Wales before 1 January 2005 and who will be employed to teach for the first time after that date. New scheme teachers are also existing teachers who return to teaching after an absence of five or more years following commencement of this Act. These teachers will be required to undergo a modified accreditation process to ensure their knowledge of curriculum and assessment is current. There are specific provisions, however, to enable continuation of existing pathways into teaching including early entry for graduates.

The definition of new scheme teachers is intended to separate them from teachers in the existing workforce. Existing teachers are not required to be accredited but they can volunteer to be accredited. They will not pay fees unless they are accredited. They are eligible to vote for elected members of the Quality Teaching Council.

Clause 29 states that new scheme teachers must not be employed unless they are either provisionally or conditionally accredited. Conditionally accredited teachers must be under the on-site supervision of another teacher who is neither provisionally nor conditionally accredited. This does not mean that they can teach only with a supervisor in the room. It means that there must be someone at the school with responsibility for oversighting their teaching.

Provisional accreditation is available to those who have met the requirements specified in the professional teaching standards for entry to teaching. In most cases that means the person has full teaching qualifications, that is, has completed an approved teacher education course and reached graduate teacher level.

Provisionally accredited teachers will also be required to reach professional competence level within three years of being granted their provisional accreditation if they are employed on a full-time basis. Specific provisions are made in the bill for casual or temporary teachers to achieve professional competence.

Provisional accreditation ceases at the end of the period, or sooner, if the person is accredited at the level of professional competence by an accrediting authority.

Conditional accreditation, similarly, relates to new scheme teachers and is for people who have completed a degree in a relevant area but do not hold a teaching qualification or who have completed a substantial part of a teacher education degree.

Conditional accreditation also applies to transition scheme teachers. New teachers who are conditionally accredited teachers will be required to undertake further professional development or teacher education on the advice of the institute. They will have four years from the date of their conditional accreditation to meet the terms of their accreditation and to obtain accreditation at professional competence level if they are employed on a full-time basis.

The provisional and conditional accreditation pathways into teaching are intended to facilitate entry into teaching rather than to present unnecessary barriers into the profession. There is a capacity to recognise existing skills and prior experiences of conditionally accredited teachers.

Teachers should achieve, as a minimum, a degree or tertiary equivalent as well as appropriate education credentials. The institute will support and advise accreditation authorities on the combination of tertiary study, experience and professional development required for equivalence to a recognised educational qualification.

Accreditation authorities will heed the advice of the institute, which will have responsibility for ensuring consistently high standards in the application of conditional accreditation. The institute will work with universities and other higher education institutions to ensure combinations of tertiary study, professional development and work experience can be recognised formally by those institutions.

Clause 32 allows our new scheme teachers who are either provisionally accredited or conditionally accredited to seek accreditation at the level of professional competence at any time.

Clause 33 permits revocation of the provisional or conditional accreditation of new scheme teachers if the accreditation authority is satisfied the person has failed to comply with the conditions of their accreditation. If a new scheme teacher is refused accreditation at professional competence level or has their provisional or conditional accreditation revoked, they may seek to undertake the accreditation again within the same or a subsequent school but within the relevant period. Any teacher can have their accreditation revoked for serious offences that make them unsuitable to be teachers.

Division 4 deals with the mandatory accreditation of transition scheme teachers. It deals with concerns about a small number of people who are currently employed as teachers in a school but at the time of commencement of this legislation either do not hold a teaching qualification or do not hold a degree or a teaching qualification prescribed by the regulations.

Under clause 35, transition scheme teachers must not be employed in schools unless they are conditionally accredited and working under on-site supervision whilst they complete a degree relevant to their teaching. The person must pursue that degree at a reasonable pace; if not, their conditional accreditation will cease after seven years.

Clause 38 deals with the revocation of the accreditation of transition scheme teachers. Part 4, division 5, clause 39 covers the voluntary accreditation of teachers and applies to teachers who are not either new scheme or transition scheme teachers. These teachers may apply to the accreditation authority at the levels of professional competence, professional accomplishment or professional leadership. The higher levels of professional accomplishment and leadership will apply to a small minority of teachers in schools. The experiences required to attain these levels will be available only to teachers who have extensive experience across a range of teaching contexts and who have demonstrated high level expertise across all elements of the standards.

Accreditation at the level of professional leadership will comprise, by definition, a very small proportion of teachers. The processes for accreditation at the higher levels will reflect the significance of the status associated with these levels. The processes will be rigorous and involve a high level of moderation by the Institute of Teachers.

The institute will provide teachers with detailed information about the requirements for meeting accreditation at these levels. This will ensure that only those teachers who have the appropriate capacities, skills, knowledge and expertise will apply for accreditation at these levels. Application for accreditation at these levels may require the support of the principal or representative from the accreditation authority.

Clause 40 deals with the accreditation at higher levels of new and transition scheme teachers. Teachers in both schemes may apply for accreditation at the levels of professional accomplishment and professional leadership.

In all cases, the revocation of accreditation at the professional competence standard also means revocation of accreditation at the higher levels. Accredited teachers will pay an annual fee. The institute will be empowered to accept fees paid by teachers. There will also be application fees at the higher levels.

I want to draw attention to schedule 4, clause 4.1, which amends the Education Act 1990, and specifically to the clause relating to the registration of non-government schools.

The amendment recognises a clear distinction between the responsibility of the institute for setting standards and accrediting teachers and the responsibilities of the Board of Studies for assuring the quality of teaching through the registration of non-government schools.

The amendment also recognises the practical need for the Board to have discretion to make holistic judgements about the capacities, skills and experience of a school's staff to deliver the curriculum. In doing so, the board will have regard to requirements for teacher accreditation as specified under this Act as well as other pertinent factors.

I want to assure non-government school authorities that discretion will be applied in decisions about school registration arising from inadvertent or isolated breaches of teacher accreditation requirements. This includes one-off breaches that may occur in emergency school staffing circumstances or where teachers face loss of accreditation for refusal to pay their fees.

Further, while accreditation sets professional requirements, schools and school systems can continue to set additional employment requirements over and above those outlined for accreditation. Our State has a long tradition of excellence and leadership in education. The Institute of Teachers will nurture the profession of teaching and build on the magnificent quality of education our children receive in each and every school in New South Wales. I commend this bill to the House.

The Hon. CATHERINE CUSACK [10.30 p.m.]: The bill establishes an Institute of Teachers as an independent statutory authority to provide leadership and advice for professional teacher standards. It provides for a school-based system of accreditation of teachers, with the new institute providing advice to the Minister on the development, content and application of standards and for monitoring the accreditation process. The institute is being established on the recommendation of Professor Alan Hayes, Dean of the Australian Centre for Educational Studies at Macquarie University. I take the opportunity on behalf of the Coalition to express our congratulations and appreciation to Professor Hayes on his work as chair of the Interim Committee for a New South Wales Institute of Teachers. I also note the fine contribution Macquarie University makes towards innovative policy in education. I predict that this university will continue to grow in stature and influence as one of Australia's most important institutions in education policy and preparing our children for the future.

Professor Hayes's committee has developed a framework for professional standards. These were made public for comment in 2003. A comprehensive validation project is being planned by the University of New England. It will involve 7,000 teachers from different sections of the New South Wales education sector. The bill empowers the Minister and the director-general of education to authorise teacher accreditation authorities. The director-general will be responsible for the scheme insofar as it relates to government schools, while the Minister or a body approved by him will approve teacher accreditation authorities for teachers in the non-government sector. There are to be five accreditation levels, ranging from provisional to professional leadership levels. The scheme will be mandatory for all newly qualified teachers, who will be known as new scheme teachers, while existing teachers will be accredited as transition scheme teachers. In cases in which a teacher is refused accreditation or accreditation is revoked there will be a right of appeal to the Administrative Appeals Tribunal. We believe this is an important provision.

The bill contains a number of provisions for the management and administration of the institute, including the establishment of a Board of Governance and a 21-member Quality Teaching Council. I understand that the Minister plans to advise proclamation on 1 January 2005. So newly graduated teachers entering the service for the first time next year will be able to become the first new scheme teachers. The registration of teachers, establishment of a roll and election of 10 of the Quality Teaching Council members will take time. However, the Opposition supports the Government's resolve to get this long-awaited, much-needed initiative off the drawing board and into action by next year. The Opposition supports the establishment of the New South Wales Institute of Teachers. It is an appropriate step that reflects the professionalism and complexity of teaching as a career. I hope that teachers will appreciate the significance of this step. It says: You are a highly qualified work force and you have achieved a great deal at an academic and a social level in order to qualify for accreditation. Not only is the institute recognition of qualifications and achievements; it is a barrier to unqualified people calling themselves teachers.

I also hope that the New South Wales Institute of Teachers can be seen as a turning point for the profession, a mature step forward, a desire to recognise continuous learning and self-development in the teaching profession. The New South Wales Institute of Teachers is a means of valuing and encouraging individual teachers who strive for quality and self-improvement. I have no doubt that the institute will foster a greater emphasis on professional achievement, and that this is a wonderful thing for both the morale of our

teachers and the future of our children, who, of course, will be the ultimate beneficiaries. Members will have received representations from the New South Wales Teachers Federation opposing the bill. A letter I received from Mr Barry Johnson, General Secretary of the Teachers Federation, dated 22 June 2004 states:

> In the salaries dispute the Government has now advanced a series of proposed trade-offs which revisit the Greiner-Metherell agenda of deregulation and devolution. The exposure of this ideologically driven agenda now exacerbates our concerns about the Institute of Teachers Bill and specifically those parts of the bill which allow for the devolution of power and revoke accreditation of teachers to individual school principals. In no other teacher registration or accreditation authority in Australia is this power devolved to principals.

I agree to an extent that the Government, having taken great pains after its election in 1995 to dismantle the reform agenda of the Greiner Government, has now recognised the error of its ways and is belatedly trying to return to 1995 to pick up where we left off. The devolution agenda is correct. It always has been and always will be a great stamp of Liberal philosophy that is the hallmark of our education policies. Devolution is the enemy of big government and big unions—centralisation of power at the expense of principals, parents and local school communities. However, I reject the Teachers Federation claim that deregulation is the major aim. People making such an allegation either are being deceptive or simply do not know what they are talking about. It is equally nonsensical to make such a claim in the context of this bill, which will establish transparent mandatory standards for various levels of accreditation. I would have thought that this would be viewed as new regulation, certainly not as deregulation.

What the Teachers Federation is really saying is that it is not in the cockpit and it does not like it. Teachers across the board will be in control. The teaching profession is for the teachers and students; it is not there to serve the vested interests of any trade union, no matter how powerful. It is ironic that establishment of the institute was also a recommendation of the Vinson report, which was in part commissioned by the Teachers Federation. The fact that the Teachers Federation has reversed its support on the grounds that certain mechanisms are not to its liking is not very persuasive to the Opposition. I can only repeat that we are trying to do something here for education, not to further the vested interests of a party engaged in an industrial dispute with the Government. The very linking of this bill to the salaries dispute does the federation no credit whatsoever. In our eyes they are not linked, and the need to maintain separation is, if anything, only being further highlighted by the manner in which the Teachers Federation has attacked the bill.

I return to a theme that I have raised on several occasions: the desperate importance of seeing quality education as a public policy issue and not, as it has been traditionally viewed, as an industrial issue. The job of the Teachers Federation is to represent the industrial interest of its members. That is its right. But the quality of education is a matter for government, schools and parents. It is not the exclusive power preserve of the New South Wales Teachers Federation. That is why the Liberal Party and The Nationals have been so strongly committed to devolution, because progress is not possible in the context of never-ending industrial combat between the federation and the Government. I cannot deny that I was surprised, but nevertheless pleased, to hear the Government state that school principals will be responsible for teacher accreditation. This will give these school leaders the tools they need to be leaders.

I remember a wise public service elder saying to me, "You know, Catherine, it is one thing to devolve responsibility and it is quite a different thing to abrogate responsibility." I am sure that there are principals who at times feel that they have the responsibility of doing a job but have been deprived of the tools they need to do it—a very depressing and frustrating scenario. It is my hope that the new scheme for accreditation will allow for a new dimension in the relationship between principals and their staff by creating an environment in which they can work together to plan and build skills and competencies. It is an exciting school-based opportunity and I certainly wish principals every success. I hope and believe that the Institute of Teachers will elevate quality teaching to the true status and context it deserves, an environment in which the issues will be decided on merits rather than being linked to salary wars.

As I have said, the accreditation of teachers is an overdue initiative. In many ways it is a continuum of Coalition policies for quality and accountability in our schools. I do not begrudge the Government the time it has taken to consult and to get the bill right. In so many respects it is a minor miracle that it has reached this point, and for this reason we should not be looking a gift horse in the mouth. I hope that through the establishment of the institute and accreditation authorities the government school system, through the director-general, will win for itself greater influence over teacher education course content. There is no point in tertiary institutions operating teacher education courses in glorious isolation from the teaching needs of schools, particularly government schools, which bear more than their fair share of students with special needs and challenging behaviours. The New South Wales Government is the major employer of teachers in this State. It is

answerable to the electorate for its performance in managing schools and in improving the quality of education. It is therefore appropriate that teacher education courses be responsive to the needs of schools and students, as communicated by the Minister for Education and Training.

I sound a note of warning to the Government. The pressing need to support ongoing teacher development and teacher training initiatives is redoubled by this legislation. I welcomed last week's budget announcement that the Government will fully fund new salary costs. Many of us feared that funds for teacher development may have been raided, as they were something of a hollow log, to fix a budget black hole. Taking last week's statement at face value, I, along with all thinking members of the community, am relieved that this will not be the case. But it is not good enough for the Government to spray a set of standards on the table and leave them for everyone else to sort out. The Government must support the spirit and direction of today's measures in ways that are more meaningful than legislation. The Opposition has an eagle eye on the funds for teacher development. We are watching closely to make sure that these funds are maintained, if not increased, and used appropriately to enhance quality education in schools.

The establishment of the Institute of Teachers will mean that teachers become the last profession in this State to have a professional standards authority. It is a welcome step forward and I hope that teachers will celebrate this day across the State. Teaching is one of the oldest and noblest callings. The Coalition believes that the New South Wales Institute of Teachers will preserve and enhance the status and development of the teaching profession, and give teachers well-deserved recognition in the modern workforce. We wish those who are charged with the responsibility of founding the new institute every success in the important work ahead.

The Hon. PATRICIA FORSYTHE [10.41 p.m.]: This bill is one of the most significant bills introduced in this House in many years. My only regret is that this important reform will be an achievement of a Labor Government. I welcome this bill. Developing a professional structure for teachers has long been my vision and one that I researched in detail as the shadow Minister for education. It was a concept I explored and discussed with the New South Wales Teacher Education Council throughout my years as the shadow Minister. Indeed it is the Teacher Education Council that deserves much of the credit for long having an agenda on the institute and for persuading the former Minister, who is now the Speaker of Parliament, of the value of such an institute.

Soon after the 1999 election the Minister announced at the Teacher Education Annual Conference the appointment of Dr Gregor Ramsey to review teacher education in this State. His work, "Quality Matters—Revitalising Teaching: Critical times, critical choices, Report of the Review of Teacher Education", stated plainly the importance of taking action. In his letter to the Minister on the presentation of his report, Dr Ramsey stated:

> The quality of teacher education and of teaching matters in ways that are matched in few other occupations, callings or professions.

In the report Dr Ramsey noted:

> Over the past two decades in Australia there have been more than 20 reviews of teacher education. They have had almost no impact. Why is it that reviews of other professions have resulted in change to the way their members are prepared and maintain their professional standing but not those of teaching? One of the answers is that of all the professions, teaching is the one without a professional structure to make sure that the necessary changes actually happened. There is no shortage of good ideas in teacher education, but an essential structure to turn them into reality is missing.

In his wide-ranging review of education that was commissioned by teachers and parents, Dr Tony Vinson also recognised the importance of the quality of teaching as the essential ingredient in quality outcomes. Despite the compelling case for action, progress has been slow but welcome. In 2000 an interim committee was established and chaired by Professor Alan Hayes to take the concept of an institute forward. This bill is the culmination of the work of that committee, and builds on the efforts of the council, Dr Ramsey and Dr Vinson, to name but some. Among the council members, I acknowledge Professor Terry Lovat from the University of Newcastle who gave me valuable advice about professionalism in education. Professor Lovat and Professor Hayes are outstanding educationalists who have driven this issue forward.

Teaching institutes have been established in other States and overseas. The model that has impressed me is the one in Ontario. In 2000 I spent a day at the College of Teachers in Toronto. It was the best day I spent as a shadow Minister and confirmed in my mind that the creation of an institute would be in the best interests of teachers and education. I know that there is a view prevailing in parts of the media that everything that parliamentarians need to know can be found on the Internet, but no web site could be a substitute for what I

learned that day. When I left I was excited by what is possible and I was certain that issues, such as attracting and holding our brightest students to the teaching profession, would be enhanced by the creation of an institute. Like the institute that is proposed for New South Wales, the Ontario college is self-funded by teachers. In common with New South Wales, the college was given government seed funding. The Ontario college is located in what could be described as prestige offices in the heart of the central business district in Toronto and is well removed from the government sector.

I was assured that the premises were leased at favourable rates, but the important message that the college gave me was that the image it sought to impart was of both professionalism and independence from government. I do not see that that separation is a fundamental element of this bill. Teachers may wish to consider that in the longer term. Despite the separation in Ontario, there was tension between the college and provincial government because the government sought to prescribe a number of requirements that teachers had to meet. Members may recognise that there is a fundamental inconsistency between the concept of professionalism and government prescription of standards.

On the Monday after my visit, letters were to be issued to 40,000 of the province's teachers, advising them that they were in the first group to have to meet new professional standards over the next five years. That obligation to ongoing professional development was to be at a higher order than attendance at an occasional professional development day. I suspect that such developments are some way off here, but they should form part of the future framework of the profession. In Ontario, the college and its members had worked together to produce the *Standards of Practice for the Teaching Profession* as well as a draft of *Ethical Standards for the Teaching Profession*. The college accredits not only teachers but all teacher education courses in the province, including university courses. Interestingly, at that time two courses failed accreditation. Self-regulation is taken most seriously and is taken to levels that are not envisaged in this legislation.

Why is the introduction of a professional framework important? Many teachers feel undervalued. While the causes of that may be numerous and complex, it has been widely acknowledged that the lack of a professional framework undermines the notion of teaching as a profession. *Valuing Teachers' Work—New Directions in Teacher Appraisal*, which is edited by Lawrence Ingvarson and Rod Chadbourne as part of a book produced by the Australian Council for Educational Research Ltd and published in 1994, stated:

> Teaching, as an occupation, needs a career structure and evaluation system that will foster a professional culture, keep good teachers in the classroom and better reward those whose knowledge and skill is pivotal in enabling schools to achieve their fundamental purposes. To meet this need, teachers must claim the responsibility for defining and enforcing professional standards and ensuring that they form the main basis for promotion decisions.

In 1998 the Senate Employment, Education and Training References Committee noted in its report "A Class Act—Inquiry into the Status of the Teaching Profession":

> The Committee stresses governments' clear responsibility to ensure that conditions in schools are commensurate with the requirements of good teaching practice. It is up to the profession, however, to specify the standards that should apply to teaching practice.

The report cites Lawrence Ingvarson's work, *Professional Credentials—A discussion paper*, which states:

> Government policy cannot provide an adequate basis for determining what teachers should know and be able to do any more than it does in other professions. It is very difficult for government policy to penetrate practice, as it is for any occupation that must rely on the exercise of judgment and the adaptation of skill in ever-changing local situations.

As every researcher on the subject has concluded, the most important fact to bear in mind is that quality teaching means quality outcomes. The fundamental tenet of the teaching profession is as simple as that. A professional structure is only part of a quality outcome. Good teachers should be acknowledged and awarded.

Under clause 32, new teachers are to be accredited under a new teacher application scheme for a period of four years on a full-time basis before applying for accreditation at professional competence level. In my view such a requirement places responsibility on the employing body to ensure that a new teacher has the appropriate opportunity to practise in the area in which they are trained and in which they seek professional competence. My own experience of having trained as a history teacher but having found myself employed to teach art at my first school is a case in point. If that year was to count towards achieving professional competence, it did little to enhance my skills as a history teacher beyond the fundamental practice of teaching.

Under this legislation, as the Minister acknowledged in the second reading speech, conditionally accredited teachers must be under the on-site supervision of another teacher who is neither provisionally nor

conditionally accredited. Without elaborating on the definitions, in my view the effect of that provision will be that a new teacher will not be able to be appointed to a one-teacher school, or to a two-teacher school where the other teacher is a new teacher of less than four years standing. This sounds good in theory—indeed, I applaud it—but the Government may as a consequence have a practical problem. Many of our small, remote schools are staffed by new teachers willing to accept such appointments as a first step to permanent employment. I assume the Government has addressed the practical effects of that provision. The bill establishes a hierarchy of professional accomplishment, and that must be applauded. The next step should be a consideration of rewarding teachers who have achieved such accomplishment. Again I quote from Ingvarson:

> If teaching is considered to be a profession, rather than labour … then standards must be derived from a knowledge base. They must be linked to a career development rather than a career ladder pay system, be set by the profession rather than individual employers, focus on a career in teaching rather than administration, and be applied within a framework where the profession is the unit of change rather than the individual school or teacher.

I began my contribution by saying that this bill is a most significant piece of legislation in that it provides the first step to enhancing the status of teachers. It is, however, a minimalist approach and should be judged as the first step on a long journey, not the end of the journey. I commend the bill to the House.

Ms LEE RHIANNON [10.52 p.m.]: I oppose the Institute of Teachers Bill in its present form. In Committee we will move amendments to try to rectify the bill, restoring it to its original intention. When the proposal for an Institute of Teachers was first mooted it was supposed to be a professional body designed by educators, made up of educators and serving the needs of educators. This was a worthwhile initiative, and it had widespread support. The Greens certainly supported it. The bill is a significant departure from that vision. First, the institute proposed by it is to be run by a board of business representatives, not educators. On our reading, only the chairperson must have an education background. Second, the accreditation powers of the institute are devolved or exported, in ways that could be dangerous for the teaching profession and our public schools.

These concerns are shared by the New South Wales Teachers Federation, and all members of this House would have received a letter detailing its concerns. The Teachers Federation took this unusual step after the Government simply stopped consulting it about the final form of the bill. I will now share with the House the concerns the Teachers Federation expressed in its letter. The federation's first concern was about the composition and control of the institute. As the Minister outlined, the institute comprises a chairperson and a Board of Governance appointed by the Minister, a Quality Teaching Council, a chief executive officer, and some staff. Current teachers can vote for seven elected representatives on the Quality Teaching Council, and two of those representatives will be principals.

The Teachers Federation supports the Quality Teaching Council because it will have elected representatives of teachers, with non-government and government school teachers elected separately, in proportion to their numbers in the teaching service, as well as a majority of practising teachers.
The problem is with the Board of Governance, which will filter and oversee the Quality Teaching Council in the exercise of its functions. The board is to be made up of three people plus the chairperson and the chief executive officer. The bill provides that those three people, who are to be appointed by the Minister, should have an appropriate balance of legal, business, risk management, and financial skills. Only the chairperson needs to be an educator. He or she reports to the Minister, but the Quality Teaching Council, which he or she also chairs, appears to have no corresponding formal relationship with the Minister. Although the board is stacked with business people, it has a clear role on educational matters, including requirements for teachers to become accredited against professional teaching standards. In our view this set-up is unacceptable. As I said, the institute should be a body of teachers, and for teachers. As the Teachers Federation's letter stated:

> The proposed Board of Governance demonstrates this government's contempt for teachers. The voice of teachers apparently must be reinterpreted by those with business or financial expertise.

In Committee the Greens will move amendments that will remove the Board of Governance from the equation. I now turn to the second major concern of the Teachers Federation and the Greens. The bill marks a further step down the Government's new ideological road for our public schools. The Government's plan is to reconstitute each school as a mini-enterprise, with the principal as its chief executive officer. The ultimate goal is to pit school against school and teacher against teacher. It will break down solidarity and co-ordination, which are bulwarks of our public school system.

The road to this goal should include putting principals on performance contracts, but the bill takes another tack. As noted by the Teachers Federation, the bill "leaves the door open for individual school principals to determine whether teachers meet the standard determined by the institute". The Director-General of the

Department of Education and Training has the responsibility to accredit teachers at public schools, and the Minister exercises that power for non-government schools. This is a significant power; it includes the ability to decide whether teachers meet the minimum standard of professional competence or whether the accreditation should be revoked. Revocation of accreditation would prevent a teacher from teaching in any New South Wales school.

The catch is that the Minister and the director-general can delegate their powers to others, including individual school principals. If this power is devolved to a school principal, the principal takes on the power to determine not just the teacher's employment at that school but at any school in the State. This clearly advances the Government's agenda, referred to earlier, of turning schools into discrete entities, competing with each other and run by a CEO-style principal. It also raises the question of how a teacher can go against the principal, who has the power to prevent that teacher being employed anywhere in New South Wales. Avenues of appeal on teacher accreditation are limited to the Administrative Decisions Tribunal.

The bill seems to choke off teachers' appeal rights if a principal has made an unfair or questionable decision. If accreditation is removed on the grounds of teacher competence, teachers should be able to appeal to the Government and Related Employees Appeals Tribunal or to the Industrial Relations Commission. The bill does not make it clear whether these processes will be followed. In non-government schools, an independent moderator can review principals' decisions. However, we do not know how this will work or, indeed, whether it will work. The Greens will move amendments to address these issues, including amendments that will prevent the director-general from delegating his or her powers.

I look forward to hearing the Government's response to these concerns and the Minister's explanation as to why he simply stopped consulting with teachers on this legislation at a crucial juncture. I hope that Minister Tebbutt, representing the Minister for Education and Training, will respond to these concerns in her reply. If the Greens amendments are successful, we will support the bill. If not, we will oppose it, for the reasons I have outlined. The Greens believe that there is a place for a teacher-driven body to monitor and implement standards and quality control. The bill does not achieve that aim. For the sake of our public school system, I urge members to either support the Greens amendments or oppose the bill.

The Hon. DON HARWIN [10.59 p.m.]: When listening to the Hon. Patricia Forsythe's contribution and reflecting on some of her remarks about the Liberal Party's strong support, and indeed leadership in a policy sense, of the Institute of Teachers initiative over a period of years, I could not help reflecting on how many times some of the important reforms in public education have been led by the Liberal Party at a State level, by the various parties that have constituted the Liberal Party since 1902 and, indeed, by the free-trade party that preceded the Liberal Party.

I refer to great colonial Liberals such as Sir Henry Parkes, who is regarded almost as the father of public education, and to people such as Joseph Carruthers, who took an important step forward in raising the importance of the teaching profession. Joseph Carruthers was arguably the founder of the Liberal Party at a State level. He was responsible for expanding teacher training by providing more content to that training beyond just the simple and basic level of training that was given to pupil teachers. He expanded teacher training to a two-year course; he set up the Sydney Teachers College; he negotiated with the University of Sydney to have, for the first time, a university component in teacher training; and he set up a strand of leading teachers who, based upon their training, would have a university degree. Getting out of the 1890s and quickly into the contemporary era, I gloss over the achievements of many others such as Eric Willis, who was a fine education Minister.

The Hon. Catherine Cusack: What about the education Premier, Robert Askin?

The Hon. DON HARWIN: I acknowledge my colleague's contribution. As a Young Liberal who became active in the Liberal Party in the early 1980s, as the son of a public school teacher and as a proud product of a comprehensive government high school in Sydney's southern suburbs, I was enthused by the dynamic public education policies of the Opposition at that time, which was led by Nick Greiner. Time and again, State Labor governments have been captive to the Teachers Federation, which has been a problem. I am pleased to say that it does not look as though that is happening tonight. This is not a perfect bill, but we are proceeding with it and it has the enthusiastic support of Opposition members. We are delighted that it is proceeding and that it has not been allowed to languish. Earlier this evening, in the dying hours of the session, three or four Government bills were discharged from the *Notice Paper* because they had been languishing for so long. At one point during the past week I feared that the Institute of Teachers Bill might go the same way. Thank goodness that did not happen. I am sure the bill will be passed tonight, and that is a good thing.

This bill establishes an Institute of Teachers as an independent statutory authority to advise the Minister for Education and Training on the development, content and application of professional teaching standards. It will monitor the accreditation of teachers against these new standards and advise the Minister on the quality of courses and programs of teacher preparation and professional development. The establishment of an Institute of Teachers was recommended by Dr Gregor Ramsey in his November 2000 review of teacher education in New South Wales entitled *Quality Matters* and, of course, by Professor Tony Vinson in his September 2001 report following an independent inquiry into the provision of education in New South Wales. However, I also note, as my colleague the Hon. Patricia Forsythe reminded me, that there were echoes of it in the landmark report that that other great Liberal, Sir John Carrick, produced under Virginia Chadwick, a previous outstanding education Minister.

It is a matter of record that the establishment of an Institute of Teachers is supported by the New South Wales Independent Education Union, the Parents Council, the Catholic Education Commission and the Independent Schools Association. It is very welcome indeed. There are currently no standards to prescribe teacher practice in New South Wales. Teachers have no accountability other than to meet minimum competency requirements set by employers. Accreditation levels provide a basis for performance assessment through which teachers can raise their own standard, advance themselves within their profession and receive acknowledgement for their experience and outstanding or exceptional skills. The establishment of an Institute of Teachers is consistent with Coalition policy to raise teaching standards and to monitor teacher performance. Various levels of accreditation will be provided. Agreed and transparent standards of professional teaching practice need to be endorsed. The provisions within the institute include the ability to revoke the accreditation of underperforming teachers and to provide resources for the ongoing professional development of teachers. I welcome the bill and I commend it to the House.

Reverend the Hon. Dr GORDON MOYES [11.05 p.m.]: I speak on behalf of the Christian Democratic Party to the Institute of Teachers Bill. The object of this bill is to provide for the accreditation of schoolteachers, by teacher accreditation authorities, against the professional teaching standards approved by the Minister; to constitute the New South Wales Institute of Teachers as the agency responsible for providing advice to the Minister on the development, content and application of those standards; and to monitor the school-based accreditation process. Education has many vitally concerned stakeholders: the community in general, the departments of education, parents and students, and teachers and training institutions. Everybody wants to have a say about what is being done within our schools and tertiary institutions these days. Accreditation of professional standards is essential, and the Christian Democratic Party supports that principle.

It is not surprising that the New South Wales Teachers Federation opposes this bill. I think the federation has made a fundamental error in trying to link the Institute of Teachers Bill to the current salary dispute—that is an absolute flaw in its logic and thinking. Barry Johnson, the General Secretary of the New South Wales Teachers Federation, has threatened that the federation will oppose the implementation and creation of the institute if the bill is passed by Parliament. That is the kind of threat that this Parliament should completely reject. I am sure that the federation is fearful that principals will have the task of determining whether teachers meet the standards determined by the institute. They do not want that responsibility passed on to principals. However, principals are the best people to know the effectiveness of teachers within a teaching institution. The federation totally opposed performance contracts. However, we believe that they would deliver better outcomes. As Ms Lee Rhiannon said, it will break down some of the solidarity among teachers. In our opinion, that would be a good thing.

The main purpose of this bill is to establish the Institute of Teachers as an independent statutory authority to advise the Minister on a number of issues, including the development and maintenance of a career-long framework of professional teaching standards, the accreditation of teachers against those standards and the quality of courses. Years ago teachers graduated with a bachelors degree in a specialist field, then a Diploma of Education of one or more years. An important part of that was the role of the visiting school inspectors, who reported not just on the students' progress but on the teachers' competence and professional standards. That system was rejected by many teachers. However, I believe that we have been through an era where many people have been unaccountable to others for what they have been doing and for the standards they have achieved. The proposal to establish the Institute of Teachers was developed by the Interim Committee for a New South Wales Institute of Teachers. We recognise the recommendation of Professor Alan Hayes, Dean of the Australian Centre for Educational Studies at Macquarie University and many others who made contributions to that committee.

These accreditations will apply only to teachers who commence teaching for the first time in 2005 or those who are returning to work after an extended period of time away from teaching. Except for a small

number of teachers who have no formal tertiary qualifications, existing teachers will not be affected by these proposals, unless they volunteer to undertake accreditation. For many years I have been a member of the Australian College of Education. I appreciate my membership of that college and I attend its meetings. My role has not been primarily that of a teacher; rather it has been that of an administrator and a developer of a tertiary institute, with hundreds of students completing bachelor and master degrees. Every January for the past 15 years I have taught at a State university college in Johnson City, Tennessee. Recently I was appointed an adjunct professor in my field.

Nothing is more important in any educational program than the continual upgrading of teachers' qualifications and the quality of the teaching profession. This bill defines "teachers" as "those who have a primary responsibility for delivering and assessing the curriculum as defined by the Board of Studies". I note that the bill excludes some people who are important to the overall balance of curricula, including people such as sports coaches—about whom the Prime Minister spoke only today—visiting artists, musicians and others who come into schools, and chaplains who visit independent schools. This bill will empower the director-general to approve teacher education authorities in government schools and it will empower the Minister to approve teacher education authorities in non-government schools.

I am pleased to see that independent schools are supportive of this bill. The institute that will be established by this bill will have two important oversighting bodies. The first is the Board of Governance. Tonight I heard arguments against that body which will bring together educational, legal and business expertise, which is precisely what is needed. The Board of Governance, which will oversight the viability and financial strength of the NSW Institute of Teachers, will be supported by a Quality Teaching Council, which will comprise, in the main, people from within the profession. When I read the outline of the Quality Teaching Council I was impressed by the diversity of people that have been recommended as members of that institute.

I congratulate the Minister on bringing together such a diverse and balanced group of people. It will be mandatory for all new teachers to meet professional competence standards, which is normal these days. These days even commercial enterprises have quality management programs. They have to have accreditation and they have to go through profound training programs to maintain that accreditation. Over the years, in my role at Wesley Mission we spent an incredible amount of money on management expertise, quality control and accreditations for the 18 or 19 professional bodies of which we were members. Teachers must maintain quality in all they do. They must also maintain the highest level of competency. The Christian Democratic Party is pleased to support this bill.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS [11.14 p.m.]: The Institute of Teachers Bill seems to be a reincarnation of another bill that was vehemently opposed by private schools as being too dogmatic in its accreditation requirements. Private schools wanted variety in the people who were being accredited. The New South Wales Teachers Federation, which was in favour of the previous model, said that qualifications were necessary to maintain excellence. We need educators from a variety of backgrounds who have excellence in teaching. There is an assumption that everybody can teach, which is far from the truth. Some individuals have the ability to communicate even though they have not received formal training and others will never be great teachers no matter how much they are taught. A body of knowledge and techniques can be used to communicate in areas of conflict or disinterest.

It is not for me to define the essence of teaching, but teachers must be able to communicate across age and experience barriers. They must be able to educate people about subjects in which they are not interested. If people take a questioning approach to life it will better equip them in their vocations and afford them a greater enjoyment of life. People must balance a formal education with the need to expose their children to necessary people and stimuli. Educators must set the tone of the NSW Institute of Teachers so that it develops an historic momentum. A bad system with good people might work, but sometimes the best system without good people does not work. We need to establish a balance. On the positive side, the bill attempts to improve the professionalism of teachers.

One of the aims of teacher education is to train teachers to be reflective practitioners who use theory to inform practice. For many teachers professional development is quite a piecemeal process. The creation of a NSW Institute of Teachers may result in greater teaching professionalism by providing for different levels of accreditation commensurate with teaching skills and a commitment to the profession. Setting down a framework for professional teaching standards will provide a set of guidelines for teacher training institutions to use as benchmarks in designing subjects and courses. It will provide more direct intervention in the assessment and approval of teacher education authorities and their accreditation of teachers. In theory, that should lead to better teaching and teaching standards.

The stepped accreditation levels will enable greater recognition of teacher competency and might lead to greater incentives for quality teachers to excel as well as remain in teaching. Accreditation should enhance the professional profile of teachers in the community. The bill, which will allow some flexibility in its requirements for the accreditation of teachers, will provide specific definitions about those who will come under its jurisdiction. For example, casual sports coaches and visiting artists do not need to be accredited. The membership of the 21-member Quality Teaching Council appears to me to be representative. I was worried that 21 members might be too large and cumbersome a number. Ten members will be elected by the membership, the Minister will appoint 10 members and the Minister will appoint an independent chair.

The Minister's appointees might well hold sway. However, it appears as though a number of the members of that council will be from unions and parents and citizens groups, so the Minister does not have a great deal of discretion. He certainly has to appoint people who have some knowledge of education. It was a bit far fetched for the Greens to suggest that the Minister will simply find a group of business people and stack the committee. The Greens might have been referring to the Quality Teaching Council. The negative aspects of this bill relate mainly to the power of the teacher accreditation authority, the Quality Teaching Council and, more specifically, the Board of Governance. That might be the issue about which the Greens are concerned.

We need to be clear about the bodies that will be able to become teacher accreditation authorities. Will they comprise school principals or will they be teacher education institutions? I would like the Minister to clarify that issue. As I said earlier, 10 members of the council will be elected, the Minister will nominate 10 members and the Minister will appoint the independent chair, so the council will comprise a majority of government appointees. So it appears as though the council will be fairly representative of educational groups. Should there be an indigenous representative on the council, as Aboriginal education is important and as Aboriginal children are still the most disadvantaged in our society?

A sticking point is the Board of Governance and the three ministerial appointees. The Teachers Federation thinks they will be "industry types" who are not representative of teaching or the teaching profession. The wording of clause 10 (2) (b) is certainly very general. Teachers think this is dangerous and will encourage too much vocationalism in teacher accreditation requirements. For example, it would be bad if the Minister appointed an industry zealot who had a particular theory about how education should be run and who became an activist while in that key role. That is a potential weakness in the bill, and it is why I prefaced my speech by remarking that the best legislation specifies who should hold relevant positions on such bodies. In this case, the best intentions could be damaged by appointees to key positions who have personal agendas that are inconsistent with the general policy direction and who can use their power to pursue those agendas. That is a worry. The bill affords the Minister a great deal of discretion in that area but I am not sure that we should throw the baby out with the bath water. We must have transparent discussions about appointments to the three key positions.

I think the bill strikes a better balance and offers more variety than the legislation that was put before us a couple of years ago. It will hopefully increase the professionalism of teachers. Its acceptance by teachers and by the Teachers Federation will depend upon the power of the Board of Governance. I think the independent sector is happy because the bill offers flexibility regarding whom it can hire and their qualifications. The bill allows for accreditation of teachers who are returning to the profession after five years. It does not require existing teachers to become accredited—it would obviously be too difficult to enforce such a requirement—but perhaps some incentives could be introduced in future to encourage such teachers to obtain accreditation. I think that is important. Teachers have long professional lives and if they choose not to be accredited, this bill will take some time to have a real effect on the quality of teaching and to offer any guarantees as such.

It is a pity that accreditation will not be linked with greater remuneration, which would be a powerful incentive for accreditation. But I suppose that the Government, having just funded the teachers' pay rise, is reluctant to give itself further financial obligations. I think this is a bold experiment. Accreditation is not compulsory for existing teachers and the bill does not simply add another layer of bureaucracy. It will professionalise teachers and guarantee some quality control in education. As such, the concept is worth trialling.

The Hon. JON JENKINS [11.23 p.m.]: In my remarks on the legislation that was passed earlier this year I revealed my concerns about the Institute of Teachers Bill. I have spoken at length with Catholic and independent schools, which have expressed some of the same concerns that I have highlighted. These are quite simple concerns, which I think this bill goes some way towards allaying. But I seek some clarification from the Minister for Community Services when she replies to the second reading debate.

My comments relate particularly to secondary education. I understand that there are differences between primary and secondary education that are reflected in classical tertiary education. Many teachers who are employed in non-government schools do not have a diploma or a master of education. Those teachers fall into three broad categories. The first category comprises people who are outstanding in their chosen field—they may be scientists, mathematicians or writers. They will probably have a master's degree or a doctorate and perhaps other qualifications that exemplify their talents in their particular field. The second category of teacher regularly employed by non-government schools includes outstanding artists or craftsmen and craftswomen. They may have little formal education but a lot of experience in their craft or art, which is usually evidenced by some sort of peer acclaim. The third group are sportspeople—for example, an Olympic athlete who may have years and years of training in sport and who has a great deal of knowledge and experience to pass on.

I think the Premier, Mr Carr, used himself as an example during debate on the Institute of Teachers Bill—I will stand corrected, but my understanding is that someone in the Government offered himself or herself as an example. I would like to use two examples of members of this House. The first is Reverend the Hon. Dr Gordon Moyes, who has doctorates in theology and law. He is a director of an educational institute and has been actively involved in teaching. Would Reverend the Hon. Dr Gordon Moyes gain provisional accreditation under this bill if he were employed at a private school? Could he be employed at a private school following the assent of this bill? I was originally a virologist, with post-graduate degrees in virology and computer science and 20 years experience of university education. Would I be able to gain some sort of provisional accreditation that allowed me to teach in a high school? Those are the sorts of questions I have in mind. Can the Minister give me an idea of the guidelines that would be used in accrediting people who have some special knowledge to pass on to students?

The Hon. MELINDA PAVEY [11.26 p.m.]: The Opposition supports the establishment of the Teachers Institute and congratulates the Government on finally introducing the Institute of Teachers Bill. I learned tonight from the members who spoke in the debate that this has been a long process that has extended though the terms of many governments. I am a product of the public education system and a great supporter of it. As I said in the House last week, I would like my children to attend government schools. However, I also expressed concern about something that I witnessed at a public school recently that had to do with teacher professionalism. Everyone is entitled to his or her point of view but it is most important for teachers to act in an unbiased and professional manner. I fear there is a perception in the community that that is not happening, and that is why so many students are leaving the public education system to attend private schools—at great expense to many parents. That is happening not just in the city but also increasingly in the country. I would like to see stronger public schools, and the Institute of Teachers Bill is certainly a means to that end. I welcome its introduction and support its initiative.

The Hon. CARMEL TEBBUTT (Minister for Community Services, Minister for Ageing, Minister for Disability Services, and Minister for Youth) [11.27 p.m.], in reply: I thank all honourable members for their contributions to this debate. They raised a range of issues that are the subject of foreshadowed amendments and so will be addressed in the Committee of the Whole. However, I will respond now to the questions raised by the Hon. Jon Jenkins, which I believe will not be addressed in Committee. He asked about teachers who do not have teaching qualifications but who bring other attributes to their role that make them valued and important members of the staff of an educational institution.

The advice I have received is that existing teachers without teaching qualifications will not need to get teaching qualifications in order to continue teaching. New teachers—that is, those employed from 2005—will need to have teaching qualifications or equivalence. Equivalence means that an accomplished person with content qualifications, such as a degree, could get recognition for experience in teaching under supervision. Such individuals may also need to complement their degree and teaching experience with some professional learning on modern teaching theory. In summary, a teacher's capacity and knowledge is the primary requirement for meeting the accreditation standards. I thank all honourable members for their contributions to this debate, which has sparked an enormous amount of interest. People feel strongly and passionately about the education of their children, and that interest was reflected in the comments of honourable members tonight. The Government appreciates the Coalition's support for the Institute of Teachers Bill.

Motion agreed to.

Bill read a second time.

In Committee

Clauses 1 and 2 agreed to.

Ms LEE RHIANNON [11.31 p.m.], by leave: I move Greens amendments Nos 1, 7, 9, 10, 25, 27, 28, 30, 31 and 32 in globo:

No. 1 Page 2, clause 3, lines 13 to 16. Omit all words on those lines.

No. 7 Pages 7 and 8, clauses 8 to 11, line 4 on page 7 to line 14 on page 8. Omit all words on those lines.

No. 9 Page 9, clause 14, line 24. Omit "Board". Insert instead "Minister".

No. 10 Page 9, clause 14, lines 25 to 27. Omit all words on those lines.

No. 25 Page 27, clause 43, line 5. Omit "the Board and".

The Minister may delegate to any person any function conferred or imposed on the Minister under this Act, other than this power of delegation.

No. 27 Page 28, clause 48, line 17. Omit "the Board or".

No. 28 Page 28, clause 48, line 19. Omit "Board or the".

No. 30 Page 35, clause 1 of schedule 2. Insert after line 7:

Chairperson means the Chairperson of the Council.

No. 31 Page 35, clause 1 of schedule 2, lines 10 and 11. Omit "(including the Chairperson)".

No. 32 Page 35, schedule 2. Insert after line 18:

3 Chairperson of Council

(1) The Minister may, from time to time, appoint an appointed member to be the Chairperson of the Council.

(2) The Minister may remove the Chairperson from office as Chairperson of the Council.

(3) A person who is an appointed member and Chairperson of the Council is taken to have vacated office as Chairperson if the person:

(a) is removed from that office by the Minister under subclause (2), or

(b) resigns that office by instrument in writing addressed to the Minister, or

(c) ceases to be an appointed member.

These amendments reflect our concerns with the Board of Governance to which I referred in my contribution to the second reading debate. To recap those comments, the Board of Governance oversees the Quality Teaching Council in the exercise of its functions. Apart from the chairperson and possibly the chief executive officer, the board members are to come from the arenas of law, business, risk management and finance. Only the chairperson needs to be an educator. He or she reports to the Minister, but the Quality Teaching Council, which he or she also chairs, appears to have no corresponding formal relationship with the Minister. Although the board is stacked with businesspeople, it has a clear role on educational matters, including requirements for teachers to become accredited against professional teaching standards. As I said earlier, this is an unacceptable intrusion of corporate culture into educational affairs. The institute should be a body of teachers for teachers. I look forward to the Minister's comments on these amendments, to explain why the institute should not be a body of teachers for teachers? I commend the amendments to the Committee.

The Hon. CARMEL TEBBUTT (Minister for Community Services, Minister for Ageing, Minister for Disability Services, and Minister for Youth) [11.33 p.m.]: The Government does not support these amendments. The Government believes that the Board of Governance provides essential expertise in legal, financial and administrative matters. The main responsibility of the Quality Teaching Council is the provision of educational advice. Separating the two functions within the Institute of Teachers is the most effective way to manage the educational role, while ensuring sound management of the institute. Without the board, the Quality Teaching Council would inevitably become distracted by routine, although important, managerial financial and legal considerations. For those reasons the Government does not support these amendments.

The Hon. CATHERINE CUSACK [11.35 p.m.]: The Coalition does not support the amendments, for the same reasons outlined by the Minister.

Amendments negatived.

Clause 3 agreed to.

Ms LEE RHIANNON [11.35 p.m.], by leave: I move Greens amendments Nos 2, 3, 4, 5, 6, 8, 11, 13, 14, 15, 16, 20, 21, 22, 26 and 33 in globo:

No. 2 Page 3, clause 4, lines 25 to 29. Omit all words on those lines. Insert instead:

(a) in relation to a government school—the Director-General, or

No. 3 Page 4, clause 4, lines 1 to 16. Omit all words on those lines.

No. 4 Page 4, clause 4, lines 17 to 23. Omit all words on those lines. Insert instead:

(4) In the case of a non-government school that is a member of a system of non-government schools approved by the Minister under Part 7 of the *Education Act 1990*, the Minister may approve the person or body in charge of that system to be the teacher accreditation authority for that school for the purposes of this Act.

No. 5 Page 5, clause 4, lines 1 to 3. Omit all words on those lines.

No. 6 Page 6, clause 7. Insert after line 20:

(d) to confirm or reject the decisions of teacher accreditation authorities under this Act,

No. 8 Page 8, clause 12, line 18. Omit "Institute". Insert instead "Minister".

No. 11 Page 14, clause 22, line 28. Omit "the Director-General or".

No. 13 Page 15, clause 24, lines 27 and 28. Omit all words on those lines.

No. 14 Page 16, clause 27, line 13. Omit "by a teacher accreditation authority".

No. 15 Page 16, clause 27, lines 15 and 16. Omit "by a teacher accreditation authority".

No. 16 Page 16, clause 27, lines 17 to 20. Omit all words on those lines.

No. 20 Page 19, clause 31, lines 21 to 26. Omit all words on those lines.

No. 21 Page 21, clause 33, lines 1 to 19. Omit all words on those lines.

No. 22 Page 21, clause 34, lines 28 to 32. Omit all words on those lines. Insert instead:

No. 26 Page 27, clause 45, lines 26 to 31. Omit all words on those lines. Insert instead:

No. 33 Page 39, clause 13 of Schedule 2, lines 12 to 14. Omit all words on those lines.

These amendments seek to bolster the role of the Quality Teaching Council and to prevent delegation of accreditation power to public school principals. As I said in my contribution to the second reading debate, the Director-General of the Department of Education and Training has responsibility to accredit teachers at public schools, and the Minister exercises that power for non-government schools. This is a significant power, and it includes the ability to decide whether a teacher meets a minimum standard of professional competence or whether the accreditation should be revoked. Revocation of accreditation would prevent a teacher from teaching at any school in New South Wales. The catch is that the Minister and the director-general can delegate their powers to others, including individual school principals. If this power is devolved to a school principal, the principal takes on the power not just to determine a teacher's employment at that school but at any school in this State.

The Government's plan is to reconstitute each school as a mini-enterprise with the principal as its chief executive officer. The ultimate goal is to pit school against school and teacher against teacher. If these amendments are agreed to, the bill will still allow the director-general to delegate accreditation decisions to principals, but the institute is given a power of veto over all such decisions. No decision will come into effect unless the institute approves it. This puts final decision-making authority where it belongs: with the institute. The amendments also ensure that the Quality Teaching Council reports to the Minister, giving it a more

important prominence within the education system. They also prevent the Minister from having arbitrary and absolute control over the Quality Teaching Council. I commend the amendments to the Committee.

The Hon. CARMEL TEBBUTT (Minister for Community Services, Minister for Ageing, Minister for Disability Services, and Minister for Youth) [11.37 p.m.]: The Government does not support these amendments because they would have the effect of making the institute the body that accredits teachers. The detailed consultation process with stakeholders indicated clearly that stakeholders did not want the institute to have industrial functions. The effect of these amendments would be to place the institute in an industrial capacity. The role of the institute is to moderate the accreditation process that is undertaken by the Department of Education and Training, the Catholic Education Commission and independent school employers, not to directly accredit teachers themselves. For those reasons the Government does not support the amendments.

The Hon. CATHERINE CUSACK [11.38 p.m.]: The Opposition strongly opposes the amendments. As Ms Lee Rhiannon said, the power is a significant one. It would be an impossible task for the director-general or the institute to individually accredit tens of thousands of teachers. We would then resort to formula methods of accreditation, and that is certainly the dumb way to do things. I could not follow the argument advanced by Ms Lee Rhiannon that by giving power to principals schools will be pitted against one another. What Ms Lee Rhiannon described as arbitrary control we see is the flexibility necessary for school principals to implement this proposal effectively. The whole point of this legislation is to strengthen leadership amongst the teaching profession in schools. To centralise it and to use formulas, which is the alternative being suggested, would completely thwart the intention of the bill.

Ms LEE RHIANNON [11.39 p.m.]: I ask the Minister to explain what is wrong with the institute having the accreditation powers. She did not explain that, except to say—if I understood her correctly—that after consulting the stakeholders the Government received feedback that that was the appropriate way to go. I understand that the consultations with the Teachers Federation ended quite early. So would the federation not be an important stakeholder in this? Was the federation one of the stakeholders to whom the Minister referred, or had it already been dropped from the process by the time this decision was made?

I suggest to the Hon. Catherine Cusack that if the director-general can do this, obviously a few more people in the institute can do it. Certainly, there are some complexities, but I do not think it is a sufficient argument to say that it is too complicated for a body to do it and that is why the power needs to be with the director-general.

The Hon. CARMEL TEBBUTT (Minister for Community Services, Minister for Ageing, Minister for Disability Services, and Minister for Youth) [11.40 p.m.]: As I have already indicated, the accreditation authorities will have the responsibility for determining, against criteria and using processes defined by the institute, whether a teacher should be accredited. So the institute will set the standards. In most cases the accreditation authority will be a designated person, who may be the principal or the principal's nominee. The institute would take on an industrial role if the amendments moved by the Hon. Lee Rhiannon were to take effect. That is not desirable, and I am advised that that proposal was opposed by the Teachers Federation, among others. So the Government is clearly of the view that the institute's role is to moderate the accreditation process but not to undertake the accreditation process itself.

Amendments negatived.

Clauses 4 to 21 agreed to.

Ms LEE RHIANNON [11.43 p.m.], by leave: I move Greens amendments Nos 12, 17, 18, 19, 23 and 24 in globo:

No. 12 Page 14. Insert after line 29:

23 Accreditation decisions must be confirmed by Institute

(1) A decision by a teacher accreditation authority under this Part in relation to the accreditation of a person does not have any effect for the purposes of this Act unless or until the Institute decides to confirm the decision.6

(2) The Institute may:

(a) confirm a decision by a teacher accreditation authority under this Part in relation to a person (in which case the decision of the accreditation authority is to have effect), or

(b) veto any such decision (in which case the decision has no effect).

No. 17 Page 16, lines 26 and 27. Omit "(in most cases this means that the person holds full teaching qualifications)". Insert instead "and has education qualifications".

No. 18 Page 16, lines 31 to 33. Omit "has a degree in a relevant area or has completed a substantial part of a teacher education course approved by the Minister. Such a person will, however,". Insert instead "will".

No. 19 Page 18, clause 30, line 14. Insert "and has education qualifications" after "accreditation".

No. 23 Page 22, clause 36, lines 21 to 25. Omit all words on those lines.

No. 24 Page 23, clause 38, lines 15 to 20. Omit all words on those lines. Insert instead:

(a) revoke the conditional accreditation of a person who is a transition scheme teacher if the authority is satisfied that the person has failed to comply with any of the requirements of the professional teaching standards that apply to the person, or

These amendments seek to ensure that professional standards hold firm in schools, and that we do not dilute the quality of the teaching profession by allowing people without full educational qualifications to teach in schools. I think we would all agree on that. Teachers should be required to have a degree and educational qualifications. We do not want people teaching in our schools who just have a degree. They should have a teaching qualification. That could be incorporated within a degree, such as a Bachelor of Education or a Diploma of Education following a degree. If the Government opposes our amendments, we wish to hear assurances from the Minister that the commitment to teachers having full educational qualifications will not be watered down by this bill or by any Government plan. I commend these amendments to the Committee and look forward to the Minister's comments.

The Hon. CARMEL TEBBUTT (Minister for Community Services, Minister for Ageing, Minister for Disability Services, and Minister for Youth) [11.45 p.m.]: The Government does not support these amendments. The bill recognises the diverse range of pathways into teaching, which is primarily by a teaching qualification, but the bill also provides for the recognition of qualifications that should allow entry into the profession. This may be a PhD. In the meantime that teacher can acquire appropriate teaching qualifications. The Government wants the best people teaching in all schools, and this bill will ensure that that happens.

The Hon. CATHERINE CUSACK [11.45 p.m.]: The Opposition does not support these amendments.

Amendments negatived.

Clauses 22 to 38 agreed to.

Clauses 39 to 55 agreed to.

Ms LEE RHIANNON [11.47 p.m.]: The Greens do not support schedule 1, which should be omitted from the bill completely. If the schedule is allowed to stand, we are concerned that it will allow a corporate culture in educational affairs. As I said in my contribution to the second reading debate, we are concerned about the Board of Governance. Considering the lateness of the hour, I will not recap all the arguments, which are similar to my previous arguments.

The Hon. CARMEL TEBBUTT (Minister for Community Services, Minister for Ageing, Minister for Disability Services, and Minister for Youth) [11.48 p.m.]: The Government does not agree with the matters raised by Ms Lee Rhiannon.

Schedule 1 agreed to.

Schedules 2 to 4 agreed to.

Title agreed to.

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

SPECIAL ADJOURNMENT

Motion by the Hon. Carmel Tebbutt agreed to:

That this House at its rising today do adjourn until Tuesday 31 August 2004 at 2.30 p.m.

ADJOURNMENT

The Hon. CARMEL TEBBUTT (Minister for Community Services, Minister for Ageing, Minister for Disability Services, and Minister for Youth) [11.51 p.m.]: I move:

That this House do now adjourn.

DEATH OF THE HONOURABLE ROY FREDERICK TURNER, AM, A FORMER MEMBER OF THE LEGISLATIVE COUNCIL

DEATH OF MR WAL BUCKLEY

The Hon. PETER PRIMROSE [11.51 p.m.]: I would like to talk about the passing of Wal Buckley and Roy Turner. Although Roy Turner was four years older than Wal Buckley, both attended Cleveland Boys High School, having grown up in working-class Surry Hills, decades before it became a fashionable address. They were both metal workers. Wal became an electrical fitter and Roy started life as a boilermaker, before becoming a fighter pilot during World War II. He completed a law degree after the war. They were both also football tragics—supporting Western Suburbs and South Sydney. Wal had relatives who played for both teams.

The two families were extremely close, spending weekends and other special occasions at each other's homes. The Buckley children knew Roy Turner as a close family friend they could turn to if they were in trouble. Apart from their strong bonds of friendship, the professional relationship between these two men was of enormous industrial and historical significance. During the 1950s and 1960s the Cold War was at its height. Unions struggled to represent their members, under the ferocious penal clauses imposed by the Menzies Government and Menzies Attorney General Spicer, who was then Chief of the Industrial Court. Unionists were fined £500 just for attending a stop-work meeting. Supporting unions was both dangerous and a very bad career move!

Like their current incarnation as the Australian Manufacturing Workers Union [AMWU], the then Amalgamated Engineering Union [AEU], its officials and activists were specifically targeted by highly organised and well resourced assaults by Menzies, Spicer, and the radical conservative right. Despite the risks, Roy Turner represented Wal Buckley and the union in court against the worst of these attacks. Against these pressures, Wal continued to work tirelessly for his members and the union. He was instrumental in the AEU's independence from the United Kingdom, ensuring that it became a powerful and effective voice for Australian workers in its own right. He then went on to assist in the early union amalgamations with the Boilermakers and Blacksmiths, the Sheet Metal Works and later with the Shipwrights. These were the formative years of the Amalgamated Metal Workers Union, which is now the Australian Manufacturing Workers Union.

Throughout this process Roy Turner provided the legal support and tactics to back up Wal Buckley's initiative and industrial strength. Wal was an extraordinary orator, at a time when a mass meeting meant 5,000 metal workers at Leichhardt Oval—no pyrotechnics or special effects, just the passion and energy that came from absolute commitment and dedication to his members. Whether it was in the courtroom with Roy Turner, or on the stump with Wal Buckley, neither man let anything stand between himself and the union's members. At a time when it was dangerous to be known as a socialist, much less to make that public, they never pretended to be anything else. They were men who truly dedicated their lives to improving the lives of the Australian working class.

In 1976 Roy Turner entered the New South Wales Legislative Council, where he distinguished himself by continuing to serve the workers of this State with unflinching loyalty. The law firm he founded, Turner Freeman, upholds his commitment to the law as a means of empowering working people and educating them against those who would bully and exploit them. The firm also continues its close relationship with the AMWU, forged through the unique and lasting bond between Roy Turner and Wal Buckley. Wal Buckley and Roy Turner leave an indelible mark on the history of this State, and particularly on those unionists who call themselves metalworkers. They were rare individuals with politics that came from the gut and the heart, as well as from the head. It is an extraordinary sadness for the entire labour movement that we have lost them both within days of each other. They were true comrades in every sense. I extend my very sincere condolences to both families and to the firm Turner Freeman Solicitors. I deeply share its loss.

PACIFIC ISLANDER YOUTH EDUCATIONAL SUPPORT PROGRAM

Reverend the Hon. Dr GORDON MOYES [11.55 p.m.]: The New South Wales Minister for Community Services, Minister for Ageing, Minister for Disability Services, and Minister for Youth was the

guest speaker at the launch of the new educational support program for Pacific Island young people and their families at Bankstown on Thursday 20 May. This program will be run with Wesley Mission Sydney and is funded by the Department of Community Services. The launch of this new service, the Pacific Education Resource X-Change—known as PERX—was held at Bankstown Uniting Centre. Research on school retention, performance and participation for Pacific Island students in the Canterbury-Bankstown area indicates there is cause for concern. This group of students is highly represented in the bottom one-quarter of student scores in the School Certificate and basic skills tests, as well as being overrepresented in suspensions and expulsions.

Recognising this research as a call to action, Wesley Mission is partnering the Pacific Island Women's Advisory and Support Service and the Pacific Island Council to launch the program and address those issues that Pacific Island communities have identified as important to their young people and families. The combined initiative of Wesley Mission and the Pacific Island communities will assist students at school and help with family problems when they impact on the school attendance and performance of students. PERX aims to assist students directly as well as to improve the understanding of families of the New South Wales education system and what is required of students to engage with it successfully.

The Pacific Education Resource X-Change recognises the strengths of Pacific Island communities, including commitment to family life and work, care for others, community activities and a strong spiritual life that emphasises the possibility of change and growth in the lives of individuals. It is our aim to harness these strengths in order to work together to address issues that Pacific Island communities have identified among children, young people and their families in Canterbury-Bankstown. Key outcomes for the service include supporting children and young people from Pacific Island background from year 5 to year 9 from schools in the Canterbury-Bankstown local government area. Further, additional programs to target the needs of children in younger years will be established, together with additional programs to target the needs of underachieving children and young people.

The Premier's Department and the Department of Community Services provide funding on a two-yearly basis. Wesley Mission has provided $80,000 worth of computers, tables, photocopiers, and so on. PERX will offer families a range of ways to help their children be successful at school because if children are successful at school they will be better equipped for life. This project is a four-way partnership between Wesley Mission, the Pacific Island Council, the Pacific Island Women's Advisory and Support Service and the Government. Wesley Mission includes a number of Pacific Island congregations, and its welfare programs have qualified and experienced Pacific Island staff. We are sensitive to religious and faith issues in the community. There are approximately 5,000 Pacific Island students in the Canterbury-Bankstown area.

Cultural practices, such as expecting older children to care for younger children rather than using community child care, and keeping children at home to share in various festivals and major family events, impact negatively on the children's school performance. The design of this project is to assist the children directly, with the help of other Pacific Island adults who have succeeded, and to improve families' understanding of the New South Wales education system and what is needed for children to successfully engage with it. We also aim to build a better understanding in the school community of Pacific Island cultures and the home lives of students. This is a program between government and private enterprise, with volunteers coming from the corporate sector, welfare agencies and the Pacific Island community itself. I commend the program.

CAMDEN PROPERTY MARKETING PTY LTD

The Hon. CHARLIE LYNN [11.59 p.m.]: On December 2001, 13 March 2002, and 19 March 2002 I spoke in this House about an outrageous abuse of power by the Director-General of Fair Trading against a Camden real estate agent, Mr John Leach. I reported that Mr Leach had been subjected to unfair strain through aggressive, half-cocked investigative actions and implied threats by the Department of Fair Trading. I advised the House that the intolerable situation surrounding the investigation of Mr Leach was more reminiscent of the subversive processes that used to occur in East Germany or Russia under the disgraced socialist regimes behind the Iron Curtain. I advised also that any system where a faceless bureaucrat can destroy an innocent citizen's business and personal reputation without any recourse to the legal system of this State is frightening. I also expressed my concern that when Ministers abandon their responsibilities to ensure honest citizens are given a fair go before the courts, we are drifting into dangerous political waters.

Fortunately for Mr Leach he was put in touch with a barrister who is well aware of the current state of anarchy within the Department of Fair Trading. Mr Peter Richardson was a former prosecutor for the department and is well aware of its current modus operandi. In my discussions with him he advised that this was

the greatest miscarriage of bureaucratic justice he had seen in his 30 years of practice. He was so confident of victory in court that he waived his fee for Mr Leach until the proceedings were finalised. The matter finally went to court on 4 March 2004 and continued for six days. I sat in court with Mr Leach and his wife to provide them with some moral support and to witness first hand the exposure of the Department of Fair Trading. It was a legal massacre. The court found under section 81 (4) of the Justices Act that the Department of Fair Trading and its investigators had unreasonably failed to investigate, or to investigate properly, relevant matters of which the department, its officers and investigators were aware or should have been reasonably aware, and which would suggest that John Leach might not have been guilty, or that for any other reason the proceedings should not have been brought.

The court was critical of the department's failure to establish grounds 15 and 16 of the particulars in the complaint. If the Government and the department had taken note of the concerns I raised in this House they would have stopped the prosecution of Mr Leach at that time and pursued the bloke who actually embezzled the funds. I refer to Alex Cameron, who recently featured in the *Sunday Telegraph* wedding of the week. But rather than take this responsible course of action, the Government responded by getting the bovver boy, the Hon. Ian Macdonald, to try to defend the indefensible by calling on me to apologise to the investigators. In response, I now call on the Hon. Ian Macdonald to apologise to Mr Leach and the taxpayers of New South Wales for the expense of this failed prosecution because investigators from the Department of Fair Trading, Robert Laughton and Tony Stanley, were exposed as lazy, incompetent irresponsible fools. They should both be sacked.

In my previous speeches I expressed my concern about a corrupt process that led to the director-general arriving at the decision that Mr Leach was not a fit and proper person to hold a licence under the Property, Stock and Business Agents Act. This resulted in Mr Leach having to close his real estate agency. The director-general then issued 60-day suspension notices for two years right up until the date of the court case to prevent Mr Leach from even working in the industry. This action devastated Mr Leach and his family, and has caused him to live on a subsistence income since then. The stress he has suffered has been intolerable and even though the case is over, he still requires medication to sleep at night. I am now convinced beyond all doubt that the process used to suspend Mr Leach from the industry was corrupt. Therefore, I call on the Independent Commission Against Corruption to lodge a thorough investigation into it and report its findings to this House.

I base this on the fact that Mr Leach was called into the Department of Fair Trading on 8 January 2002 and was interviewed by investigators for a number of hours in the presence of his barrister. Mr Leach found this whole process to be intimidating. The very next day, 9 January 2002, the director-general of the department, David O'Connor, declared that Mr Leach was no longer a fit and proper person to hold a licence, and his business and his career were destroyed. I cannot accept that the evidence taken by the investigators could have been transcribed, analysed, tested and presented to the director-general within 18 hours. I believe that departmental officers were looking for an easy scalp to prove to the Minister that they were doing their job. They had already made up their minds that Mr Leach would not have the resources to defend himself against their intimidating tactics, and went ahead with the decision. Unfortunately for them they came up against a barrister who was justifiably outraged at the miscarriage of justice against an honest, hardworking and well-respected citizen of Camden.

This case will send a shiver down the spine of every real estate agent in New South Wales because what happened to Mr Lynch can happen to any of them while we have a bunch of incompetent keystone cops from the Department of Fair Trading, who seem free to interpret the Act as they see fit. We have a duty of care to ensure that this behaviour is exposed and stopped. No honest citizen of this State deserves the treatment that was dished out to Mr Leach. I have known him for almost eight years and I have found him to be a thoroughly decent bloke. He is an honest and fair businessman, and he is well respected by everybody who knows him. Unfortunately, his life has been destroyed by a couple of lazy investigators and an irresponsible bureaucrat running the Department of Fair Trading. If there is any justice in this State, David O'Connor, Robert Laughton and Tony Stanley should be sacked immediately for their corrupt, bumbling incompetence.

FOUR-WHEEL-DRIVE COMMUNITY PROJECTS

The Hon. JON JENKINS [12.04 a.m.]: I am pleased to tell this House that almost in secret a substantial number of community projects have been undertaken under the landmark memorandum of understanding between the four-wheel-drive association and the National Parks and Wildlife Service. For example, in October 2003 representatives from seven clubs met with National Parks and Wildlife Service workers at Watagans National Park and got down to the hard work of cleaning up the national park. The plan was simple and effective. The ranger in charge, Jeff Johnston, was impressed with the efforts. He soon realised

that the weak link in the plan was the service's inability to move so much rubbish with its tip truck. The service crew catered for the workers, and for the cost of a few sausages and drinks the service received approximately $420,000 worth of volunteer labour.

In the Bogee, Glen Alice and Glen Davis areas the Land Rover Owners Club has provided logistical support for the regent honeyeater recovery project over the past five years and has developed efficient methods that have lifted the capacity of the many good volunteers who turn up for two major tree-planting exercises each year. While the volunteers spend a weekend putting plants into the ground, the Land Rover club start two days earlier, loading thousands of seedlings at a time, and delivering them to the planting sites where, along with stakes and bags, the seedlings are laid out along the planting lines. After the planting is carried out by volunteers, the Land Rovers haul water by the tank load and water the newly planted seedlings. The recovery group supplies used milk cartons to the nursery to raise the native plants. These are discarded during the planting and are collected and disposed of at the end of each weekend.

In the most recent project 3,000 native trees were planted on two properties at Glen Alice and Bogee. The Land Rovers have, over the past four years, delivered many tens of thousands of trees to assist in the recovery of the endangered regent honeyeater in the Capertee Valley. Down south, a number of four-wheel-drive clubs have assisted in the maintenance and reconstruction of heritage huts in the Kosciuszko National Park. Following that work some huts are in pristine condition, while others have been protected from further decay until conservation plans have been finalised by the National Parks and Wildlife Service. The 2002 fires did enormous damage to many vital huts, which are used as refuges in winter by park visitors. Since the fires, the four-wheel-drive clubs have been urging the rebuilding of those important pieces of our heritage. A number of projects have already been completed by the four-wheel-drive association.

As heard in this House recently, the Minister has now committed to rebuild the majority of those huts, and the four-wheel-drive association will be an integral part of that endeavour. Similar projects have been carried out at Menai, the Spanish Steps, Little River, Yengo, New Chum Dam, Watagans and other places. It is timely that I tell this House and the community that those projects are worth about half a million dollars of free labour to the National Parks and Wildlife Service. It is safe to say that no other group would have contributed so much to the National Parks and Wildlife Service in the past 12 months. There are several major threats to our native flora and fauna, and the most dangerous is bushfire—the single biggest threat to our biodiversity. In the intense crowning wildfires, such as those in the Kosciuszko National Park, our reserve has lost billions of trees, animals, birds, reptiles and insects due to the ferocity of the fires.

At least there is now some understanding of the natural place of fire in the management of our national parks. One of the essential tools for proper fire management is a usable system of fire trails. However, there is still a pervasive attitude that the system of fire trails is somehow anathema to nature and that they should not exist. This is particularly so in wilderness areas where there is almost no access. Here is a perfect example of how the four-wheel-drive association and other volunteers can help, and this is a win-win situation for all involved. The National Parks and Wildlife Service wins by having accurate fuel load information and having essentially free road crews for the thousands of kilometres of roads in its network. The Rural Fire Service wins because it also has access to clear navigable roads. The native flora and fauna win because they are exposed to the lower intensity of fires to which they are adapted. The other major threat, especially to our coastal national parks, is that of feral animals and pests. Again, the volunteer organisations can become an integral part of assistance in that area.

Recently I witnessed a motor accident in which a young man was trapped in a motor vehicle. As the paramedics treated the young man, three volunteer organisations who attended the accident—the Volunteer Rescue Association, the State Emergency Service and the Rural Fire Service—extracted the young man's legs from the twisted metal and ensured that any fire risk from leaking fuel was minimised. As another example of volunteers, I cite the most successful Olympics in the history of the modern Games. The Games were so successful due to the vast number of volunteers. They were on show for the world to see and they did us all proud.

Those examples show that volunteer organisations can undertake the most complex and important tasks involving human life. I invite the Minister to give his support to the creation of a volunteer parks association to become the volunteer arm of the National Parks and Wildlife Service, and to create a legacy of support for the environment which will outlast us all and provide an enduring support mechanism for preservation by truly involving the community in our precious natural heritage.

KINGSDENE SPECIAL SCHOOL AND RESIDENTIAL SERVICE

The Hon. JOHN RYAN [12.09 a.m.]: For the past 28 years Anglicare's Kingsdene Special School and Residential Service at Telopea has provided a unique educational and caring environment for children with disabilities. Kingsdene combines a school and residential program for children aged between 9 and 18 with a moderate to severe intellectual disability. For many families Kingsdene has been a lifeline, providing them with respite care in the task of bringing up children who have high support needs, and its educational program has enabled many children with disabilities to develop living skills to help them live more independently. Kingsdene was established in 1974 by its founding principal, the late June Mary Pecover. I came to know about Kingsdene personally many years ago when I met my wife, Alexandra. In 1980 she worked there in a position with the very politically incorrect appellation of "housemother". She recalls working for Mrs Pecover.

Last November a mounting deficit forced Anglicare to tell parents that the school would close at the end of 2004. It costs Anglicare a total of $1.8 million a year to run Kingsdene. Until recently the support it received from the State and Commonwealth governments together was $850,000 a year, leaving it to find the other $1 million. Anglicare approached the Commonwealth Department of Education, Science and Training and the State government departments of Education and Training and Ageing, Disability and Home Care for assistance. In early June the New South Wales education Minister rejected Anglicare's pleas for any increase in funding. Fortunately, Kingsdene had some powerful advocates, not least of which was Ms Mary Lou Carter, chair of the Kingsdene Parents Council, the Hon. Ross Cameron, the Federal member for Parramatta, and radio broadcaster Ray Hadley.

The happy end to this story is that Anglicare has now secured last-minute financial support from the Federal and State governments that will see Kingsdene remain open beyond 2004. Yesterday Federal education Minister Brendan Nelson announced funding of $350,000 to help the school get back on its feet, and the State Government has wisely provided a similar amount. Mr Peter Gardiner, Anglicare's Chief Operating Officer, described the outcome as a miracle. He said, "Our prayers have certainly been answered." While I congratulate Anglicare and the Kingsdene parents, the battle is not completely over. Anglicare still needs to find around $220,000 a year to keep Kingsdene going. It has now established a special fund with the intention of finding 1,000 donors willing to provide $20 a month. I signed up this morning for this worthy cause and I urge other people of goodwill to do the same.

Speaking of things Anglican, I congratulate a friend of mine, the newly consecrated Bishop of the Diocese of Canberra and Goulburn, Bishop Trevor Edwards. Trevor had been Rector of St Matthew's at Wanniassa in the Australian Capital Territory since May 2003, and prior to that he was an Archdeacon of South Sydney. He also served in the parishes of Caringbah, Broadway, Hurstville Grove and Camden, where I came to know him and his wife and their four sons. I had the pleasure of attending a packed St Saviour's Cathedral in Goulburn on Saturday 12 June 2004. I attended in a private capacity as a mate together with my wife, Alexandra, and I noticed that the member for Burrinjuck, Katrina Hodgkinson, and the Federal member for Hume, Alby Shultz, made up part of the congregation.

Presiding at the service was Dr Peter Jensen, Archbishop of Sydney, and the Most Reverend Peter Watson, Archbishop of Melbourne and formerly Bishop of South Sydney, delivered the sermon. The additional attendance of the Archbishop of Brisbane, Dr Phillip Aspinall, made it something of a national event. While I do not pretend to understand the internal organisation of the Anglican Church, the consecration of Bishop Edwards is something of a triumph for Anglican Church unity. The Diocese of Canberra and Goulburn is noted for having a High Church tradition. The new Bishop Edwards is a well-known evangelical. The spirit of the event was best summed up in the comments of Bishop George Browning, who is the Diocesan Bishop of Canberra and Goulburn. He said, "Some people have been tempted to think of this appointment as a plot. It is: it is a plot to ensure the spread of the gospel of Jesus Christ." I am sure that Bishop Trevor Edwards will be a great servant in that diocese and I wish him and his family all the best for their work in the future.

GREATER TAREE CITY COUNCIL AND ABORIGINAL FLAG MOTION

The Hon. JAN BURNSWOODS [12.14 a.m.]: Tonight I refer to a motion that was discussed recently at the Greater Taree City Council. The motion sought to have the council fly the Aboriginal flag. Unfortunately, it was defeated. The motion is important not merely because it represents particularly strong feelings in the Taree district but because the Taree area has a much higher than average population of Aboriginal people compared to most other areas in New South Wales. The motion sought to gain recognition from the council of the Aboriginal heritage of the Taree area and responsibilities of the council, and to recognise the current importance of Aboriginal people who live in the area.

The motion was moved as a symbol of respect and reconciliation with the Aboriginal people of Taree, but only four councillors voted in favour of it and 12 councillors voted against it, despite the fact that neighbouring councils, including the Hastings Council in Port Macquarie and the Kempsey Shire Council, both fly the Aboriginal flag regularly. The failure of the council to pass the motion is also unfortunate because in 1997 the Greater Taree City Council adopted an excellent statement of commitment to indigenous Australians. I will read the first paragraph of that statement because I believe it is a model of its kind:

> Greater Taree City Council recognises with respect that Indigenous Australians were the first people of this land and that the people of the Biripi Tribe were the first occupants of the Manning Valley. This recognition includes acceptance of the rights and responsibilities of Indigenous Australians to participate in decision making.

The statement also refers to the shared responsibility of all Australians and the commitment to developing programs to improve the wellbeing of all Greater Taree City Council residents, as well as the council's commitment to social justice and reconciliation. In the light of that excellent statement, it is a pity that the council has not taken just one extra step. The decision of the council has provoked an enormous response in the Taree area. I refer to a report in the *Manning River Times* of an extraordinary march, demonstration and series of speeches which took place on 17 June. The article begins with a quote, which reads:

> May the spirits of this great land protect and guide us as we find our way, and may we all live in peace and harmony.

That statement was made by Lyn Davis, who is an education worker at St Joseph's Primary School in Taree. She echoed the thoughts of around 2,000 fellow marchers as her students released approximately a dozen doves as symbols of peace outside the Greater Taree City Council chambers. Given the population and size of the Taree district, a march consisting of 2,000 people is a truly extraordinary event. It reflects the seriousness with which Aboriginal and non-Aboriginal people regard the issue. The entire lower end of Pulteney Street outside the council chambers and overlooking the Manning River was a sea of black, red and gold as the crowd consisting of people of all ages, black and white, stood and called on the city council to rethink its recent decision not to fly the Aboriginal flag daily. The council was presented with a public petition and a copy of that fine statement that was adopted by the council in 1997 to remind it of its commitment to the Aboriginal people.

I am sure that the people of the Taree area will continue their campaign. Over the past month or so, the *Manning River Times* has received an enormous number of letters to the editor and other communications which have made it clear just how much community support there is for flying the Aboriginal flag. It might be said that this is a symbolic issue, and of course that is exactly what it is—a symbolic issue. But it is an important one which will have positive effects in the community in which race relations and the ability of the Aboriginal community to obtain its fair share of employment, education and all the other advantages that many of us take for granted has not always been easy. I urge the Greater Taree City Council to revisit the issue, change its mind, and decide that, in common with other local councils, it will fly the Aboriginal flag.

DEATH OF THE HONOURABLE ROY FREDERICK TURNER, AM, A FORMER MEMBER OF THE LEGISLATIVE COUNCIL

Ms LEE RHIANNON [12.19 a.m.]: On 25 June unionists, legal people and an interesting cross-section of Sydneysiders, including Gough Whitlam, Marie Bashir and Michael Kirby, came together to remember Roy Turner, who died on 15 June. Roy was born in Surry Hills. He was the youngest of seven children, five of them girls. The family was desperately poor; they lived in Surry Hills. As with many young working-class men, Roy became an amateur boxer for a period. His name when he was boxing was Freddy Osborne. Roy Turner served with the RAAF as a flight navigator in the Second World War. After the war he won a university scholarship to undertake tertiary studies. Roy's law studies launched him on a rich journey that saw him eventually establish the Turner Freeman law firm.

Roy Turner was expert in criminal cases, bankruptcy, land use, family law and defamation. He acted in many famous cases. In one of those cases he acted for Frank Hardy when he was charged with criminal libel over the famous book *Power Without Glory*. In another sensational case he acted for the Australian journalist Wilfred Burchett, who sued over a false accusation by Senator Vince Gair that he was a KGB agent. The Federal Liberal Government was furious with Burchett for reporting the North Korean and Vietnam wars from the other side, and denied him a passport. Roy Turner was a pioneer of various law reforms, a member of the inaugural Family Law Council of Australia established under the Family Law Act, and involved in legal aid services, mental health services, and Aboriginal affairs. He undertook a review of Australian legal aid in March 1975. He was a member of the Legislative Council from 1976 to 1984.

The PRESIDENT: Order! The time for debate has expired.

Ms LEE RHIANNON: I seek leave to continue my contribution.

Leave granted.

Ms LEE RHIANNON: Speaking at his father's memorial last week, Roy's son, Peter Turner, stated:

> He read Marx and St Francis of Assisi, and drew inspiration from them both, and in our debates and explorations of religion and philosophy he would not infrequently described himself as a "Christian agnostic".
>
> A determined litigator and a more determined mediator he would often strongly discourage his clients from litigation, paraphrasing the Duke of Wellington: nobody wins in litigation, some just lose more than others …
>
> As a lawyer, he was exquisitely aware of the faults and foibles of our legal system, and as a student of comparative legal systems, was versed in the strengths and weaknesses of the continental, Soviet and Islamic systems. Yet despite this, and more interestingly—because of this—he had a great and enduring respect for our legal system. I well remember his words, in a simple yet penetrating practical assessment: "it has its faults, but it is the best we have".

In 1979, after visiting the Soviet Union, Roy Turner wrote the book *Law in the USSR*. His son, Peter, quoted from that book as follows:

> I consider that, in any analysis of law in the USSR comment and comparison can be endless. Conclusions can be widely varied.
>
> One approach could proceed from the view that the system known as capitalism is the acme of human social assent and will endure eternally. Or one could proceed from the socialist standpoint first advanced incidentally by a German law student named Marx and subsequently developed by a Russian lawyer named Lenin.
>
> Here my brief is to act as the advocate of neither. My brief is to plead the cause and need for greater tolerance and open-mindedness in the search for better mutual understanding.

Speaking at the memorial for Roy Turner held last Friday, Jim Baird, a former boilermaker and a former Commissioner of the Australian Conciliation and Arbitration Commission, stated:

> Roy gave great service to the trade union movement in major cases such as the Anti-Communist case, which threatened traditional Democratic Australian freedoms. It was fought out in the High Court and resulted in the defeat of the proposed legislation.
>
> He also played an important role in the Boilermaker's Case which led to the defeat of the infamous Penal Clauses Legislation in the 1960s and which led to the abandonment of the Industrial Court …
>
> Many unions, including the Amalgamated Engineering Union, the Boilermakers Society, the Blacksmith's Union, the Building Workers Industrial Union, the Miners Federation, the AMWU and many others, sought and received his assistance in the organisation of these structures, their amalgamations, their registrations …
>
> It is also important to record that he and his associates over decades provided immeasurable assistance to tens of thousands of workers in compensation cases …

Over the years we had many discussions about the need for social justice, both nationally and internationally. We were both bitterly disappointed, as many were, at the failure of the Soviet Union, for which we once had such high expectations. Despite this, he continued to hold a belief in the objective of a fair and just society in which working people enjoyed freedom and the fruits of their labour.

I express condolences to Roy's wife Betty, his children, Peter and Jan, Peter's wife, Leanne, and their children, Roy and Rose. Roy was a wonderful man. I appreciate the support and friendship he showed to my parents and me. I thank the House for granting me an extension of time to make this speech.

Motion agreed to.

The House adjourned at 12.25 a.m. on Wednesday 30 June 2004 until Tuesday 31 August 2004 at 2. 30 p.m.