

LEGISLATIVE COUNCIL

Thursday 9 June 2005

The President (The Hon. Dr Meredith Burgmann) took the chair at 10.00 a.m.

The Clerk of the Parliaments offered the Prayers.

PETITIONS

Anti-Discrimination (Religious Tolerance) Legislation

Petition opposing the proposed anti-discrimination (religious tolerance) legislation, received from **the Hon. Dr Peter Wong**.

Unborn Child Protection

Petition requesting legislation to protect foetuses of 20 weeks gestation and to make resources available for post-abortion follow-up, received from **the Hon. Dr Peter Wong**.

Crown Land Leases

Petitions requesting the withdrawal of changes to the rental structure of Crown land leases, particularly enclosed road permits, received from **the Hon. Rick Colless** and **the Hon. Duncan Gay**.

Brigalow Belt South Bioregion and Nandewar Bioregion

Petition opposing the removal of cypress pine and hardwood forests from State Forests management and the degradation of communities within the Brigalow Belt South and Nandewar bioregions, received from **the Hon. Rick Colless**.

Brigalow Belt South Bioregion and Nandewar Bioregion Cypress Pine

Petition opposing the removal of cypress pine forests from State Forests management and the degradation of communities within the Brigalow Belt South and Nandewar bioregions, received from **the Hon. Rick Colless**.

BUSINESS OF THE HOUSE

Withdrawal of Business

Private Members' Business item No. 12 in the Order of Precedence withdrawn by **the Hon. Robyn Parker**.

BUSINESS OF THE HOUSE

Postponement of Business

Government Business Orders of the Day Nos 1 to 4 postponed on motion by **the Hon. John Della Bosca**.

STANDING COMMITTEE ON STATE DEVELOPMENT

Reference

The Hon. TONY CATANZARITI [10.18 a.m.]: I wish to inform the House that on 7 June 2005 the Standing Committee on State Development received the following terms of reference from the Hon. David Campbell, MP, Minister for Regional Development, Minister for the Illawarra, and Minister for Small Business:

1. That the Standing Committee on State Development inquire into and report on the skills shortage and its impact on rural and regional New South Wales and, in particular,
 - (a) the current and future demand for labour,
 - (b) the economic and social impact of the skills shortage,
 - (c) the strategies and programs of local governments to retain and attract skilled workers including opportunities for strategies and programs in conjunction with non-government bodies such as regional business organisations, area consultative committees and regional development boards,
 - (d) consider appropriate models from other States in interacting with the Commonwealth's skilled regional migration programs,
 - (e) co-ordination between local, State and Commonwealth governments to attract and retain skilled workers,
 - (f) the impact of the Commonwealth's regional migration programs, including assessing the long-term jobs and investment outcomes and considering possible recommendations to encourage sustainable regional development in New South Wales,
 - (g) the adequacy of current measures used to record and report on the skills shortage, and
 - (h) the methods used by training organisations, including TAFE, to assess skill needs in rural and regional New South Wales and their response to identified needs.
2. That the committee report by Friday 9 December 2005.

BUSINESS OF THE HOUSE

Suspension of Standing and Sessional Orders

Motion by Ms Lee Rhiannon agreed to:

That standing and sessional orders be suspended to allow a motion to be moved forthwith that Private Members' Business item No. 149 outside the Order of Precedence, relating to English as a second language in public schools, be called on forthwith.

Order of Business

Motion by Ms Lee Rhiannon agreed to:

That Private Members' Business item No 149 outside the Order of Precedence be called on forthwith.

PUBLIC SCHOOLS ENGLISH AS A SECOND LANGUAGE SERVICES

Ms LEE RHIANNON [10.20 a.m.]: I move:

1. That this House notes:
 - (a) the crucial role of English as a Second Language (ESL) services in public schools in the educational development of some children from non-English speaking backgrounds, and the importance of English language skills in cultural, economic, social and political engagement,
 - (b) the excellent work done by ESL teachers in the New South Wales public education system in providing education to young people who lack such skills,
 - (c) that the number of full-time ESL teaching positions in New South Wales public schools has remained static at 876 since 1993, despite an increasing need for ESL services,
 - (d) that from 1983 to 2004, the ratio of ESL teachers to ESL students in primary schools increased from 1:55 to 1:110 and in secondary schools from 1:42 to 1:78,
 - (e) that neither State nor Federal governments have increased ESL funding to ensure that every child who needs it receives quality ESL education, and that this failure has effectively capped the number of ESL teachers employed by the Department of Education and Training,
 - (f) that the increasing numbers of fee paying overseas students in New South Wales public schools are absorbing existing limited ESL services and that fees collected from these students have not been used to increase the number of ESL teachers employed by the department, and
 - (g) that many students in south, western and south-western Sydney are missing out on ESL services and consequently are at risk of not being able to fully participate in the curriculum.

2. That this House calls on both State and Federal governments to:
 - (a) immediately increase funding for ESL services in public schools in New South Wales to employ an additional 900 ESL teachers to meet the rising demand, and
 - (b) ensure that appropriate ESL teacher training opportunities are available to meet the projected future demand.

I thank the House for agreeing to debate this issue today. Following the success of Education Week, the state of English as a second language [ESL] services reminds us that there is still little to celebrate when it comes to this important area of public education.

The Greens' motion notes that the number of full-time ESL teaching positions in our public schools has remained static at 876 since 1993, despite an increasing need for ESL services. We have seen a rapid change in the ratio of students to teachers. From 1983 to 2004, the ratio of ESL teachers to ESL students in primary schools increased from 1:55 to 1:110 and in secondary schools from 1:42 to 1:78. These are deeply shocking figures. They represent an almost doubling of the student/teacher contact ratio. A 2004 briefing paper from the department shows that since 1983 the number of students with a non-English speaking background who are assessed as requiring ESL assistance but who are missing out, has trebled to 41,158 students across the State. That is simply unacceptable.

In his 2002 public education report, Professor Tony Vinson noted that two-thirds of students from language backgrounds other than English require significant assistance with English. He says that if students do not receive assistance to reach English fluency they will miss their education potential in school and beyond. Overwhelmingly, it is students in south, western and south-west Sydney who are missing out on ESL services and are consequently at risk of not being able to fully participate in the curriculum. Both the Federal Government and this Government have failed to increase ESL funding to ensure that every child who needs it receives quality ESL education.

The department estimated in 2003-04 that the extra 100 ESL teaching positions that this motion calls for by the end of 2005 would cost \$8.4 million. No money has been forthcoming from a government that is nonetheless happy to allocate \$257 million in the current budget, or 30 times that amount, to build a new correctional centre and expand two regional prisons. What skewed priorities! The Federal Government is also a player in this. In April 2004 the Ministerial Council for Employment, Education, Training and Youth Affairs made a statement that shows New South Wales should receive an additional \$12 million per annum from the Federal Government for the provision of ESL programs to non-English speaking background migrant and refugee students. This too shows a manifest failure of duty.

But it is no excuse for the Government to enter into another blame game, a strategy we know it is fond of, to try to deflect attention from its own shortcomings. Part of the new landscape in New South Wales public schools is the increasing numbers of fee-paying overseas students who are absorbing existing limited ESL services. The school they attend receives 25 per cent of the overseas students' fees and the Department of Education gets 75 per cent. For example, an overseas student in years 7 to 10 pays \$9,600 a year; the department keeps \$7,200 and \$2,400 goes to the school.

Overseas students in years 11 and 12 contribute \$11,600, of which \$8,700 goes to the department. The department pockets these fees, and despite fee-paying students being entitled to ESL teaching, none of the money pocketed is directed into ESL services. The New South Wales Government has a duty of care towards its non-English speaking background students. But, sadly, it has ignored the warning bells rung by Professor Tony Vinson, the New South Wales Teachers Federation and its very own department. There is no excuse for inaction or indifference to the needs of these vulnerable students who deserve a positive experience from our public education system, not neglect. We need action now. I urge all members to support this motion.

The Hon. CARMEL TEBBUTT (Minister for Education and Training) [10.24 a.m.]: I foreshadow that I will move an amendment to the motion that has been moved by the Hon. Lee Rhiannon, to delete the reference to the New South Wales Government in the second part of the motion. I do this because I want to reflect very clearly that the program that we are talking about, the English as a Second Language—New Arrivals Program, is a Commonwealth program. It is a program that the Commonwealth funds and for which the Commonwealth sets the entrance criteria. For a long time now the New South Wales Government has had concerns about the inadequacy of the program and we have raised these concerns on many occasions.

The Hon. Duncan Gay: The New South Wales Government blames the Commonwealth for everything.

The Hon. CARMEL TEBBUTT: It is a Commonwealth program. The English as a second language [ESL] program plays a crucial role in providing English language and literacy support to students with limited or no English language proficiency. It does this by assisting with the full participation of students in the school curriculum so they can take up productive roles as Australian citizens and contribute to the cultural and economic life of the State.

I point out that so inadequate is the Commonwealth funding of this program that not only are there not enough teachers but in fact the New South Wales Government has to dip in funding in order to pay the existing teachers their appropriate salary. It is very clear that this motion—an important motion that embraces important issues—should direct the funding responsibility to where it belongs, and that is with the Commonwealth.

In 2005 the ESL program provides 876 specialist ESL teacher positions to support some 87,700 students across 747 schools. In schools with no ESL program, short-term intensive English tuition is provided for students who are newly arrived in Australia and who are in the beginning stages of learning English. In addition, approximately 2,000 newly arrived students enrol in Intensive English Centres and the Intensive English High School each year. An average of 1,700 students are enrolled at any one time in the 14 centres and the Intensive English High School. These figures reflect the fact that there has been a sustained increase in the numbers of ESL students over the past decade, which is a direct consequence of the Commonwealth migration program and the fact that a greater share settle in New South Wales.

Although the Commonwealth sets the parameters for migration, it is failing to increase funding to meet the needs of students newly arrived in Australia who require ESL support. The Commonwealth is failing to meet its obligation to provide for the new-arrival and post-intensive English language and literacy needs of all non-English speaking students, including long-term temporary visa holders. Under the Commonwealth English as a Second Language—New Arrivals Program, a per capita grant of just \$4,854 is provided in 2005. It is insufficient to provide the level of intensive English instruction that is needed by students, and in particular refugee and humanitarian entrants, to be able to participate in school education. In fact, it has been estimated that intensive English support for refugees should be at least three times the amount currently provided by the Commonwealth.

A Commonwealth report from the Department of Immigration and Multicultural and Indigenous Affairs acknowledged that this program funding was inadequate. I also point out that the program only provides funding for permanent migrant students and certain categories of temporary, provisional and protection visa holders. As a result, only 62 per cent of newly arrived students with ESL needs who are enrolled in New South Wales government schools meet the Commonwealth eligibility criteria.

The inadequacy of the Commonwealth Government's ESL—New Arrivals Program has been a longstanding concern for New South Wales and the other States and Territories. We have raised this issue at national forums and we continue to raise the outstanding issues of ESL funding with the Commonwealth. The Commonwealth Government has failed to act on two recent resolutions of the Ministerial Council on Education, Employment, Training and Youth Affairs that were reached in April 2004. At that meeting the Ministers resolved that the Commonwealth increase per capita assistance to ESL new arrivals with high educational needs, in particular, refugees and humanitarian entrants, and expand the visa classifications eligible for new arrivals funding to include certain categories of temporary residents, such as dependants of spouses, to better address the body of students who require support.

At the meeting of Ministers on 13 May 2005 I led a call by the States and Territories for the Commonwealth to immediately commence work on implementing the resolutions, but, again, the Commonwealth is sitting on its hands. New South Wales, with its State and Territory colleagues, will again place this issue on the agenda of the November Ministers meeting. We will continue to press the Commonwealth to shoulder its responsibilities with regard to the program that it funds and for which it sets the eligibility criteria. As a result of the Commonwealth's inadequacies the State has been forced to provide additional funding. In 2005-06 we have allocated \$92 million in targeted funding for an English as a second language program to support ESL students in government schools and intensive English centres.

I point out that we run a whole range of initiatives, including literacy and reading recovery programs, the Priority Schools Funding Program, the Country Areas Program, the Priority Schools Action Program and the Community Grants Program, in order to encourage teachers to be able to support students who have additional learning needs. These programs amount to more than \$230 million a year, but the resources are spread all the more thinly because the Commonwealth fails to increase funding for ESL support. The Government will

continue to provide a high-quality targeted ESL program as part of its equity provision in New South Wales government schools. We recognise the needs of this group of students and the importance of supporting their language learning needs as early as possible. However, this is a Commonwealth program and the Commonwealth must increase funding to provide support to a wider range of students. I move:

That the question be amended by omitting from paragraph (2) "both State and Federal governments" and inserting instead "the Federal Government".

The Hon. Dr PETER WONG [10.32 a.m.]: I support the motion moved by Ms Lee Rhiannon. It is appropriate to acknowledge the excellent work done by English as a second language [ESL] teachers in the New South Wales public education system in providing education to young people who lack such skills. In my former role as the Commissioner of the Ethnic Affairs Commission of New South Wales and also founding chairman of the Ethnic School Board of New South Wales, I appreciate the significant contribution that ESL teachers have made to the education system. I fully agree with the spirit of the motion, expressed by Ms Lee Rhiannon, that it is indeed the role of the both the Federal and State governments to look after ESL teachers, students and new migrants.

I must give credit to the Greiner Government, which regarded "multiculturalism" as an accepted and important word. Former Premier Nick Greiner at all times expressed praise for the harmony within the community in New South Wales and articulated that multiculturalism is a reality, not a word. The former Government's support for the ethnic community, through the Ethnic Affairs Commission of New South Wales, the Ethnic Communities Council of New South Wales, ESL teachers or a weekend English language school, was unquestionable.

No member of this House could deny that since the Carr Government came to office, support for the ethnic community has decreased markedly. First, Bob Carr changed the name of the Ethnic Affairs Commission to the Community Relations Commission [CRC] of New South Wales. At that time many members of this House, including many Labor members, expressed alarm and disquiet, and lobbied strongly for crossbench members not to support this change. Although I shall not mention the names of the relevant Labor members, most Labor parliamentarians are not happy with what Bob Carr has done.

Since that time it has become apparent that many people do not even know what CRC stands for, except that it is perhaps a slogan. Nor are they aware of problems between the mainstream community and sections of our ethnic communities. No-one knows, no-one cares and no-one can solve the problem. Something similar happened to the education system with the downgrading of the multicultural education policy. Even though I am very close to the ethnic community, even I do not know the Government's present multicultural policy.

I have a high regard for the present Minister, the Hon. Carmel Tebbutt, but I am sure she knows little about the weekend English language system, which has been downgraded and marginalised. An ethnic school centre that was located in Wentworthville no longer exists. Staff numbers in the New South Wales Community Languages School Board have been reduced to almost a one-woman band. Indeed, I believe that person could resign shortly, or has already done so. This trend is happening with the weekend community language school, ESL teachers, the Community Relations Commission, and, indeed, across the board. Bob Carr does not care about the welfare of people from ethnic backgrounds.

It is about time the Minister looked at her department and ways in which she can reform, improve and encourage ESL teachers to support people from ethnic backgrounds. I know that the Minister has the will, but I am not sure that Bob Carr will allow her to do that. In the past many teachers and directors working under the existing education system have come to see me or have rung me expressing concern about the future direction of people from ethnic backgrounds under the present Government. It is a disgrace. Bob Carr has shown bias and discrimination and has a totally uncaring attitude towards people of ethnic background. I fully support the motion. If this State Government can fund an increase in overall education expenditure of 40 per cent or 50 per cent over 10 years, I fail to understand why it cannot afford to provide an extra \$1 million or \$2 million to increase the salaries of ESL teachers.

Reverend the Hon. Dr GORDON MOYES [10.39 a.m.]: I am in favour of the motion moved by Ms Lee Rhiannon on the need for increased funding for English as a second language [ESL] teachers. Let me begin by making reference to a set of gatherings that took place almost 20 years ago in Geneva. Representatives of member nations came together with a view to defining the basic rights and entitlements that children across the world should be able to expect. The genesis of this gathering was a common recognition that children, one of the

most vulnerable groups in our society, are deserving of every opportunity to reach their God-given potential. A child's environment will ultimately shape that child.

The role of government is to provide an environment that, to the best of its abilities, is conducive to the nurturing and development of the innate skills and talents of children. The birth of the International Covenant on the Rights of the Child in 1989 delineated a significant point in international human rights law. It was the first binding legal instrument detailing the rights of the child. By seeking to provide protection for children, some 88 per cent of the developing world and 9.4 per cent of the developed world accept the convention and follow through the foundations for a civil society. Article 28 specifies, in no uncertain terms, that every child has a right to education. Specifically, article 28 (1) proclaims:

1. States Parties recognize the right of the child to education, and with a view to achieving this right progressively and on the basis of equal opportunity, they shall, in particular:
 - (a) Make primary education compulsory and available free to all;
 - (b) Encourage the development of different forms of secondary education, including general and vocational education, make them available and accessible to every child, and take appropriate measures such as the introduction of free education and offering financial assistance in case of need;
 - (c) Make higher education accessible to all on the basis of capacity by every appropriate means;
 - (d) Make educational and vocational information and guidance available and accessible to all children;
 - (e) Take measures to encourage regular attendance at schools and the reduction of drop-out rates.

Education provides opportunity and freedom. Education facilitates a child to reach his or her potential. One magnificent aspect of the New South Wales Government's policy is that the convention has been heeded. Amongst other things, every child in New South Wales, beginning from the age of six years, is required to be schooled. The level and service of education is amongst the best in the world. Our classrooms across New South Wales reflect our future. In saying this, it is evident that the typical New South Wales secondary school classroom reflects our population—rich and diverse in its nature. It is no surprise to anyone that we are a multicultural nation. In this context, I draw the attention of members to an event that I am hosting in the Parliamentary Theatre next week, on Wednesday 15 June. Mrs Julie Bishop, the Deputy Principal of Punchbowl Boys High School, where I understand that 80 per cent or more of the students speak Arabic, will speak about her experience with innovative programs in one of New South Wales' most multicultural schools.

Mrs Bishop recently won a widely advertised scholarship as the most outstanding example of using various means to reach people of non-English speaking backgrounds. She will speak next Wednesday at 1.00 p.m. in the Parliamentary Theatre. I dare say that a large proportion of parliamentarians, at both State and Federal levels, come from migrant families. Taking a quick inventory of our current Ministers highlights this. It would not take a genius to deduce that surnames like Della Bosca, Iemma, Tripodi and Costa have an ethnic background. Thus, given our multiracial population, it is necessary that our Government's policies and practices cater for the diversity in children's backgrounds. The Australian Bureau of Statistics has indicated that since the end of World War II, over six million new settlers have arrived in Australia. Over the same period, from 1947 to 2001, the proportion of the population born overseas increased from 10 per cent to 23 per cent. Our population has become increasingly multiracial.

The Department of Education and Training has what it calls multicultural education. According to the department, "multicultural education supports a vision of New South Wales as a community which values and benefits from its cultural and linguistic diversity to fully realise its social, cultural and economic potential". It also encompasses "policies, programs and services that address the learning needs of students from diverse cultural and linguistic backgrounds and develop the knowledge, skills and values required by all students for active citizenship in a culturally diverse, civil society". Currently, multiracial programs and services are provided for schools in the following most necessary areas: anti-racism education, community relations, ESL, multiracial perspectives to curriculum, supporting students from culturally diverse backgrounds and paying attention to refugee students with special needs.

The motion expresses dissatisfaction with the current provision of ESL teaching to our multiracial students. I wholeheartedly agree that ESL teaching is necessary in our schools. It is not only necessary but ought to be a focal point, a central strategy for assisting those from non-English speaking backgrounds. It is striking to note that from 1983 to 2004—a period of a decade—the ratio of ESL teachers to ESL students in primary schools increased from 1:55 to 1:110, which is exactly double, and in secondary schools from 1:42 to 1:78,

which is almost double. These figures are disquieting. As Australia becomes more diversified in its population, measures catering for this diversity must be stepped up. I urge the Government to dedicate more funding to ESL services and to increase the number of ESL teachers.

The Hon. CATHERINE CUSACK [10.46 a.m.]: The Coalition will move to amend the motion, and I will outline that amendment in a moment. If the amendment is successful we will be pleased to support the motion moved by Ms Lee Rhiannon. The motion has a number of parts. Paragraph 1 (a) refers to English as a second language [ESL] services and how crucial they are in schools. I am sure all members would support that. Paragraph (b) acknowledges the good work that is being done in our schools. Paragraph 1 (c) notes that the number of English as a second language teachers in our schools has not increased since 1993—a period of 12 years, in which there appears to have been a freeze on the number of ESL teachers in our schools. Paragraph 1 (d) notes that during this period teacher-pupil ratios have virtually doubled for English as a second language. It is well documented that there is a huge demand for these services and that it is clearly not being met.

Paragraph 1 (f) raises the interesting issue of fee-paying overseas students in New South Wales government schools. Ms Lee Rhiannon suggested that they are absorbing existing limited English as a second language services and that fees collected from these students have not been used to increase the number of ESL teachers employed by the department. That is an unarguable position. If the State Government is collecting fees from overseas students but not providing services for those students, that is indefensible. To take money from overseas students, put them in schools and then use resources desperately needed by non-fee paying students to service fee paying students and not increase the overall amount available is indefensible. If the Government is collecting the money it must provide the services but not at the expense of the existing student body.

Paragraph 1 (g) of the motion refers to the impact of this on students in southern, western and south-western Sydney. I point out to Ms Lee Rhiannon that this is also an issue in some areas of country New South Wales because of the relative isolation of those places. Places such as Broken Hill have a large immigrant population. For example, there is a large Filipino community in Broken Hill, and I believe that Woolgoolga has the largest Sikh population in Australia. Obviously there is a particular need for ESL services in country communities with a high concentration of people from non-English speaking backgrounds. So while we support this motion, I note that it should be extended to cover all of New South Wales.

Paragraph 2 of the motion calls for an increase in funding to provide an additional 900 ESL teachers. The Coalition's position is to support the recommendation of the Vinson report that a minimum of 100 teachers be recruited. As a result, I foreshadow an amendment to this motion to change the figure of 900 to 100. We support that as a minimum position as recommended by Tony Vinson. We also support paragraph 2 (b) to ensure that those ESL teachers are adequately trained and have opportunities for that training. We heard today the Minister's broken-record response that we have all now come to expect from a tired Carr Labor Government, that is, to acknowledge that there is a problem but it is the Commonwealth's fault and it is up to the Commonwealth to solve the problem. The Carr Government's solution to this important issue today is that it will write a letter to the Minister and ask to have it put on the agenda of a meeting at some future date.

The Hon. Carmel Tebbutt: We have already done that.

The Hon. CATHERINE CUSACK: I apologise. The Minister says she has already written that letter to ask that it be put on the agenda. The Carr Government is basically arguing that just because all Labor Ministers get together and ask for a blank cheque for X, Y and Z, there is some moral high ground in going through this strategy. The only thing that is more tired and hackneyed than that argument is the tiredness and weariness in the community from hearing that argument. Nobody believes that any more. I refer to comments made by Tony Vinson, firstly, in his review of government schools and, secondly, in his follow-up audit. The Vinson report of 2002-03 notes that the Commonwealth Government's responsibility is, in particular, per capita funding for the provision of intensive English assistance for non-English speaking new arrivals. Of course, not every child in New South Wales with a need for ESL services is newly arrived from overseas. Many other students in our community from families where English is not spoken in the home are in need of those services. That is hardly the fault of Brendan Nelson. That is a clear educational need that should be addressed by the State Government. Tony Vinson stated in his report:

The inquiry has received a small number of submissions from schools addressing the needs of students from LBOTE.

That is a language background other than English. He went on:

In general, these argue that current resources are inadequate to bring students up to English language fluency, a process that the DET estimates to take seven years from entry into an English speaking school, assuming students of average ability and ongoing ESL ... assistance.

A Western Sydney high school commented on DET guidelines for deeming students to have reached fluency:

ESL staff and District personnel are aware that the language acquisition and development of students does not in any way correlate to DET's specified number of years in an Australian school. Under this system schools are not adequately staffed to meet language and literacy needs of their NESB students.

At the service level, the school is saying that the Department of Education and Training does not appear to understand the nature of the demand and that the guidelines are hampering efforts to deliver these services to its students. Mr Vinson, in his audit of May this year, looked at what has happened in schools since he produced his report. In that audit he stated:

Figures for the school year 2004 indicate that the number of LBOTE students had increased from 199,540 (25.8% of enrolled students). The number of these students requiring ESL help had increased from 125,214 in 2001 to 127,577 in 2004, but only 87,717 of these students are receiving help.

He commented in his audit:

A DET briefing indicates that the DET has tried on two occasions since 2002 to obtain additional funding from the New South Wales Treasury for ESL teachers. Additional funds of \$3.51 billion, to cover an increase of 60 EFT ESL teachers over the period 2003-2005 was sought in the 2002/03 budget but was unsuccessful. A proposal for an additional 100 ESL teaching positions, as recommended in Recommendation 8.7 above, was submitted to Treasury as part of the 2003/04 budget process and was again unsuccessful. Its estimated cost was \$8.4 million. We are advised that the DET has continued to seek enhancement funding for ESL teachers in both the 2004/05 and 2005/06 State budgets.

If the Minister really believes it is not possible or right for the State Government to provide this funding, it is difficult to explain why she is asking Treasury for that additional money. We would support her in the submissions she is making but we question the sincerity of trying to shift blame onto the Commonwealth when requests to her own Treasury are unsuccessful. The Public Education Council reported to the Minister earlier this year. It commented in its report, which followed the Vinson report:

The funds invested in public schools have not kept pace with the entitlement of all children and young people to the education they need to engage successfully in today's world. Resource levels could not reflect the unique responsibilities of public schools, leaving many schools without the capacity they need to carry out the work expected of them.

English as a second language is one of the areas specifically referred to in that report. The Teachers Federation revealed its position on the blame-shifting to the Commonwealth in an article entitled "Developing English literacy skills" by Angelo Gavrielatos. It stated:

... the NSW Government cannot absolve itself from its responsibility to these students. Immediate action is required.

Since 1983, the number of LBOTE students assessed as requiring ESL assistance but unable to receive it, has trebled to 41,158 students.

In response to the need for increased ESL provision in schools—

It then went on to talk about the Department of Education and Training submitting proposals to Treasury in 2002-03 for an increase of 60 full-time equivalent ESL teaching positions, and that was unsuccessful. We heard earlier about the later application for 100 teachers, which was also unsuccessful. I draw the attention of the House to a media statement issued by the Hon. Dr Brendan Nelson, the Federal Minister for Education, Science and Training, that highlights the fine work the Howard Government is doing to support migrant school students to learn English in our schools. In a media statement dated 11 March 2004 Dr Nelson said:

The Howard Government will provide \$231 million over the next four years to ensure migrant school students newly arrived in Australia receive support in learning English.

This funding is a 32% increase over the last four year funding period and is part of the Howard Government's \$31.3 billion package of funding for Australian schools for 2005-2008.

That is \$31.3 billion in funding for schools contributed by the Commonwealth. The media release went on:

Children from non-English-speaking backgrounds can be disadvantaged when it comes to participating in mainstream classroom activities, especially during the first few months after arriving in Australia.

The Programme aims to develop students' English language competence and increase their educational opportunities.

In 2003, the Howard Government provided \$4,439 for each eligible student. Approximately 11,000 students throughout Australia were assisted at a total cost of almost \$48 million.

So the Howard Government is clearly on top of its responsibilities, is willing to talk about its responsibilities and is meeting that funding, not only through specific programs for newly arrived migrants but also through an enormous package of funding, in excess of \$31 billion over that period, into government schools.

The Hon. Dr Peter Wong spoke about the Government's attitude to ethnic affairs and to people who arrive in this country with a different language background. I am pleased he picked up on the point that it has been the policy of the Carr Government to abolish the word "ethnic" from the Ethnic Affairs Commission and adopt a more Orwellian name, relating all such matters to citizenship, which is meaningless and watered down. What does that mean? It is all about evading responsibility and accountability. I felt at the time that that was an astonishing and retrograde step. I also acknowledge the honourable member's comments about the Greiner Government. Honourable members may recall that Nick Greiner, when Premier, took personal responsibility for ethnic affairs and he was not ashamed to use the title "Ethnic Affairs". He was not ashamed to attach that title to his name.

The Hon. John Ryan: He was one of the first Premiers from a non-English speaking background.

The Hon. CATHERINE CUSACK: Nick Greiner was the first Premier of New South Wales who came from a non-English speaking background. He showed great commitment to ethnic affairs and enormous strides were made when he was in office. I know that people in ethnic communities in New South Wales were deeply appreciative of the standing, the time, and the status he gave to their organisations. We are committed to supporting diversity in our communities. The support of ethnic communities and the preservation of ethnic heritage are integral to our philosophy, ideology and approach to government. I move:

That the question be amended by omitting from paragraph 2 (a) "900" and inserting instead "100".

Ms LEE RHIANNON [11.00 a.m.], in reply: I thank all members who spoke to the motion. I will deal with the two amendments. The Minister for Education and Training moved an amendment to delete the words "State and" from paragraph 2, leaving the words "Federal Government". Clearly the State Government plays a significant role in delivering English as a second language [ESL] services in New South Wales. There is a \$12 million shortfall in Federal funding for ESL services in New South Wales. But there is a division between State and Federal responsibilities in this area. Federal funding is applied for new arrivals and refugees and State funding is applied for students who, although they may be Australian born, are from non-English speaking background families. So the State does have a clear responsibility in the delivery of ESL services.

As the Hon. Catherine Cusack said, the Minister's department has acknowledged its responsibilities by saying that 41,000 students are missing out on ESL services. Further, over the past five years the Department of Education and Training has made budget submissions for additional ESL places. Its submissions were unsuccessful, but its action reflects that the department and, I assume, the Minister, recognise they have a delineated responsibility for delivering ESL services to New South Wales. I understand that the Department of Education and Training made a submission prior to the Vincent report for funding for 60 additional ESL teachers. After the Vincent report the department asked for funding for 100 teachers. The department's position, which it has taken on many occasions, underlines why the Minister's amendment should not be accepted. The State and Federal governments both have a responsibility in delivering ESL services and we call on them to act appropriately.

The Hon. Catherine Cusack: We want the Minister to keep trying.

Ms LEE RHIANNON: The amendment moved by the Hon. Catherine Cusack on behalf of the Coalition would change the number of additional ESL teachers from 900 to 100. The Greens will accept that amendment. The Opposition has said that if the amendment is adopted it will support the motion. In doing so, the Opposition is accepting a criticism of the Howard Government. The motion criticises both the Federal and State governments. I urge the Minister for Education and Training to acknowledge the inadequacies of the State Government in this area. As the Hon. Catherine Cusack said, we want the Minister to keep trying. I believe she has been trying, but she does not want to put on record any criticism of the State Government. Criticism of both the State and Federal Governments is warranted. I urge members to support the Opposition amendment, but not the Government amendment; and I urge the Government to support the motion, which addresses an issue that requires urgent attention.

Amendment of the Hon. Carmel Tebbutt negated.

Amendment of the Hon. Catherine Cusack agreed to.

Question—That the motion as amended be agreed to—put.

The House divided.

Ayes, 20

Mr Breen	Mr Jenkins	Ms Rhiannon
Dr Chesterfield-Evans	Mr Lynn	Mr Ryan
Mr Clarke	Reverend Dr Moyes	Mr Tingle
Mr Cohen	Reverend Nile	Dr Wong
Ms Cusack	Ms Parker	<i>Tellers,</i>
Mrs Forsythe	Mrs Pavey	Mr Colless
Ms Hale	Mr Pearce	Mr Harwin

Noes, 12

Ms Burnswoods	Ms Griffin	
Mr Catanzariti	Mr Hatzistergos	
Mr Costa	Mr Kelly	<i>Tellers,</i>
Mr Della Bosca	Ms Robertson	Ms Fazio
Mr Donnelly	Ms Tebbutt	Mr West

Pairs

Mr Gallacher	Mr Macdonald
Miss Gardiner	Mr Primrose
Mr Gay	Mr Tsang

Question resolved in the affirmative.

Motion as amended agreed to.

DISABILITY PROGRAMS FUNDING

Debate resumed from 8 June 2005.

The Hon. ROBYN PARKER [11.13 a.m.]: Before the debate on this motion was interrupted yesterday I had said that the changes to the Adult Training, Learning and Support [ATLAS] Program and the Post School Options [PSO] Program have had a devastating effect on families throughout New South Wales, so devastating that that is why they were protesting at Wollongong, in Newcastle, and outside Parliament House. These people's lives are so busy, and they are already so stretched and stressed managing their disabled young adult children in their homes 24 hours a day, seven days a week, that the last thing they need to do is come to Parliament House to protest. But protest they did, because these funding changes have disrupted their lives and the lives of their families, not only the young adults they are caring for but the other children in their families. It affects their working life.

If these parents manage to place their young adult in respite care, or in a PSO or ATLAS program for some hours of the day, it gives them an opportunity to engage in employment, it gives them an opportunity to lead the sort of life that most people are able to do without any problem at all, and it gives them an opportunity to spend time with other children in their family. Over the Christmas period last year these families had to come to a decision about what to do with their young people, what care provider they were going to look for, and what changes there might be. That was incredibly stressful at a time when people should have been relaxing and enjoying life. These people are normally invisible; you certainly do not see them out protesting, simply because they are used to shouldering their burden on a daily basis.

These people never complain, they never make a fuss, and they provide care for their children in the best way they can, saving the Government a huge amount of money. What they get for their trouble is a slap in the face from the Carr Government and slashed funding. As a member of Parliament I do my best to appreciate

the impact of decisions made by governments. I try to have some understanding of, and empathy with, those affected by decisions made in this place. I can tell honourable members that the emails and phone calls I have received and the meetings I have attended over the last few months and during last year really tore at the heartstrings. There are so many families at breaking point and, for some, a change of this type can be the straw that breaks the camel's back.

Honourable members are no doubt aware that some families have had to leave their young people in respite care permanently because there is no other option for them. These families are shouldering an incredible burden and they are unable to participate in activities that most of us take for granted. One such family, the Gavage family of Port Stephens, came to see me. Their son, 19-year-old Nicholas Gavage, has cerebral palsy and is confined to a wheelchair. He has epilepsy, global developmental delay, and optical atrophy. He is completely immobile and incontinent, and he requires 24-hour care. In 2003 the Gavage family moved to Port Stephens and built a home suitable for their son's needs. While they found the level of respite care outside Sydney to be inequitable—another issue we need to address—they managed to find out-of-home respite care for their son, which included a three-day program with varied activities.

The funding the Gavage family received allowed for Nicholas to be picked up at 8.30 in the morning, attend an ATLAS program, and be dropped home at about four o'clock in the afternoon. The State Government's funding cuts have meant a reduction in funding for Nicholas and now, despite a commitment that they will always have at least three days care, they are faced with having to look for a different provider so they can spread the money around.

Hilda Pye, who lives in the Newcastle area, told me that her son now has to go to a different care provider and for different days during the week so that he gets at least a level of care—a level that is not comparable with the care he was receiving, that is of a lesser quality, but which is for a comparable number of hours. However, his funding does not stretch to transport, so his mother and her husband and another adult son have to take time off work to transport their son and brother to and from his care provider.

They have experienced huge changes in their lives, and the adjustment to a different care provider has been quite stressful for their dependent son and for them. They run their own business and are able to transport him to his care provider, but many other people in a similar position do not own their own business and have found the changes really difficult to contend with. It is simply outrageous for the Government to suggest that there have not been cuts to funding. The change from five days to three days care has made a monumental difference to the lives of these young adults and their parents. In addition, the care providers have had to modify their programs and are unable to offer the same quality of care that was envisaged when the Coalition established these programs. Care providers simply cannot offer the same level of care with the same outcomes. It seems that we are turning back to the Dark Ages. Often these people are simply put in a room and offered very little stimulation. Their care providers have to stretch the funding, and they often have to operate under substandard programs.

I have spoken to a number of care providers, and they have told me that they their staff are unsure about what the funding cuts will mean for them and that this causes them further stress. A number of people employed in the industry are not sure about what the future holds and what the funding cuts—and they are funding cuts—will mean for them. The latest rescue package offered by the Government simply creates two different levels of care. The young people coming out of the school system at the end of this year and in the future will have a totally different standard of care from those currently in the system.

The Government has admitted that it made a mistake with funding for these programs and it has topped up the funding to \$6 million. However, yesterday in the House the Minister was not able to tell us whether the \$6 million would be rolled out immediately. We are not sure when the funding will be rolled out. This uncertainty will create massive inequities in coming years. We can imagine that the parents of a young person coming out of school in the near future must wonder what that means for them.

The Government and the Minister have made a number of claims regarding increased funding for these programs. The number of people needing care is increasing. In saying that the funding for these programs has increased, the Government fails to recognise the increasing number of people coming through the system and the need to proportionately increase the funding. The Government is engaging in smoke and mirrors tactics, at the expense of the most disadvantaged people in our community.

The Government has been in office for almost 10½ years, and has enjoyed unprecedented revenue. However, it has neglected a golden opportunity to develop good social infrastructure. In his Budget Speech the

Treasurer engaged in rhetoric about the budget providing funding for social infrastructure. Yet the most vulnerable groups in the State, the group that should be provided with support, has missed out on funding. The Government should hang its head in shame. In New South Wales many young people with disabilities live in nursing homes, yet the Government has no plan regarding what will happen with them. We have the stress on the system of elderly parents caring for young children with disabilities, and families absolutely stretched and at the end of their tether.

Over the last few months I have talked to families about these funding cuts. They have said to me, "We don't know what the future holds for us and our children. What is going to happen when we are not around?" They have to live with that sort of uncertainty and stress every day, wondering what the Government will do and what the future holds for them. Many of them are in horrendous situations. They have adult children with complex needs who are often very difficult to manage, and often the only way for them to survive is to have their young adult children in some sort of care.

The idea behind the ATLAS program was that it might ensure that young people with a disability would be able to gain skills to take on some sort of employment, even if only employment offered by their care provider, that they might gain confidence about what the program may offer, and that they might have something to look forward to in the future. However, we now find that that possible outcome has been hampered by the Government's lack of funding.

I do not know what the Government's funding cuts will mean for families such as the Gavages. Many of these families receive support care for only three days a week. For them to care for their disabled young adult children for two days a week will require a huge change to their lifestyle. They may need to give up work for two days, and that will mean they will be financially stretched. Their home environment will also cause them stress, with a young person who really does not want to be there, who would rather be out having social interaction with his or her peers. A young adult, who I imagine would rather be out engaging in social activity, will now be confined to home, and possibly confined to sitting in front of a television set or something less stimulating.

The Government has given no assurance that these funding cuts are the end. It has given no assurance about when and how the money will be rolled out. In this State, which is the wealthiest State in Australia, this is an appalling way to treat young people with a disability. It is outrageous that in 2005 the Government says to their parents, "We don't recognise what you are doing in saving the Government funds and supporting your young adult children. We don't recognise your needs." It is an outrageous situation. I know that many families are battling 24-hours, seven days a week to try to cope as best they can.

We say to them: The Government is not able to manage and improve the system, or to rationalise the services if that is necessary. It is not able to look at the ATLAS and PSO programs funding, or at alternatives and improvements to those programs. Instead, the Government says, "Our answer is to cut funding for these programs and create different levels of support for people." This heartless Government has no creative answers regarding re-evaluating funding for these programs; it simply slashes funding across the board. I say to the Government: Shame.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS [11.27 a.m.]: I support the motion, which was placed on the notice paper prior to the General Purpose Standing Committee No. 2 inquiry into the Adult Training, Learning and Support [ATLAS] and Post School Options program changes. In a sense, the motion covers some aspects of that issue. However, I understand that it is well within the ambit of the House to discuss matters such as this. I will support Reverend the Hon. Fred Nile's foreshadowed amendment, which would delete paragraph (a) of the motion, relating to Premier Bob Carr attacking people with disabilities and their families. I believe that the Premier has avoided the issue of disabled people.

In 1998 a Labor dinner was held in Burwood, at which, from memory, Bob Hawke spoke. The Paraplegic and Quadriplegic Association, which has its headquarters in Burwood, was also holding a meeting at that time, and its members effectively marched on and picketed the dinner. Bob Hawke scurried around through a back kitchen door to escape from the disabled people assembled at the meeting, who were asking for a better deal. I must admit that that was pretty ignominious for the Premier at that time. I think that was when people with disabilities finally realised they would have to get politically active to get any sort of deal. Indeed, it has been a struggle ever since. Two issues were going on that day. There was also a rally in Wollongong—and, in fairness to Bob Carr, I believe he thought that the other group was involved. His comments, for which he has apologised—

The Hon. John Ryan: No, he hasn't.

The DEPUTY-PRESIDENT (The Hon. Amanda Fazio): Order! I remind the Hon. John Ryan that interjections are disorderly at all times and that he should not interject and not prompt speakers.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS My understanding was that the Premier's statement was a statement of apology. If that is not the case, I will not support the amendment of Reverend the Hon. Fred Nile. However, if it was a statement of apology, I will support the amendment, because I believe that if people apologise for having acted in a certain way, they should not then be condemned for that action.

With regard to the problems that beset the Adult Training, Learning and Support [ATLAS] and Post School Options [PSO] programs, parliamentarians must see through the flimflam, determine what are the core problems, and then set long-term policies accordingly. First we must address the reasons for the increasing number of people with a disability in our society. An inquiry into education facilities for people with a disability identified some of the problems encountered by children from birth to the time they start school. When children with a disability are born they are looked after by the health department. But after some time, unless they come to the attention of the Department of Community Services, they are not looked after by any government department until they reach school education age. People seeking early intervention with regard to services for such children were instrumental in getting the Standing Committee on Social Issues to conduct this inquiry. I commend the committee's conclusions with regard to that inquiry; they should not be left to gather dust on a shelf.

It would seem that the earlier problems in children are identified, and the more active the intervention is at the stage of maximum brain growth—which is at a very young age—the easier it is to get results from affirmative action training. The means of identification is basically left to the parents, and it is often quite difficult for subtle degrees of disability or other problems to be identified in very young kids. Parental education and the use of case comparisons, whereby parents can determine whether their child is coping or not coping as well as other children the same age as their child, seems to be the most cost-effective way to go.

There have been improvements in education with the deinstitutionalisation of people with disabilities; that is, returning them to the mainstream. Although that decision was sneered at initially for being a cost-saving measure—and perhaps it was, because the cost of institutionalisation is very expensive—the result has been an improvement in education. But more funds must be made available. Affirmative action in education and equality of opportunity are still elusive goals and more has to be done to achieve those goals. However, the Department of Education and Training has made considerable progress over the past decade in this regard.

As my mate Bob Richardson from Sydney Water used to say, "If you think education is expensive, try ignorance!" The tiger economies of Asia recognise that any person who is not employed in a few years will have to be supported by the welfare system. They also realise that more and better education is a cheaper alternative. Rather than worry about the short-term cost, we should look at the long-term investment. Even if people with disabilities are able to look after themselves only a little better than they could before receiving education, the savings that will be realised will be immense because the cost of their care in the future will not be so great. So education for people with disabilities is a whole-of-life project providing a whole-of-life-benefit for those who receive that education. There will also be a whole-of-life saving, as others will not be required to do things that people with disabilities have learned to do for themselves.

Within the framework of identifying problems in children before they reach school age, the provision of education or affirmative action at that stage, and improvement in education for people with disabilities in the school system, there remains the problem of people with developmental delays or problems arising in children after they attend school. Such people may get to work a little later than others with normal abilities, but hopefully they will still arrive at work. I am always impressed when I listen to special education teachers. They say that although people with disabilities may not function at as high a level as people with normal abilities, once their workplace is adapted even slightly they are less bored by repetitive tasks, and are more dedicated to their job, than "normal" people because they are happy just to be active. There are more advantages in employing people with disabilities in such jobs over people with more normal intelligence or abilities. Workplace programs must be set up. Special education teachers have expressed concern that people are receiving post school education when perhaps they are ready for work. Be that as it may, there are still many people who need post school education.

The ATLAS Program was better than any program before it. It was, in a sense, a pilot. Having said that, however, I have to say that it was not a good program. The current Transition to Work Program is probably

better than the ATLAS program, and the Community Participation Program is, in a sense, an extension of the Post School Options Program. All that is fine, but the assessment process was poor. As a consequence, people who were placed in the Transition To Work Program perhaps should have been placed in the Community Participation Program, and vice versa. The assessment questionnaire could be completed in quick time. I believe it was initially designed for Home and Community Care [HACC] to assess home support requirements. It contained lots of yes/no answers, the advantage of which is that those filling in the questionnaire are forced to pick a yes or no answer and therefore, in a sense, some clarity is achieved. But there can be grey areas. For example, a question might ask whether the applicant can do certain things, the long answer to which might be, "Yes if they are supervised, but no if they are not." However, a short answer "Yes" or "No" to such a question is often thought to have some prognostic or evaluative benefit.

The appeal mechanism was poor also. So far as the department was concerned, the process was not neutral. There is probably a real need for some independence in the process. In my view government's should fund centres of excellence in universities with perhaps five- or even ten-year contracts—that is, centres separate from those of the department—at which long-term objective evaluations can be made of what the Government is doing by academic institutions. This need not be an adversarial process; there should be no need for the Opposition to jump up and say, "Look, they are doing the wrong thing." It should be a sensible process that will allow the Government to say, "We will get an outside academic body to compare these two programs and evaluate what is being done." The Government will receive input and take advice—perhaps even costings—from other sources around the world, and then a decision can be made quite openly. So the situation will not be politicised; there will merely be a systematic search for excellence.

That is how these things should be worked out and evaluated. There should not be some sort of secret agenda sprung on families and carers. I quizzed the head of the Department of Ageing, Disability and Home Care [DADAHC] about this matter. There is little doubt that Treasury has been applying pressure on the department to cap the costs of the ATLAS and PSO programs and their replacements, the Transition To Work Program and the Community Participation Program. The Government has defended itself by producing figures, which were shown to me yesterday, indicating that it has increased funding for disability services far beyond the consumer price index—in fact, three or four times the consumer price index. In the Government's thinking, as the budget rolls around each year services that receive funding in excess of the consumer price index are said to receive increased funding and services that receive funding less than the consumer price index are said to have suffered a funding cut. So that the consumer price index is the index of constant funding, if you like.

But consideration has to be given to a real change in the paradigm of disability services, in relation to which there are four critical factors. The first is the survival of kids at birth. In the post-war period with improvements in medical technology, in particular improvements in ventilation—which happened in the 1960s—and the implementation of intensive care nurseries, more and more kids were surviving.

The second factor is that people with disabilities now live longer than previously, and that means they need to keep working and require support services for a longer period. The third factor is that the death of parents of baby boomers with a disability—who are surviving for longer because of improvements in technology—places an additional burden on group homes and nursing homes. The final and most important factor with respect to the Post School Options Program is the change in expectation of people with disabilities. They no longer wish to remain in an institution for the rest of their lives, colouring in or watching television. They have a life plan. They want to go out into the world, have a social life, take up a career, and even have an active sex life. Indeed, their expectations are now more in line with mainstream communities. Most want to reach the peak of their abilities—something to which every young person should aspire. We should all try to be the best that we can be.

The encouragement, anticipation and hunger for appropriate resources were evident in my discussion with people involved with the ATLAS Program and the Transition to Work Program. In the long term the Transition to Work Program will save the Government money, provide a further labour source and reduce dependence on carers. This is a sound investment, but it will require a huge rethink. It is not merely a matter of calculating funding increases in line with the consumer price index, or small multipliers of that index. It will require a rethink of options for the management of disability services to provide a decent life for these people. It is critical that the Government takes on board such advice.

In the seven years that I have been a member of this Parliament I have been involved in inquiries conducted by the Standing Committee on Social Issues and General Purpose Standing Committee No. 2 into mental health and disability services. We must deinstitutionalise people from silos, where they have been put for

administrative convenience, and look towards graded community support that is tailored to meet the individual needs of people with a disability. Debate on the evolution of the ATLAS Program and the Post School Options Program into the Transition to Work Program and community participation programs is part of that initiative.

The Commonwealth Government has a responsibility to support people with disabilities to gain employment through the provision of subsidies. However, the Commonwealth Government has stopped funding for 500 placements. The consequence of that scandalous decision is fewer jobs for people with a disability. The flow-on effect is that people who engage in training have had their hopes raised, but the stingy Federal Government will not provide support to enable people with a disability to obtain real and meaningful employment. We have heard the rhetoric about getting people off disability pensions, but it is obvious there is no substance to the rhetoric given the decision to reduce funding.

When the Commonwealth Government privatised the Commonwealth Employment Service employment agencies were paid to prioritise cases. Indeed, they were paid a premium to place people with disabilities in jobs or, if that were not possible, to put them on disability pensions. As a general practitioner at the time I signed many forms stating that people had disabilities and were, therefore, eligible for a disability pension. The Commonwealth Government was in favour of that system as it gave the impression that unemployment figures were decreasing and, because of that, it could boast about its good governance.

The Hon. Melinda Pavey: What years are you talking about?

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: This was the mid-1990s. However, too many people are now on disability pensions and, even though the unemployment rate has gone down to some extent, today's Commonwealth Government continues the scam of redefining the unemployment rate. Some years ago Maximilian Walsh wrote an article suggesting that Australia had a much worse unemployment rate than that of the United States of America. I wrote to him pointing out that in the United States one hour a week of work was regarded and recorded as employment, whereas in Australia 25 hours of work in a week was regarded as employment. I suggested that his figures were bodgie and asked what he proposed to do about his article. I did not receive a reply.

For political convenience the term "unemployment" has been redefined in Australia. As a consequence, a great percentage of the drop in the unemployment rate in Australia has come about because of that redefinition. The Federal Government may look smugly at our so-called low unemployment rate, but I believe that it is ignoring the significant underemployment and hidden unemployment throughout the country. The Commonwealth Government now has a project to get people off disability pensions and into work, the effect of which will be a reduction in the number of pensions. The Commonwealth Government assumes that these people do not want to work. Yesterday Ross Gittins reported in the *Sydney Morning Herald* that people who want to work and participate in the work force should not be discriminated against because they cannot obtain work.

If the Commonwealth is serious about getting people off disability pensions and into jobs, and about encouraging people into the Transition to Work Program, which the State Government has funded, it should provide supported employment. The State Government has reduced funding for the Adult, Training, Learning and Support Program and the Post School Options Program and deserves condemnation for that. However, the Federal Government has not pulled its weight either and it must lift its game. I support the motion.

The DEPUTY-PRESIDENT (The Hon. Amanda Fazio): I acknowledge the presence in the public gallery of students from schools across New South Wales who are participating in the Schools Leadership Program, which is run by the Parliament.

Reverend the Hon. FRED NILE [11.48 a.m.]: The motion is about the Adult, Training, Learning and Supported Program and the Post School Options Program. I do not agree with paragraph (a) of the motion; however, I support paragraph (b). I foreshadow that I will move an amendment to delete paragraph (a). I do so because the Hon. John Ryan, whose enthusiasm for this just cause I support, has made an unwarranted attack on Premier Bob Carr. Paragraph (a) of his motion implies that the Premier is critical of people with a disability, and that is a completely false statement. It reminds me of a motion moved by the Coalition sometime ago claiming the Premier was racist. That motion was defeated. I believe in dealing with the principle—that is, policies and parties—not targeting the person. That is where this motion falls down. Not only do I believe that the information in the motion is false; the evidence from the *Illawarra Mercury* and other papers clearly indicates the Premier's intentions when he was confronted with the protest group when Cabinet held its meeting in Wollongong.

The Hon. Christine Robertson: He apologised.

The Hon. John Ryan: He didn't apologise.

Reverend the Hon. FRED NILE: I am getting to the Premier's apology.

The Hon. John Ryan: He made an excuse. The word "sorry" does not appear once in that statement.

The DEPUTY-PRESIDENT (The Hon. Amanda Fazio): Order!

Reverend the Hon. FRED NILE: In the *Illawarra Mercury*—

The Hon. John Ryan: The word "sorry" does not appear once.

Reverend the Hon. FRED NILE: I will refer to the use of the word "sorry" in a moment. The *Illawarra Mercury*, which covered the protest and the Premier's comments, reported:

What the Premier obviously failed to notice was that most of the approximately 500-strong crowd who turned out to heckle were people with disabilities and their carers.

The *Illawarra Mercury* acknowledged that the Premier was speaking in general terms to the protesters who were making a lot of noise and being disruptive. The Premier was supporting the people of the Illawarra, which was the whole point of his comments.

The Hon. John Ryan: Don't try that spin! That was spin.

The DEPUTY-PRESIDENT (The Hon. Amanda Fazio): Order! I call the Hon. John Ryan to order for the first time.

Reverend the Hon. FRED NILE: I have lived in the region since 1992 and I have come to understand the political struggle taking place in Wollongong and the Illawarra, with radical elements in control of the South Coast Labour Council holding protests. By overreacting on many issues, they were affecting the reputation of the Illawarra and growth in the area, as well as people's attitudes in terms of whether they want to move to or open a business in the Illawarra. The Premier was trying to say, "Let's have a constructive atmosphere in the Illawarra so that people can move there and help the city of Wollongong and the surrounding region to grow." That is the whole point. The Premier wrote a lengthy letter to the *Illawarra Mercury*.

The Hon. John Ryan: It wasn't the Premier.

Reverend the Hon. FRED NILE: The letter is from the Premier. The *Illawarra Mercury* printed the letter with the title, "In heartfelt defence: the Premier's open letter to residents of the Illawarra" and the footnote, "This is an edited letter to the Illawarra Mercury from NSW Premier Bob Carr".

The DEPUTY-PRESIDENT (The Hon. Amanda Fazio): Order! I have already called the Hon. John Ryan to order during this debate and I will do so again if he continues to interrupt.

Reverend the Hon. FRED NILE: The Premier's letter stated in part:

The Illawarra is on the move and is one of the national's fastest growing regional economies.

My comments (on Tuesday) were made as a heartfelt defence of the Illawarra's reputation.

Some of the protesters (not, I stress, those who were there about disabilities) sent a message of old-fashioned strife and conflict. That's an antiquated image of a great region. An image totally out-of-date.

The Premier's point makes sense to me. As honourable members know, the Government nominated me to serve on the Council of the University of Wollongong. During my time on that council I learnt first hand about the radical activities of the South Coast Labour Council, which was led by Paul Mathers at that time. He was so angry that I had been appointed to the university council that I believe he abused his power as secretary to organise a picket at the university when I arrived to attend my first meeting of the university council, which is similar to the university senate. To prevent me from entering the university, he organised a picket around the whole university to stop anyone getting into the university. He brought the university to a standstill. I am sure

that that sort of thing was in the back of the Premier's mind when he made his comments. Such radical activities damage the reputation of the university and Wollongong, and they are not helpful to the growth of the area. The Premier said further:

I want to say to those people protesting about disability issues that no offence was intended and I am sorry if any was taken.

The Hon. John Ryan: Sure he was!

Reverend the Hon. FRED NILE: A moment ago the Hon. John Ryan said that the Premier did not say sorry. He should read the reports of the actual event.

The Hon. John Ryan: Was there a heated delegation on it?

Reverend the Hon. FRED NILE: I understand that the Minister for Education and Training saw a deputation.

The Hon. John Ryan: At my insistence! I brought them to her.

Reverend the Hon. FRED NILE: I do not know who insisted on it. The Premier's letter concluded:

We must remember, however, the Illawarra is competing with other regions across Australia and the Asia-Pacific. Shanghai and Singapore are the Illawarra's competitors and that is why the image of the region must be one of a smart, competitive, dynamic and modern economy.

That fringe element who associate the region with class conflict and protest aren't part of this future.

I completely concur with that sentiment, and for that reason I move:

That the question be amended by omitting paragraph (a).

Reverend the Hon. Dr GORDON MOYES [11.55 a.m.]: I speak on the motion moved by the Hon. John Ryan, which relates to the Adult Training, Learning and Support [ATLAS] Program and the Post Schools Option [PSO] Program with specific reference to funding cuts to these programs. The ATLAS and Post School Options programs have offered welcome assistance to many disabled individuals across New South Wales and their families. For example, the ATLAS Program promotes initiatives to remove barriers that prevent people with disabilities from accessing the jobs, training, and community access services they need. It is a much-needed program and it is deserving of extensive support.

The Post School Options Program offers assistance to young people with a disability who have recently left school and require some help in the transition from school to their chosen adult lifestyle. I am committed to the notion that people with disabilities should be able to fully participate in society. As a Christian I recognise that Jesus came in order that his followers have an abundant life. In July 2004 the Government proposed reforms to the ATLAS and PSO programs in the form of the Community Participation and Transition to Work programs, which were put forward because apparently only 3 per cent of ATLAS and PSO program clients were moving to employment or related services.

The Transition to Work Program set a limit of \$15,600 per year for assistance to individuals, and individuals could participate in the program for only two years. That was very different to ATLAS, the funding for which could be extended from year to year. Honourable members will be aware that General Purpose Standing Committee No. 2 held an inquiry into the Post School Options Program. One of the terms of reference of that inquiry required the committee to examine the adequacy and appropriateness of funding arrangements for the new programs. Many submissions were made to the inquiry, and the committee is due to hand down its report on 29 July this year. I look forward to the standing committee's recommendations.

Having led Wesley Mission for 27 years, and in that time having seen Wesley Mission become one of the major providers of disability services, I am mindful of and concerned about the adverse ramifications flowing to individual clients and families of the ATLAS and PSO programs from funding cuts and certain reforms to the programs. Wesley Mission supports a large number of people with intellectual disabilities with its day programs, where 55 per cent of clients are under the Post School Options Program. Honourable members might be interested to know about the impact of the reforms. The State manager of disability support services at Wesley Mission, Gemma McCarthy, indicated that it will be difficult to achieve the objectives of the reforms and the stated outcomes because of the reduced funding available to assist individual clients, particularly those with significant support needs.

The reforms affect families in many ways. For example, a single mother with a mortgage needs to work full time in order to maintain her home and basic lifestyle for herself and her severely disabled daughter. The number of days of service for her daughter could be reduced from five to three unless the daughter is accepted for higher support needs funding. At present Wesley Mission is funding those additional days from its own resources. But unless this mother is able to continue to work for five days a week or secure permanent accommodation for her daughter, she has clearly told us that she will have no option but to fail to pick up her child one day from the respite service.

Pursuant to sessional order business interrupted.

QUESTIONS WITHOUT NOTICE

CIRCULAR QUAY PYLONS

The Hon. MICHAEL GALLACHER: My question is directed to the Minister for Roads. When did he see the maintenance and engineering reports for the support pylons for the Circular Quay rail line and the Cahill Expressway? Given his continual claims about transparency, why has he not publicly released these reports to ensure transparency and road and rail safety, particularly given that in 2002 his Government refused to release rail safety audits, using the security reasons excuse, and a few months later systemic rail failures led to the Waterfall rail disaster?

The Hon. MICHAEL COSTA: The honourable member is trying to rewrite the report of the commission of inquiry into Waterfall. I suggest he goes back and reads it.

The Hon. Michael Gallacher: Have you read it?

The Hon. MICHAEL COSTA: I have read it. As I understand this matter, the rail safety regulator made some comments—

The Hon. Michael Gallacher: When did you see the reports?

The Hon. MICHAEL COSTA: I have not seen any reports.

The Hon. Michael Gallacher: You have not seen any at all—none?

The Hon. Duncan Gay: So you don't care about the roads?

The Hon. MICHAEL COSTA: Have you finished? To the best of my knowledge, I have not read any report on this matter, but that would not be unusual. These matters would go through the normal process. That process would be one where people with the appropriate expertise in engineering would deal with the matter.

The Hon. Michael Gallacher: So you wipe your hands of it again? If it falls over, you have nothing to do with?

The Hon. MICHAEL COSTA: I remind the honourable member that I have made it a consistent policy on my part to take expert advice on matters that require professional advice—as opposed to him, who will make any comment about anything without any expertise in the matter.

The Hon. Michael Gallacher: As I said before, the only thing transparent about you is that we can see right through you.

The Hon. MICHAEL COSTA: That's a great one. He has used it about a thousand times. As I was saying, the honourable member ought to take into account that where there are technical issues or issues that require expertise, this Government will rely on the opinion of experts.

The Hon. Michael Gallacher: The same ones who ignored incidents leading up to Waterfall with the dead man's brake; the same expert who ignored systemic problems?

The PRESIDENT: Order! I call the Leader of the Opposition to order.

The Hon. MICHAEL COSTA: As I said, we will take the advice of people who are technically qualified to give advice on engineering matters.

The Hon. Dr Arthur Chesterfield-Evans: You drummed him out. You drummed him out of the railway.

The Hon. MICHAEL COSTA: Who was that? Oh, it is the leader of the diminishing—

The PRESIDENT: Order! I remind the Minister that interjections are disorderly at all times.

The Hon. MICHAEL COSTA: As I have said on a number of occasions and will continue to say, we will take the advice of experts in relation to matters that require expert advice. We will not do what the Opposition does and make uninformed, alarmist comments about anything for political gain. That is not the way we operate. We engage proper consultants and experts, and on the basis of their expertise we will make informed judgments about rectification if it is required, or anything else.

INDIGENOUS STUDENTS MUSIC WORKSHOP

The Hon. AMANDA FAZIO: My question is directed to the Minister for Education and Training. Will the Minister please update the House on measures to help young indigenous students work towards a career in the music industry?

The Hon. CARMEL TEBBUTT: I am pleased to inform the House about this very important and innovative initiative. Some of the biggest names in Australian entertainment will join forces this month to help talented indigenous students from New South Wales public schools to develop their performance skills. The aim is to give young indigenous students at government high schools help and inspiration to work towards a career in the music industry. We have all heard how hard it can be to break into show business. The program will equip young indigenous talent with the skills they need to do it. Well-known performers who will take part in the indigenous talent development project include Jimmy Little, John Williamson, Melinda Schneider, James Morrison, Col Joye, Emma Pask, Jackie Love, Iva Davies and Adrian Ross. Adrian is an indigenous musician, songwriter, dancer and choreographer. The program designer and artistic director is Mary Lopez. The interjections from the other side of the Chamber show how devoid of creativity those members are.

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

The Hon. CARMEL TEBBUTT: The interjections by the Hon. Melinda Pavey just shows how limited the Opposition's approach is to indigenous education.

The PRESIDENT: Order! I call the Hon. Melinda Pavey to order for the second time.

The Hon. CARMEL TEBBUTT: Well-known research shows that keeping young people connected to education is the way to improve their outcomes in later life. One of the key ways to keep young people connected to education, if they have an interest in music, is to foster that interest. Research also shows that students who do well at music are also likely to do well in other areas. This is a very innovative program and I cannot believe the Opposition is criticising it. I find it extraordinary.

The workshops will take place between 20 and 24 June. On Monday 20 June and Tuesday 21 June they will be at Shepherds Park school. Twelve students will attend from across the Riverina. On Wednesday 22 June, 15 students from the northern regions of New South Wales will attend Peel High School. Six students are enrolled for the workshop at the Chiefly College senior campus in Mount Druitt, with enrolments continuing from the Sydney and Western Sydney regions and Nowra High School. Ms Lopez and Adrian Ross will assess the performance of the student singers and songwriters who will perform at the five one-day workshops and audition days. Brendan Boney, an indigenous student from Karingal High School in Wagga Wagga and a current member of the talent development project, is working closely with consultants from the entertainment and music industry. He is a singer songwriter and will assist in presenting the workshop in the Riverina.

A number of students from these workshops will then be invited to a three-day workshop at the Sydney Entertainment Centre, where they will work on singing, song writing and performance skills. The aim is to find

indigenous students who can be selected to go into the statewide talent development project, where 30 students are selected through an intensive audition process to participate in a year-long workshop program. This program was highlighted so positively recently on the ABC. Only 12 performers graduate, completing 11 two-day master classes at the Sydney Entertainment Centre. The students also perform at a number of significant public and corporate events throughout the year.

Some of Australia's music industry success stories have graduated from the talent development program, including Human Nature, Paulini, Jedd Hughes, Emma Pask, John Foreman and Blake Ralph. Blake Ralph recently performed in the opening ceremony for the 2005 Australian Youth Olympic Festival at the Sydney Superdome. [*Time expired.*]

HAWKESBURY RIVER OYSTER INDUSTRY

The Hon. DUNCAN GAY: I direct my question to the Minister for Primary Industries. Does the Minister recall his announcement in April of an emergency assistance package for Hawkesbury River oyster farmers affected by the devastating QX parasite? Has he failed to provide oyster farmers with the promised 200,000 QX-resistant oysters? Was the Queensland scientist responsible for the development of the oysters paid only this week? Why has no assistance been provided to these farmers, given that the QX parasite broke out more than six weeks ago? When will the Minister finally honour his commitment to deliver this vital assistance package to these farmers?

The Hon. IAN MACDONALD: I have had many discussions with the industry over the past few days. The outbreak of QX disease has been devastating to the Hawkesbury oyster industry and the 23 growers affected.

The Hon. Michael Gallacher: Are you being paid to wear that?

The Hon. Duncan Gay: Mardi Gras is not on this week.

The Hon. IAN MACDONALD: I am very happy to acknowledge the interjections because I have noted a high level of mirth amongst the Opposition today. I believe it is the responsibility of the Hon. Ted Pickering who is visiting the House today. Ted was a strong Leader of the House for many years. He is obviously here to sort out the Hon. David Clarke.

The Hon. Duncan Gay: Point of order: The Minister for Primary Industries has been asked an important question that affects the future of many farmers in the Hawkesbury. I ask that the Minister be drawn back to the question.

The PRESIDENT: Order! I remind the Minister for Primary Industries that interjections are disorderly and he should ignore them.

The Hon. IAN MACDONALD: The Hawkesbury region has been the State's third largest producer of the famous Sydney rock oyster and a significant contributor to the region and the State's economy. It is important to note that QX disease affects only the Sydney rock oyster. It poses no threat to humans or other marine animals.

The Hon. Duncan Gay: We all know that. What are you going to do about it?

The Hon. IAN MACDONALD: You asked the question. Do you want the answer? In early April I visited Hawkesbury growers and talked at length with them about how QX was likely to affect their businesses. This meeting happened well in advance of the media headlines and long before the Opposition even knew what QX was. Just two weeks later, the State Government announced the first stage of an assistance package for growers—a package worth over a quarter of a million dollars. Our stage one package included 200,000 QX-resistant juvenile Sydney rock oysters.

The Hon. Duncan Gay: Which they haven't got yet.

The Hon. IAN MACDONALD: They are coming. We also provided a \$200,000 grant to supply even more juvenile oysters to growers next year to coincide with the oyster production season. So far, the State Government has waived \$70,000 in fees for affected growers. This includes \$39,000 in Department of Primary

Industries fees and \$31,000 in fees from the NSW Food Authority. Other Government departments are looking at any fees they can defer or waive to help provide short-term relief.

The Hon. John Ryan: The only juveniles you have supplied are the ones behind you.

The Hon. IAN MACDONALD: I hope the Hon. Ted Pickering helps the Hon. John Ryan out of his predicament. I reckon for the rest of the afternoon Ted should counsel the honourable member and pull the reins in on the other member over there. We also provided growers with immediate access to financial counselling services and other support agencies. In fact, just one day after we announced stage one assistance, the Premier's Department organised a workshop where growers were able to meet one on one with staff from a range of support agencies. I also wrote to the Federal Government asking it to provide support to assist with the clean-up and any structural adjustment package that might be created. I have not received any response from the Commonwealth.

Given the devastating situation, we immediately created a special QX disease task force to identify additional short-term and long-term measures for affected growers. Two growers sit on this task force and have been working hand in hand with the State Government as we explore additional measures. The task force has also received input from Australia's leading QX experts. It has met numerous times over the past eight weeks and has made considerable progress in researching and shaping a range of possible measures. When the Premier and I visited the Hawkesbury region on 19 April to announce stage one measures, we said we would do more. And we are. Over the last two weeks of May the Department of Primary Industries held five separate workshops along the coast. They were specially designed to update growers about QX disease, as well as share information about the QX resistant Sydney rock oysters, which were bred by the Department of Primary Industries scientists. Attendance was beyond expectations. From the start the Hawkesbury growers have had the ear of this Government. We have worked very hard to provide both short-term and long-term support. We will have a decision within the next fortnight. [*Time expired.*]

FOX STUDIOS DEVELOPMENT APPLICATION

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: My question is addressed to the Minister for Justice, representing the Minister for the Environment. Is the Minister aware that there is a development application for a craft shop at Fox studios? Is the Minister aware that the term "craft shop" in film industry parlance is the name for a factory where sets are built? Is the Minister further aware that a previous craft shop was naturally ventilated and gave rise to a large number of complaints from local residents? Is the Minister aware that many sets are built using medium density fibreboard [MDF], which is a synthetic wood substitute that produces toxic dust? Is the Minister aware that epoxy resins, painting, welding and a number of other processes that lead to toxic pollutants are frequently used in the manufacture of sets in the film industry?

Is the Minister aware that in building one-off products, such as film sets, it is much harder to capture the fume than it is in mass produced products where a production line can be designed for known quantities of known pollutants in known locations? Is the Minister aware that the craft shop factory is leased to other film producers so that the products used are not necessarily known to the developers, who cannot and will not be able to guarantee what processes are undertaken in this factory? Will the Government recognise that this is a factory, that it must be located in an industrial area and that the development application should not go ahead?

The Hon. JOHN HATZISTERGOS: I am not aware of all the facts that the Hon. Dr Arthur Chesterfield-Evans has raised. The one thing I am aware of is that the Minister for the Environment does not approve development applications, which is the final part of the honourable member's question. I will refer the question to the Minister for the Environment in any case.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: I ask a supplementary question. If this environmental question is not for the Minister for the Environment, will the Minister for Justice refer the question to the appropriate Minister as a helpful adjunct to an environmental issue?

The Hon. JOHN HATZISTERGOS: Members of the crossbench are getting oodles of resources to find out the appropriate Minister to address their issues. It is not my job to scrummage around and find the appropriate Minister to answer questions. The Hon. Dr Arthur Chesterfield-Evans asked me to refer the question to the Minister for the Environment, and I will do so.

DROUGHT AND WATER SHORTAGE

The Hon. GREG DONNELLY: My question is addressed to the Minister for Emergency Services. Will the Minister update the House on the strategies the Government has put in place in light of the current drought and water shortages in New South Wales?

The Hon. TONY KELLY: As we heard yesterday, the June drought figures show that 91 per cent of New South Wales has slipped back into drought, following the lowest May rainfall on record for much of the State. With this proportion of the State drought declared, only 4 per cent of New South Wales is considered to be in satisfactory condition and another 5 per cent is in the marginal category. As the Premier outlined yesterday, the State Government has in place a full range of drought support programs that will continue as long as they are necessary to help farmers and drought-affected communities to cope. The Government has committed approximately \$160 million in drought assistance since July 2002. This year's budget includes an initial \$16 million and more funds will be made available if the drought persists.

As the drought has worsened, families, public authorities and businesses around the State have been searching for ways they can conserve water. I am pleased to say the State's fire services are making their contribution to these efforts. The NSW Rural Fire Service and NSW Fire Brigades are reviewing their water-use practices and identifying means by which they can assist drought-affected communities. Where possible, both agencies are minimising the impact of firefighting operations on stretched water supplies by using water-efficient firefighting techniques. These include using retardants, foam, fog, sprays and heavy earthmoving equipment. Again, where possible, they are minimising their use of water for training exercises and other events such as community safety activities.

Each local Rural Fire Service [RFS] district is updating its water supply information and identifying all potential water supply points for firefighting purposes. The RFS has conducted a comprehensive survey of drought-affected areas of the State to determine the availability of water resources for the 2004-05 bushfire season. This survey will be updated next month ahead of the coming fire season. It will identify alternate water sources, including previously capped-off bores, treated water and other sources considered either too saline or contaminated for human or animal consumption. The service has about 40 bulk water carriers across New South Wales carrying between 7,000 litres to 30,000 litres. It aims to deploy these as a priority and as early as possible to fires in drought-affected areas in order to limit the demand on town water supplies. Should conditions decline to even more serious levels, these bulk water tankers could be used to transport non-potable water to townships.

The RFS is committed to increasing the number of its remote area firefighting teams, which are either driven or airlifted to remote areas to help reduce the size and intensity of bushfires, again minimising demands on local water supplies. The NSW Fire Brigades' Static Water Supply Program identifies and prominently marks suitable alternative water sources firefighters can use, such as swimming pools and small dams. This program is particularly useful in allowing fire crews to save drawing on town water supplies and enabling firefighters to pre-plan their responses to emergencies. In the western New South Wales town of Lake Cargellico, where drought conditions are severe, the Fire Brigades is helping ease the demand on the town water supply by using a semitrailer to ferry water to supply the local fire station with water for firefighting operations.

The Fire Brigades is taking a long-term view of its water conservation capabilities by investigating a new firefighting technique that is currently being used in Singapore. This technique uses high-pressure water sprays to extinguish fires. The research into the technique will determine whether this technology uses less water to extinguish fires and whether it can be adapted to New South Wales conditions. The drought is one of the worst ever experienced in this State, indeed this nation, and that is why the New South Wales Fire Brigades and the Rural Fire Service are playing their part.

The PRESIDENT: I welcome to the public gallery leaders and school captains from independent secondary schools in New South Wales. Welcome.

PACIFIC HIGHWAY UPGRADE

Mr IAN COHEN: I direct my question to the Minister for Roads. Will the Minister inform the House whether, prior to the approval to expand the study area for the Pacific Highway upgrade for the Tintenbar to Ewingsdale section, signed by the Hon. Eric Roozendaal in April, if he or his representative, or the Hon. Eric Roozendaal, received a detailed briefing to support the decision that was made? Was the Minister or his representative informed of the number of people who lobbied the Roads and Traffic Authority [RTA]—a figure of 300 has been quoted by RTA representative Shane Higgins? Was the Minister or his representative informed of the constraints on developing the area, including the recent section 117 Farmland Protection direction in the area, identified flora and fauna records from Byron Shire Council, flooding and fog issues, and the 1997-98 Connell Wagner report in relation to the Pacific Highway Ballina Bypass Environmental Impact Statement, prepared for the RTA, that rejected this area?

The Hon. MICHAEL COSTA: I know that the honourable member has great interest in this particular project, but, as I have said to him on a number of occasions, the study to identify the Pacific Highway upgrade route between the two areas he mentioned has been done in consultation with the community. The decision to extend the study to include areas of the east also follows community consultation as part of the planning process. What the honourable member does not seem to understand—the Greens never seem to understand this—consultation means that you sit down and discuss matters with people, but that does not necessarily mean you agree with them. That is the problem he has. The Greens' idea of consultation is to use consultation as a way to obstruct appropriate economic development of key infrastructure projects.

Consultation is important and we will undertake genuine consultation to deal with matters of importance to local communities, but at the end of the day we have to balance the consultative process with the need to provide appropriate infrastructure. The Government is proud of its role in relation to the Pacific Highway. We are spending around \$1.6 billion on that particular road. I am also having discussions with the Federal Transport Minister, John Anderson, about looking at a North Coast motorway. Again, that project will involve consultation with the community as we get to that stage. But at the end of the day, once the consultative process has been done, a decision has to be made about providing the infrastructure.

I get frustrated with the Greens because their approach to consultation is that consultation is about stopping projects, not about facilitating solutions to objections and problems that might arise. I say to the honourable member once again, we can consult, but at the end of the day governments have to make a decision based on the best interests of everyone who uses a particular infrastructure.

Mr IAN COHEN: I ask the Minister a supplementary question. In the spirit of consultation, will the Minister come to the affected areas and attend a public meeting to listen to the fear, insecurity and depression generated by the current RTA expanded study areas of the Tintenbar to Ewingsdale, Ballina to Woodburn, and Ulmarra to Grafton sections of the Pacific Highway upgrade?

The Hon. MICHAEL COSTA: I am always prepared to talk to communities and be involved in the consultation process, but I am not prepared get involved in stunts by the Greens to do what they always do, that is, play wedge politics and try to get a disaffected group to build up the measly 2 per cent that the Greens need to get their members—

The PRESIDENT: Order! I call Mr Ian Cohen to order for the first time.

The Hon. MICHAEL COSTA: As we all know, the Greens will do anything. They will take the opposite view to the majority of members of the community on any project to build up their numbers to get their measly representation in this House, and then frustrate at every point the appropriate development of infrastructure. The Greens, as we all know, are not representative of the broad community on a range of projects. As far as I am concerned, I will allow the RTA to deal with these processes in the normal consultative framework.

HOME AND COMMUNITY CARE PROGRAM FUNDING

The Hon. JOHN RYAN: My question without notice is directed to the Minister for Disability Services. Has the Carr Government underspent its Home and Community Care funding allocation by at least \$32 million in the last two financial years and accumulated possibly \$60 million in total over some years? Are those funds being used by the New South Wales Government to prop up other disability services, such as supported accommodation? Has the Federal Government asked New South Wales to explain this massive diversion of funding? If so, what explanation was the Government able to give?

The Hon. JOHN DELLA BOSCA: I believe I have referred before to the fact that I have discussed this matter with federal officials on a number of occasions, and discussed the matter with my federal analogue, the Hon. Julie Bishop. I have had a couple of fruitful discussions with her.

The Hon. Duncan Gay: What is a federal "analogue"—do you mean digital?

The Hon. JOHN DELLA BOSCA: Does the Deputy Leader of the Opposition not know the English language? I mean my equivalent in federal politics. The Home and Community Care [HACC] funding released today has been delayed as a result of Commonwealth inaction. As I mentioned, the Federal Minister for Ageing, Julie Bishop, has been sitting on the New South Wales HACC plan for six months while thousands of people in

New South Wales have been denied basic support. The delays that have occurred were solely in the hands of the Commonwealth and for every month it stalls, \$2 million worth of services are not being delivered to vulnerable people in New South Wales. It is high time the Commonwealth stopped its political game playing—which I suspect was behind the honourable member's question. During the past nine years, funding by the Carr Government has increased by \$828 million. In the 2005-06 State budget a record \$1.549 million has been allocated in support for the 178,000 people with disabilities and the frail aged in New South Wales.

The Hon. Michael Gallacher: Can you answer one of these questions without a briefing note?

The Hon. JOHN DELLA BOSCA: Oh, yes I can; I answered one yesterday without a briefing note.

The Hon. Michael Gallacher: Not one of John Ryan's questions.

The Hon. JOHN DELLA BOSCA: I answered a question from the Hon. John Ryan yesterday without a briefing note, and I have three briefing notes here. The New South Wales Government understands the importance of the joint Commonwealth-State agreement that allows people to remain in their homes. The Government is committed to ensuring that people in this State receive their fair and equitable share of services. New South Wales is providing \$166 million to the Home and Community Care program, and has committed an additional \$12.82 million in the next financial year. I am pleased to report that the Commonwealth Minister has now endorsed the New South Wales plan.

The Hon. Melinda Pavey: Strong and detailed plan?

The Hon. JOHN DELLA BOSCA: The Commonwealth Minister has endorsed our strong and detailed plan, enabling its contribution to be allocated to non-government organisations that provide these important services to the frail aged. The New South Wales Government also contributed unmatched funds for this program in the last financial year because the Commonwealth Government refused to pay its share of the so-called Community Services Award. The State took the initiative and provided \$4.1 million to ensure provision of services by non-government organisations.

RURAL ADDRESSING ACCELERATION PROJECT

The Hon. CHRISTINE ROBERTSON: My question is addressed to the Minister for Lands. What progress has been made in introducing rural addressing in New South Wales?

The Hon. TONY KELLY: I am pleased to advise the House that nearly 70 per cent of councils have completed rural addressing in New South Wales. For the benefit of members who are not familiar with the concept, rural addressing is a simple way to find and identify rural properties, similar to the familiar urban address. It is a much-needed service for the regional and rural citizens of our State, and it has many benefits. Correct addressing is crucial to all of us who send, receive and expect goods and services to be delivered on time and to the right place. Millions of addresses are used every day to identify where we live and work. Most importantly, correct addressing ensures emergency services arrive in the right place as quickly as possible. The rural addressing program goes back a number of years. It is a national initiative supported by emergency services, Australia Post, the Australian Electoral Commission, and State and local governments.

Rural addressing got its start in New South Wales in 1997 when the Department of Lands started a pilot program in the shires of Wentworth, Balranald, Wakool and Murray. With Federal funding, 50 councils completed their rural addressing in the late 1990s. The remaining councils—which were unable to complete the process at that time—were left to their own devices until last year. That is when the Department of Lands started its Rural Addressing Acceleration Project [RAAP]. The acceleration project has a \$1.4 million budget and a mission to assist councils complete rural addressing in their regions. The Department of Lands does this by providing maps of existing roads and road names, holding seminars for councils on rural addressing, and funding councils to help cover costs, such as for the purchase of rural address number plates. This funding works out at \$10 for each validated rural address. Since January 2004 the RAAP has included 21 workshops to help councils that had not commenced rural addressing.

The Department of Lands expects to provide support under the RAAP to 38 regional councils by June this year. The project is helping rural communities overcome the problems and economic loss flowing from ineffective, inconsistent and, in some cases, non-existent addresses for rural properties. The RAAP fosters a consultative approach by including community groups such as rural fire services, State emergency services,

progress associations and service clubs like Rotary and Apex. Rural addressing provides many benefits, but it is quite a simple concept. It assigns an individual number to a property in accordance with set rules, defined under an Australian Standard. A street or road number is determined by the distance from the start of a nominated road to the entrance to the property. Each rural road is nominated from a starting point using indicators such as traffic flow, and whether it starts at a highway, main road or local road. For example, 235 Smith Road would be located 2.35 kilometres from the commencement of Smith Road on the left hand side. Odd numbers would be found on the left and even numbers on the right.

The Hon. Catherine Cusack: In which direction?

The Hon. TONY KELLY: From the town. Often the task of locating rural properties relies on local knowledge and descriptions such as "just a few miles past the creek", "beyond the 12 mile", or "after the last mail box". This can cause, and has caused, life-threatening delays and inconvenience for emergency services, and increased costs in the delivery of goods and services to the community. Rural addressing provides a standardised means of locating rural properties with a system that is accurate, reliable, easy to understand, and easy to apply. We expect the program to be completed in the near future. People can still use the property name as part of their address for mail and other purposes.

SOUTHERN CROSS DRIVE TO GARDENERS ROAD RAMPS

Ms SYLVIA HALE: I direct my question to the Minister for Roads. Is he aware that a representative of the Roads and Traffic Authority [RTA] said at a recent public meeting about the proposed ramps from Southern Cross Drive to Gardeners Road words to the effect that "because this is housing commission territory, the RTA can do as it wants"? Is the Minister aware that the proposed ramps would pass within 20 metres of Department of Housing residences, specifically Longworth Court? Has the Minister or the RTA yet communicated the details of the ramp proposal to the Department of Housing? Has the RTA or the Minister received a response? Will the Minister make that response public when it is received?

The Hon. MICHAEL COSTA: I had dinner with the Minister for Housing last night, but unfortunately it did not come up.

The Hon. Duncan Gay: Your dinner didn't come up?

The Hon. MICHAEL COSTA: No, the proposal. Members opposite should not get me going about the Parliamentary Dining Room, because a number of members would have the same view about it coming up. My view is that we should privatise the dining room, but that is a different issue. I have a difficult task trying to assess precisely what Ms Sylvia Hale wants. Given that her question refers to "words to the effect", I do not think it is a precise way of outlining the matter. The honourable member has not provided an appropriate description of what was said at the meeting to which the honourable member refers, and therefore it is difficult to answer the question. However, I indicate that we will consult with communities where they are affected. If the honourable member wants further details about a specific proposal, I suggest she place the question on notice so I can provide a detailed answer.

HOUSE FIRE DEATHS AND SMOKE DETECTORS

The Hon. MELINDA PAVEY: My question without notice is directed to the Minister for Emergency Services. Following the heartbreaking fire at Wyong last night and the fire at Coonamble earlier this week, culminating in the tragic deaths of 12 people over the past two weeks, will the Government consider making smoke detectors mandatory in all New South Wales homes, as well as introducing a fire awareness day backed by a community education program?

The Hon. TONY KELLY: I thank the Hon. Melinda Pavey for her good and timely question. We woke this morning to the distressing news that four children are unaccounted for following another house fire overnight. Initial reports suggest the four may have perished in the fire in a family home in Wyong. Three more children are in hospital suffering severe smoke inhalation. Fire crews from across the Central Coast and a specialist crew from Sydney are still on site. This terrible news comes only days after the tragedy at Coonamble in which three children were left orphans after both their parents and one of their little brothers perished when fire engulfed their home. The courage of Samantha, Matthew and Joe Conn in walking more than six kilometres in the cold and dark to raise the alarm has been matched only by the outpouring of public support for the children. As honourable members would be aware, on Tuesday this week the Premier announced that the State

Government would give \$20,000 to the public appeal for the Conn children, which was established by Coonamble Shire Council.

As well as the feared loss of the four children this morning, there have been eight confirmed deaths in fires in the past fortnight. This toll includes a 3-year-old boy at Warren and a 13-year-old girl at Mount Victoria. I am sure I speak for every member of this House in saying that our prayers and sympathies are with the friends and families of all these victims at this most traumatic time. These incidents are traumatic for everyone involved, and our thoughts also are with the members of our emergency services who responded to these tragic events. Today I spoke to New South Wales Fire Brigades Commissioner Greg Mullins and Rural Fire Service Commissioner Phil Koperberg. In light of this toll, they already are searching for ways to more forcefully and actively spread the fire safety message to the community in a bid to prevent more tragedies. The commissioners will meet early next week to discuss ways to improve even further the winter fire safety message.

I have also asked the commissioners to address the retrospective fitting of smoke alarms. It is now mandated by law that new buildings must have smoke alarms fitted, with direct power. However, that addresses only about 20 per cent of existing buildings. In other words, 80 per cent of buildings do not have smoke alarms fitted. We will keep searching for new ways to get the winter fire safety message out to families. The need for vigilance about the danger of fire is even greater in winter months. Last year fires occurred in more than 4,300 New South Wales homes. Around one-third of those fires occurred during winter. I am not speculating on the causes of any of the fires that have claimed lives over the past two weeks. That is yet to be determined and is a matter for fire and police investigators, and of course the Coroner, who will investigate each death. However, once again I appeal to every family in New South Wales to take basic precautions to ensure their homes are as fire safe as possible this winter.

None of us wants to see another family experience the grief that we have witnessed in recent weeks. As I told the House last month, there are simple ways in which people can keep themselves safe in winter: installing and regularly checking suitable smoke alarms throughout one's home—and that includes replacing the batteries at least on an annual basis for those alarms that are not directly connected to electricity; preparing and practising a home escape plan so that everybody, including the children, know how to get out of the house; testing all electrical and heating equipment; never leaving candles or open fires unattended; cleaning the lint filter every time the dryer is used; keeping matches and lighters away from young children; and making sure children understand that they can dial 000 for help. I cannot appeal strongly enough to people. Please do not be complacent and think, "It will never happen to me". It can, it does and it has.

MILLENNIUM MARCHING BAND

The Hon. IAN WEST: My question is directed to the Minister for Education and Training. In the light of their acclaimed performance in the recent Anzac Day parade, can the Minister share with the House some information concerning the Millennium Marching Band and its role in public education?

The Hon. CARMEL TEBBUTT: I will be pleased to do so. The Millennium Marching Band is an initiative of which the Department of Education and Training is particularly proud. It was established by the Arts Unit in 1999. The band was initially charged with the responsibility of training student musicians from New South Wales for their performance in the opening ceremony of the Sydney 2000 Olympic Games as part of the Sydney 2000 Olympic Band. The success of the band since its inception has resulted in the continuation of the program well beyond its original mission. Participation in the Millennium Marching Band is open to all students attending government secondary and central schools.

More than 500 students from across the State have taken this opportunity in the six years since the band has been in operation. Rehearsals are held in Sydney approximately once per month, timed to coincide with major performances. While Sydney-based rehearsals require country students to travel, billet accommodation with metropolitan families or residential camps are organised to assist travelling students. The Millennium Marching Band provides participating students with a wide range of unique performance opportunities. Apart from performing in the opening and closing ceremonies of the Sydney 2000 Olympic Games, the Millennium Marching Band formed the core of the 750-piece international marching band for the opening ceremony of the World University Games held in Beijing in August 2001, and performed in the opening ceremony of the recent Rugby World Cup, as well as in the opening ceremonies for three Australian Youth Olympic Festivals organised by the Australian Olympic Committee.

Annual performances include the Schools Spectacular, Education Week celebrations and the Sydney Anzac Day parade. Members of the Millennium Marching Band also form the Great Australian Muster Band,

the official band of the Sydney Royal Easter Show. These are just some of the many performances that have been shared with live audiences that, to date, can be numbered in the millions, with worldwide television audiences counted in billions. It should come as no surprise that the Millennium Marching Band is recognised both nationally and internationally as being amongst the very best in its field of endeavour.

Though musical development is the primary objective of the program, membership of the Millennium Marching Band also develops in students a broad range of personal and life skills that stand them in good stead for the future. Values such as teamwork, commitment, self-discipline, as well as personal responsibility and integrity, are all key attributes of the program. Through working with a group of peers from diverse backgrounds and experiences, students learn tolerance, courtesy and respect for others, while at the same time developing their own self-esteem. The Department of Education and Training has also benefited greatly from its support of the Millennium Marching Band. Many graduate students are now undertaking tertiary studies in music education as a result of their participation in the band.

The experience of Dane Ropa is typical of many and demonstrates the impact the band can have on its members. As a year 12 student at Colo High School, Dane joined the band as part of the initial student intake in 1999. At the time his aim was to become a radiographer after completing his Higher School Certificate. Dane has now graduated from Sydney University and is a talented and motivated music teacher at Girraween High School. He credits his membership of the Millennium Marching Band for his decision to become a music teacher. Public education has benefited, and will continue to benefit, from this change of heart.

The positive impact participation in the Millennium Marching Band has on the lives of its members and the broader community is immeasurable. As individuals, the members of the band constantly prove themselves worthy ambassadors for their families, schools and communities. As a team they reflect much of what is good in the Australian way of life and in public education. Their achievements to date are a credit to their talent, hard work and dedication as well as to the work of teachers that takes place in classrooms across the State on a daily basis.

MANNING SHELF BIOREGION MARINE PARK

The Hon. JON JENKINS: My question without notice is directed to the Minister for Primary Industries. Is it a fact that \$400,000 has been allocated for the Manning Shelf bioregion in the current State budget? For what purpose has this money been allocated? When will the State Government make a decision as to whether it will create a marine park in the Manning Shelf bioregion, which stretches from Port Stephens to Nambucca Heads on the New South Wales North Coast? When the Manning Shelf marine park is declared, will the Minister ask for submissions from the community? Will those submissions be treated with the same disdain and disregard as the 6,000-odd submissions about the Byron marine park?

The Hon. IAN MACDONALD: The \$400,000 in the budget is in fact for an office to organise the marine park. That building is in the conceptual stage, as I understand it. In relation to the assessment of the bioregion, that has been completed, and it is the Government's intention after looking at this assessment to make a decision about the boundaries. From that point there will be a considerable community consultation involving all stakeholders on the make-up of that park, the relative areas within the park devoted to sanctuary zones and for other purposes.

INGLEBURN PUBLIC SCHOOL BULLYING

The Hon. CATHERINE CUSACK: My question without notice is directed to the Minister for Education and Training. What is your response to the inaction of the principal and staff at the Ingleburn Public School who have failed to put a stop to the ongoing bullying of 10-year-old Alexander Jones? It has been revealed that yesterday the child was nearly struck by a car while fleeing three bullies who dragged him behind a container bin and repeatedly beat him about the face, causing him to lose a tooth and leaving him bleeding and traumatised?

The Hon. CARMEL TEBBUTT: I will seek further advice on the incident that the honourable member has referred to. So far as I am aware, I do not have any detail about that incident.

The Hon. Michael Gallacher: What else are they keeping from you?

The Hon. CARMEL TEBBUTT: With 2,200 schools that is a ridiculous interjection and shows the lack of understanding of the Leader of the Opposition in this House. If the facts are as described by the Hon.

Catherine Cusack, it is indeed a very serious matter. As I have already indicated, I will obtain advice on this incident and on how it has been handled. On many occasions I have clearly indicated the Government's strong commitment to anti-bullying plans and that we require every school to have an anti-bullying plan. We have a strong commitment to stamping out bullying. It is unacceptable in any shape or form. I believe that there would be a more appropriate way to deal with some of these incidents rather than raising them in the House in the way that the Hon. Catherine Cusack has done and in the way that the Hon. John Brogden sought to politicise this issue.

The Hon. Catherine Cusack: They are not being addressed, they are not being dealt with, that is why they are in the House.

The PRESIDENT: Order! I call the Hon. Catherine Cusack to order.

The Hon. CARMEL TEBBUTT: The Hon. Catherine Cusack says the issues are not being dealt with. Yesterday we had an example of the Coalition gleefully rushing down to the press gallery with an incident that had occurred in a government school, determined to make as much of a fuss about it as it could. That incident was dealt with.

The Hon. Catherine Cusack: Because we want you to deal with the problems. These are serious matters.

The Hon. CARMEL TEBBUTT: The principal had dealt with that issue. The students were suspended; they were clearly made aware of their unacceptable behaviour. Counselling was provided to the victim.

The PRESIDENT: Order! I call the Hon. Catherine Cusack to order for the second time.

The Hon. CARMEL TEBBUTT: I will follow up the incident that the Hon. Catherine Cusack has raised.

HOME AND COMMUNITY CARE PROGRAM FUNDING

The Hon. TONY CATANZARITI: My question without notice is directed to the Minister for Ageing and Disability Services. Will the Minister inform the House about new funds for basic services for people with disabilities, frail older people, and their carers?

The Hon. JOHN DELLA BOSCA: I am pleased to state that the Home and Community Care Program growth funds have been released today. The Home and Community Care Program is jointly funded by the New South Wales and Commonwealth governments. The funding announced today will enable over 200 local and community organisations to provide more than 61,000 meals through the Meals on Wheels service, 68,000 hours of respite care, 423,000 community transport trips, 180,000 hours of domestic help, 150,000 hours of day care and 94,000 hours of personal care.

The New South Wales Government contributes \$166 million to the Home and Community Care Program and has committed an additional \$12.82 million this financial year. The Government has a strong track record of growth in community care services. Funding for Home and Community Care has increased from \$260 million in 1998 to almost \$450 million in the year 2005-06, an increase of more than 60 per cent. Each year Home and Community Care services now assist 178,000 frail aged people and younger people with a disability. The Government has increased Home and Community Care funding for respite care from \$41.6 million in 1998-99 to \$93 million this financial year. This means that more than 20,000 frail older people and younger people with a disability are being assisted by in-home or centre-based respite care.

Funding has more than doubled for community transport services, which has increased from \$10.9 million in 1998-99 to \$26.2 million this financial year. This enabled the service last year to provide more than 1.3 million one-way trips to around 42,700 older people and people with a disability. Last year more than 2.9 million meals were delivered to the homes of clients in New South Wales through the Meals on Wheels Program. Also, home care services were provided to approximately 8,500 eligible veterans and war widows in the last financial year and more than 320,000 hours of service were delivered under the Veterans Home Care Program. Also in this financial year \$10.5 million has been provided to continue the provision of home care services to veterans and war widows.

In terms of one-off funding, considerable funds have been delayed as a result of the repeated delays in approval of the New South Wales Home and Community Care plan. The New South Wales Government is working with the Commonwealth Government on a \$20-million capital program. Once these one-off funds are approved they will enable day services to be established. The remaining one-off funding will be targeted towards research, infrastructure and development. Funding for Home and Community Care services means that we help to create caring communities and fulfil the wishes and aspirations of frail older people and people with a disability and their carers to live as independently as possible in their homes and within their communities.

NUCLEAR POWER STATION

Reverend the Hon. FRED NILE: I ask the Leader of the House, the Hon. John Della Bosca, representing the Premier, a question without notice. Is it a fact that the Premier has recently stated that a nuclear power station, instead of a polluting coal-powered station, should be considered as a future option for New South Wales? Will the Government therefore give further serious consideration to the construction of a nuclear power station because of the new, fail-proof nuclear power stations, with no danger of a meltdown? Will the Government help establish a joint Federal-New South Wales task force, including qualified scientists, to fully investigate the option of a nuclear power station in New South Wales, either on Commonwealth land or State Crown land because of the massive pollution caused by coal-powered stations and their harmful greenhouse impact on our environment?

The Hon. JOHN DELLA BOSCA: I follow closely the words and comments of the Premier on public affairs but I am not sure Reverend the Hon. Fred Nile accurately portrayed the Premier's comments on these matters. I will make no further comment in response to the question. The interpretation I place on the Premier's remarks—and, indeed, the discussion that he called for—was in the context of the final point of the question, that is, serious scientific debate about the ongoing use of fossil fuels as opposed to nuclear fuel options, and the impact they may have on environmental questions, such as the greenhouse effect and a range of other environmental changes in the immediate future.

The Hon. Duncan Gay: Where are you going to build it?

The Hon. JOHN DELLA BOSCA: I do not think that is the question.

The Hon. Duncan Gay: Point of order: Will the Minister confirm the statement of the Hon. Amanda Fazio that you are going to build this in Dubbo.

The PRESIDENT: Order! There is no point of order.

The Hon. Amanda Fazio: I didn't even say Dubbo, you retard!

The Hon. JOHN DELLA BOSCA: I apologise on behalf of the Hon. Amanda Fazio for calling the Deputy Leader of the Opposition a dubbo, but I will let that go through to the keeper. The Premier's comments, as I understood them—and I am quite certain about them—were about stimulating debate, which is critical to New South Wales, the Government, the Opposition, the crossbench, the environmental movement and those interested in the economic future of the State and the environmental future of the globe, whatever context they place on this important issue. All honourable members would agree that that debate should take place. The balance of the assertions in the question about qualified scientists and fail-proof nuclear power plants will have to be referred to the relevant Minister, which may be the Premier or the Minister for the Environment, for further discussion and reply.

MARITIME AUTHORITY COMMERCIAL LEASES POLICY

The Hon. DAVID CLARKE: My question without notice is directed to the Minister for Roads, Minister for Economic Reform, Minister for Ports, and Minister for the Hunter. Will the Carr Government guarantee to provide essential services to boat owners, such as cleaning facilities and fresh water, if its renegotiations with boating and marina groups over leases fail, forcing businesses to close? Will the Government promise not to sell off the land and turn it into high-rise residential developments?

The Hon. MICHAEL COSTA: I refer to the answer I gave yesterday.

APPALOOSA HOLDINGS PTY LTD INDUSTRIAL DISPUTE

The Hon. JAN BURNSWOODS: My question is directed to the Minister for Industrial Relations. Can the Minister explain to the House the Government's response to the industrial dispute at Appaloosa Holdings Pty Ltd?

The Hon. JOHN DELLA BOSCA: The Hon. Jan Burnswoods is referring to a long-running dispute just a few kilometres away. It is a preview and a warning of what life could be like under the new Commonwealth-John Howard plans for industrial relations. A group of young workers, many of them in their first job after school, are now being threatened with the sack because they will not be traded off to a new employer and will not sign up for what is the centrepiece of the Commonwealth's so-called reforms—an Australian workplace agreement [AWA].

Until a few weeks ago these workers were employed by Appaloosa Holdings under the terms of a State award. Out of the blue they were told that another company, a labour hire firm called EL Blue, would be taking over their area and if they wanted to work for that company, they could. However, there was a catch. First, they would have to sign up for an AWA, which would take away allowances, shift penalties, span-of-hour provisions, meal breaks and a whole lot more. If they did not sign they were to get the sack. In other words, they had to sign up for worse conditions, worse than in any individual contract, or they were out the door. We now have an industrial dispute and another step down the slippery slide to rock-bottom working conditions.

The Hon. Michael Gallacher: Isn't that the statement of the unions: no ticket, no job? I thought you blokes were for that originally.

The Hon. JOHN DELLA BOSCA: The Leader of the Opposition is a member of a militant union these days. I am a member of a very moderate union. That dispute was brought before the Industrial Relations Commission and the New South Wales Government intervened, with the aim of helping the parties reach a reasonable resolution.

The Hon. Michael Gallacher: No ticket, no start.

The Hon. JOHN DELLA BOSCA: The Leader of the Opposition is living in the fifties.

The PRESIDENT: Order! There is too much conversation. I call the Hon. Ian West to order. I call the Leader of the Opposition to order for the second time.

The Hon. JOHN DELLA BOSCA: I am happy to report that as at 11.00 a.m. today in the Industrial Relations Commission Appaloosa Holdings has undertaken to maintain existing award conditions and to reinstate the terminated employees, pending final determination by the commission. This agreement would not have seen the light of day without the independent umpire, who is able to exercise broad powers, unencumbered by phoney legal technicalities. We can still do that; our system here in New South Wales is capable of dealing with disputes like that because John Howard's brave new industrial relations world is not yet a reality. In that world the New South Wales commission will not exist, and AWAs will reign supreme. The New South Wales industrial relations system ensures that young vulnerable workers such as these do not get thrown onto the scrap heap before their working life even gets under way.

The battle facing these young workers at Appaloosa highlights the new industrial relations climate we could see if the Prime Minister's vindictive laws are put in place. That climate will include more strikes, more lockouts, more litigation, vulnerable workers being mistreated, no recourse to an industrial umpire, workers being told, "Here's the contract or you get the sack", and workers with no right to bargain and instead left to beg. The Carr Labor Government will not allow the Federal Government to strip away important industrial relations safeguards of Australians and their families without a fight. We will continue to oppose the Howard Government's plans at every stage, whether by the Premier's opposition at the Council of Australian Governments meeting last Friday or by challenging the legislation in the High Court. No stone will be left unturned in the Carr Labor Government's defence of the principles that support the New South Wales industrial relations system.

The Hon. JOHN DELLA BOSCA: If honourable members have further questions, I suggest they place them on notice.

DEFERRED ANSWERS

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

HOSPITALS AND JUVENILE DETENTION CENTRES SCHOOLS

On 6 May 2005 the Hon. Catherine Cusack asked the Minister for Education and Training a question without notice regarding hospitals and juvenile detention centres schools. The Minister for Education and Training provided the following response:

I am advised that schools located within hospitals currently operate in the same way as schools in the community, with normal school hours and school terms. If there is an identified local need, the Government will consider extending the school year in hospital schools; however, a request to extend hospital school hours would need to be supported by the relevant health authorities.

There are schools in each of the eight juvenile justice centres and the one juvenile correctional centre in NSW. I am advised that six of these schools currently operate an extended school year. All schools have the capacity to increase the number of days that they operate over a school year to enable students to continue to access academic and vocational programs for longer than students in schools in the community.

OFFICE OF FAIR TRADING BUILDING PRACTICES COMPLAINTS

On 6 May 2005 the Hon. Sylvia Hale asked the Minister for Fair Trading a question without notice regarding Office of Fair Trading building practices complaints. The Minister for Fair Trading provided the following response:

As per my undertaking the Office of Fair Trading investigated the matter. I am pleased to advise the Member of the following.

The Department had not received any complaint by Mr Berry. There was a letter from Mr Berry which was amongst material forwarded to Fair Trading by Parramatta Council in June 2004.

It was not recorded as a complaint on receipt from Council because Fair Trading had no jurisdiction in the matters raised and there was no capacity to intervene based on the information provided.

Mr Berry was contacted by phone and advised that the issues raised were more appropriately addressed by Parramatta Council and WorkCover.

The Office of Fair Trading has contacted Parramatta Council and WorkCover requesting information about any action they may have taken against the building contractor. Once that information has been received, the matter will be assessed to determine what, if any, action should be taken against the contractor.

Fair Trading has also written to Mr Berry advising that once this information has been received, he will be advised, in writing, whether action will be taken against the building contractor.

This information has been included in the licensing file of the company for future reference.

RURAL YOUTH RISK BEHAVIOUR

On 6 May 2005 Reverend the Hon. Dr Gordon Moyes asked the Minister for Justice, representing the Minister for Youth, a question without notice regarding rural youth risk behaviour. The Minister for Youth provided the following response:

Risk behaviours amongst young people, as identified in the question, are complex problems that can only be tackled by a coordinated response from government, non-government agencies and the community.

The Government is supporting families to better manage early parenting, and increase the resilience of children at risk of child abuse and later anti-social behaviour, with the injection of \$150 million in funding for Early Intervention services over five full years to 2007/2008.

These services will aim to prevent families and children from becoming entrenched in the child protections system through providing early support to prevent problems escalating.

In addition to the broader Early Intervention Strategy, the Community Solutions and Crime Prevention Strategy is more specifically focussed on youth crime. This Strategy has directed \$5.3 million to a range of youth projects particularly in rural locations.

Some examples of these projects include:

- 13 youth worker positions in communities such as Walgett, Wilcannia, Dubbo and Brewarrina;
- educational support programs to re-engage young people with education or employment; and
- sport and recreational programs to provide health and constructive recreational activities in locations where the range of options is poor.

The Government is implementing the Better Futures Strategy which provides \$12.6 million over four years and is targeted at young people aged 9–18, and focuses on keeping young people engaged with education, assisting them with the transition to independent living and supporting a safe and healthy lifestyle.

The Government's Aboriginal Child, Youth and Family Strategy is designed to better support Aboriginal children and young people, their families and communities, through early intervention and prevention projects that support parents and carers raising children and young people.

The Community Services Grants Program operated by DoCS encourages people to participate in strong communities that effectively cope with change and promote safety, welfare and well-being. This program provides funds for individual and family support services, community development services, neighbourhood and community centres, youth support services and some child protection services, as well as services for Aboriginal and Torres Strait Islander and ethnic groups. The program currently funds over 300 services across NSW. Approximately 145 of these are youth services based within the Southern, Northern, Western and Hunter regions.

One of the NSW Drug Summit Initiatives is the Getting It Together Scheme. These 12 projects throughout NSW assist vulnerable young people (primarily of school age) whose drug and/or alcohol use is problematic and who are homeless or at risk of becoming homeless.

In relation to youth suicide the Government has provided a clear policy direction and extensive funding for suicide prevention initiatives across NSW.

The include:

- The School-Link collaborative between the Department of Education and Training and NSW Health;
- The Child and Adolescent Mental Health Services Network;
- The Integrated Perinatal and Infant Care initiative;
- The NSW Parenting Program for Mental Health;
- Programs for children of parents with a mental illness; and
- The *Getting in Early* program, an early intervention and prevention framework that focuses on depression and early psychosis in young people.

CONSTRUCTION INDUSTRY

On 6 May 2005 Reverend the Hon. Fred Nile asked the Assistant Treasurer, representing the Treasurer, a question without notice regarding the construction industry. The Treasurer provided the following response:

1. NSW Building and Housing Construction

In NSW, the value of residential completions are up 16.9% in the year to the December 2004 quarter and the value of non-residential completions are up 3.0%. The value of non-residential building approvals in NSW are up 48.5% in the year to the April 2005 quarter.

2. NSW Employment in the Construction Industry

No. In the year to March 2005, NSW employment in the construction industry grew by 7.8%.

3. NSW House Prices

No. The latest figures from the NSW Real Estate Institute show the median sale price of a house in Sydney during the March quarter was \$511,000 an increase of 1.19% on the previous quarter.

4. Impact of Vendor and Land Taxes

No. The biggest factor affecting the property market across Australia is the increase in interest rates and the talk of further rate increases.

5. Land and Vendor Tax Changes in 2005–06 Budget

Recent changes in the NSW Budget means that 400,000 property owners will either pay no land tax or less land tax. More than 42,000 first home owners in NSW have received stamp duty concessions since April last year. This \$420 million boost for first home buyers is being funded through the Vendor Duty.

SEWAGE AND WASTE WATER TREATMENT

On 6 May 2005 the Hon. Dr Peter Wong asked the Minister for Local Government, representing the Minister for Energy and Utilities, a question without notice regarding sewage and waste water treatment. The Minister for Energy and Utilities provided the following response:

In order to assist the Government in determining an appropriate and sustainable approach to facilitate further private industry involvement in the delivery of water and wastewater services in the greater Sydney Metropolitan area, the Government has requested the Independent Pricing and Regulatory Tribunal (IPART) review arrangements for the delivery of these services.

IPART released an Issues Paper on 6 May 2005 and is inviting submissions from stakeholders and the general public. The Government will await the final report by IPART.

Detailed information on current and planned reuse and recycling initiatives can be found in the answers to Legislative Council Questions on Notice 2042, 2079 and 2133, and Legislative Assembly Questions on Notice 3618 and 3822.

BUSINESS OF THE HOUSE**Suspension of Standing and Sessional Orders****Motion by the Hon. Tony Kelly agreed to:**

That standing and sessional orders be suspended to allow a motion to be moved forthwith relating to the conduct of the business of the House.

Precedence of Business

The Hon. TONY KELLY (Minister for Rural Affairs, Minister for Local Government, Minister for Emergency Services, and Minister for Lands) [1.01 p.m.]: I move:

That on Friday 9 June 2005 debate on the budget estimates take precedence from 10.00 a.m.

For the information of members, I intend that at 10.30 tonight the House will adjourn until the ringing of a long bell at 10.00 a.m. tomorrow.

Motion agreed to.

[*The President left the chair at 1.02 p.m. The House resumed at 2.30 p.m.*]

BRIGALOW AND NANDEWAR COMMUNITY CONSERVATION AREA BILL**Bill received, read a first time and ordered to be printed.****Motion by the Hon. Tony Kelly agreed to:**

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

Second reading ordered to stand as an order of the day.**ENVIRONMENTAL PLANNING AND ASSESSMENT AMENDMENT (INFRASTRUCTURE AND OTHER PLANNING REFORM) BILL****Second Reading**

The Hon. TONY KELLY (Minister for Rural Affairs, Minister for Local Government, Minister for Emergency Services, and Minister for Lands) [2.33 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.

I am pleased to introduce the Environmental Planning and Assessment Amendment (Infrastructure and Other Planning Reform) Bill 2005.

The wellbeing of our economy depends on business being able to work with certainty, a minimum of risk, low transaction costs, and appropriate levels of regulation. This bill demonstrates the Government's determination to take decisive action to achieve these objectives.

By establishing greater certainty in the assessment of projects of State significance and major infrastructure projects, the bill further assists in the Government's desire to afford opportunities for the private sector to participate in the delivery of our infrastructure programs.

There is no doubt that this bill dramatically improves the climate in which to do business in this State. The bill implements important elements of this Government's planning reform program—a program which is overhauling our planning system and cutting red tape at all levels, whilst continuing to improve the high standards of environmental assessment and community participation that have been the hallmark of planning legislation in this State for almost 30 years.

The bill introduces new mechanisms which will ensure that the Government delivers quickly and efficiently on its infrastructure programs—projects for roads and transport, schools, hospital upgrades, and water and energy projects are obvious examples.

The bill will introduce a number of important changes. A single assessment and approval system for major development and infrastructure projects will replace approval processes currently scattered throughout several pieces of legislation.

The bill will also improve the co-ordination of major strategic projects as well as ensure that the State focuses properly only on those matters which are genuinely of State or regional significance.

In that sense, this bill re-establishes the duality of the Environmental Planning and Assessment Act by ensuring the appropriate level of assessment is applied to each matter considered under the Act and, in particular, by ensuring that there is proper delineation between those matters which are properly dealt with by the State and those which are properly dealt with by local government.

For matters of State significance or major projects, the new single assessment process will strengthen the rigour, transparency and independence of the process of assessment, providing higher levels of up-front certainty for the proponent, the community and other stakeholders.

The bill will cut red tape. The bill will reduce time and reduce cost and complexity in the assessment of infrastructure projects, projects of State significance and critical infrastructure projects.

Together with the new State Environmental Planning Policy (State Significant Development) 2005, which was gazetted last Wednesday, the provisions contained in the bill enable the Minister to determine strategic sites, projects or programs of State significance and resolve issues associated with them decisively, transparently and expeditiously.

These reforms not only are vital to the delivery of major infrastructure projects and to the economy of New South Wales but also underpin the Government's ability to implement strategic initiatives such as the Metropolitan Strategy.

As part of that implementation objective, the bill introduces further legislative changes to support the necessary planning reforms to streamline the statutory planning system by reducing the number of planning instruments and ensuring those that remain are more consistent in their form and content, especially as they relate to local environmental plans.

Importantly the bill comes in advance of the recommendations in the Prime Minister's Infrastructure Taskforce for the establishment of a "one stop shop" approach—where there is a single point of contact for project facilitations and approvals of major infrastructure—to be established in each State with a single Minister responsible for issuing all necessary State approvals.

The bill introduces a new, simpler process for assessing major developments and infrastructure projects without compromising environmental outcomes. While the new assessment process will be managed more efficiently to reduce delays and costs, all existing environmental safeguards remain in place.

These reforms have been developed from long practical experience. The new regime of environmental, social and economic assessment of major projects proposed in Part 3A of the Bill has been built on the 25 years of environmental assessment practice by the Department of Infrastructure Planning & Natural Resources and its predecessors under the EP&A Act.

In these circumstances, the Bill provides New South Wales with a significant one time opportunity to build a one-stop, outcome focussed and value adding assessment regime that can direct and target the right levels of environmental assessment to specific projects. The new environmental assessment procedures will address the real social, economic, and environmental impacts that arise from specific proposals, not just be a compendium of information.

By having one integrated assessment process, and by concentrating the environmental assessment procedures and requirements in the guidelines, the new environmental assessment procedures will reduce time, cost and complexity in the assessment of major projects. The bill ensures the credibility of environmental assessment and community participation, and that environmental outcomes are not compromised.

To add to the environmental rigour in the assessment process, the assessment will be carried out under guidelines and protocols to be developed by a new Chief Executive Officers Forum. That forum will be made up of the directors-general of the major regulatory agencies.

The guidelines and protocols will set the rules for assessment methodology, consultation requirements and performance levels, and will ensure that high environmental outcomes are achieved.

For the first time, the Bill provides that the guidelines will be issued by the Minister, not the Director-General. In another first, they will be gazetted to ensure transparency and they can only be adopted after consultation with the Minister for the Environment where they relate to matters concerning threatened species and aboriginal cultural heritage.

The level of assessment will be tailored to the complexity and likely level of significance of the impacts of the project in question. Let there be no mistake—this bill will ensure that the impact of proposals on critical habitat, threatened species, aboriginal cultural heritage will be appropriately assessed under the new provisions.

I want to take this opportunity to emphasise that consultation will continue to be an essential part of the assessment process and in fact will now occur earlier in the process. The Bill provides that environmental assessment of all projects must be notified for a minimum of 30 days, with submissions invited from government agencies, councils and the community.

Importantly, these reforms provide additional opportunities for community participation. With new hearing and assessment panels, community consultation at the concept plan stage, making proponents respond directly to community concerns, and requiring proponents to provide a statement of environmental and social commitments for every project—this Bill goes further with more practical opportunities for community participation than ever before.

The Bill makes it clear that State Environmental Planning Policies must be considered when making a determination about a project—including a critical infrastructure project.

Before commencing the new Part 3A the government will ensure that community consultation and the environmental assessment is enhanced by amending the new State Significant Development SEPP to expressly provide that there is an appropriate consideration of economic, social and environmental impacts of proposals, the suitability of the site, a report on community submissions and other community consultations and other public interest matters before determinations are made.

The government will ensure that proponents of major projects deliver on their commitments to communities on environmental outcomes. This Bill strengthens the compliance and enforcement tools available under the Act to ensure environmental safeguards are delivered on the ground.

I will now address the elements of the bill in turn.

Schedule 1 deals with infrastructure and other projects amendments. Schedule 1 of the bill inserts a new part into the Environmental Planning and Assessment Act which will deal with projects, programs or sites which are determined by the Minister. The bill provides up-front certainty for major projects through the introduction of new concept approvals; removes the need for up to 15 different approvals and licences from nine separate pieces of legislation, replacing them with one assessment and approval process; removes the need for concurrences for major development; and abolishes the stop-the-clock provisions that currently add significantly to assessment times.

For projects of major worth to the economy, we are compelling our government agencies to follow processes which will provide certainty at the front end of a proposal in order to reduce investment risk. Projects which will be considered major are projects such as the Pacific Highway in its entirety, plans like the freight strategy, and sites like the Royal North Shore Hospital or the Westmead campus. This new legislation will deliver those types of projects faster and with more certainty. For private sector projects or public-private partnership type projects, that increased certainty translates into real cost savings and bankable security.

A new part for major infrastructure and development is also proposed. Currently, the same set of rules applies to a house extension as to, for example, a \$300-million commercial, residential and retail complex. This one-size-fits-all approach has resulted in delays and has significantly added to costs for major projects. The existing single-issue approach to managing particular aspects of the environment has also led to additional layers of approvals and unnecessary constraints on development and significant added costs. It leads to potentially poorer environmental outcomes. The bill will deliver a more interrelated system, focused on delivering major projects together with sound environmental and community outcomes.

There is a new process for project assessment under a new part of the Act. The bill provides for a new part 3A of the Environmental Planning and Assessment Act which will replace two different assessment and approval processes for major private and public projects. The new part will apply to the following major projects: development currently identified as State significant development under the State environmental planning policy; major State Government infrastructure projects, for example, projects which normally require an environmental impact statement under part 5 of the Environmental Planning and Assessment Act; and other projects, plans or programs which are "declared" by the Minister because of their economic, social or environmental planning significance to the State or region.

To add to the environmental rigour in the assessment process, the assessment will be carried out under guidelines and protocols to be developed by a new Chief Executive Officers Forum. That forum will be made up of the directors-general of the major regulatory agencies. Those guidelines and protocols will set the rules for assessment methodology, consultation requirements and performance levels, and will ensure that high environmental outcomes are achieved. The level of assessment will be tailored to the complexity and likely level of significance of the impacts of the project in question. The guidelines and protocols will be published and gazetted by the Minister and, in relation to legislation administered by the Minister for the Environment, following consultation with that Minister.

For each project, the Director-General of the Department of Infrastructure, Planning and Natural Resources will issue specific requirements for the assessment of the project, including the level of assessment, assessment methodology, any performance criteria, and consultation requirements, based on the guidelines. One of the requirements will include the preparation of a statement of commitments by the proponent. This is an important new initiative as it makes the proponent state clearly and up front to regulators and the community how it intends to manage the project to minimise the impacts on the environment. Prior to exhibiting the environmental assessment, the director-general must be satisfied that the assessment meets the specified requirements. The director-general will seek advice from relevant agencies in making this decision. If the assessment is not adequate, additional information must be provided prior to the exhibition of the project.

This initiative ensures that the community, not just the regulators, have access to all relevant information important in the assessment of the project. There will be no stop-the-clock opportunities for delays caused by requests from agencies for additional information later in the process.

Consultation will continue to be an essential part of the assessment process. The environmental assessment will be exhibited for a minimum of 30 days, with submissions invited from government agencies, councils and the community. Following exhibition, the submissions—or a summary of the issues in submissions—will be sent to the proponent, with a request to respond to the issues raised. The proponent may modify the project and the statement of commitments to minimise impacts on the environment. If significant modifications occur, a preferred project report, including a modified statement of commitments, will be made public. This initiative increases the importance of community submissions, as the proponent will need to respond to issues raised. For the proponent, this initiative provides flexibility by allowing modifications to the project to minimise impacts without having to go through the full re-exhibition process.

The director-general then prepares an assessment report with recommendations for the Minister on the determination of the project. The director-general will seek advice from other relevant Government agencies in finalising the report and

recommendations. The Minister will then make his determination public and the bill contains requirements to make all key documents public.

Appeal rights will generally continue to apply as if the project was being assessed under either part 4 or part 5 as is relevant. The proponent will continue to have the right of appeal against the Minister's decision. Third party merit appeals will continue to apply if the project is listed in schedule 3 of the Environmental Planning and Assessment Regulation, unless there has been a commission of inquiry, an expert panel hearing or a concept approval. Judicial review provisions will continue to apply under section 123 of the Act.

Integrated approvals have also been considered. The new part 3A provides for integrated approvals that will consolidate 15 approvals under nine Acts into a single assessment process and approval given under the Environmental Planning and Assessment Act. The assessment and approvals will be actively co-ordinated by the Department of Infrastructure, Planning and Natural Resources. The provisions relating to the assessment and management of impacts on critical habitats, and threatened species, populations and ecological communities and their habitats under the Fisheries Management Act, Threatened Species Conservation Act and the National Parks and Wildlife Act will be integrated into the assessment under this new part.

In addition, the environmental protection provisions under eight different Acts will be integrated into one approval. Those provisions relate to impacts on waterways, riparian zones and coastal processes, including from the use of water, water management works, dredging and aquifer interference under the Rivers and Foreshores Improvement Act 1948, the Water Management Act 2000 and the Coastal Protection Act 1979; impacts on aquatic ecology, including from dredging, obstructions in waterways or disturbance of mangroves under the Fisheries Management Act 1994; impacts on terrestrial ecology under the Native Vegetation Act 2003 and the National Parks and Wildlife Act 1974; bushfire risks under the Rural Fires Act 1997; impacts on Aboriginal items or places under the National Parks and Wildlife Act 1974; and impacts on heritage values, including in relation to excavation under the Heritage Act 1979.

Projects may still require a licence for ongoing operations under the Protection of the Environment Operations Act, an approval under the Roads Act, an aquaculture permit, mining or petroleum production lease or approval under the Mine Subsidence Compensation Act as is relevant. In these circumstances, there will be a joint assessment with the agencies contributing to the one assessment. Once the Minister has determined the project, any subsequent approval must be substantially consistent with the Minister's approval. This requirement will also apply in relation to any appeal over those authorisations.

The chief executive officers forum will ensure that appropriate assessment and approval guidelines and protocols are agreed to and are consistently applied. These guidelines, together with initiatives like biodiversity mapping and Aboriginal heritage landscape assessments, will better inform proponents and improve the quality of environmental assessments. Concept approvals are also included. For the first time, this bill will introduce "concept approvals" into the planning system for major projects.

Concept approvals will have statutory force and are designed to provide up-front certainty for those projects or programs which are either long term or complex, or where overarching strategies require statutory endorsement so their component parts can proceed with bankable security. Concept approvals will also allow for a program of projects, such as upgrading of the Pacific Highway, or an infrastructure plan like the Freight Strategy, to be assessed in a transparent manner to provide an early sign-off of the various components of the project or the plan. Concept approvals will increase certainty up front and reduce environmental and investment risks and costs. They will allow the community to comment earlier in the development process, and for community views to be taken into consideration in the refinement of the projects.

Let me now turn to critical infrastructure. Again let me make it clear—infrastructure will only be declared critical where its speedy completion is considered essential to the social, economic or environmental welfare of the State.

Declarations about critical infrastructure will only be made following appropriate considerations. It is not a measure that the government will invoke lightly. The government will use these provisions responsibly—for the well being of communities in New South Wales.

The types of projects that might be declared to be critical infrastructure, are those that are essential to the State—for example—if Sydney's water crisis continues - the desalination plant could be declared to be critical infrastructure because of its importance in providing drinking water to the people of Sydney, if dam levels continue to fall.

Before declaring any project to be critical infrastructure we will look at the project on a case-by-case basis. There will be a thorough risk assessment looking at financial, economic, social and environmental risk.

- Firstly we will look at the financial and economic risks to the state of delivering or not delivering the project
- Secondly, we need to look at what are the community implications of delivering or not delivering the project in a timely manner—the extent of social dislocation—the extent of hardship or cost on the community if the project is not delivered quickly.
- Thirdly, we need to consider the environmental risks of streamlining the delivering of the project—what are the benefits, what are the dis-benefits—how will the environment gain from the timely delivery of the project.

The Bill provides a clear process for making these declarations. A declaration can only be made either by an order by the Minister which is gazetted and made publicly available, or by State Environmental Planning Policy made by the Governor, which is also gazetted and made publicly available.

Again, let me make it clear. Once declared, critical infrastructure projects will be the subject of an appropriate environmental assessment. The environmental assessment will take place in accordance with the guidelines provided for in the Bill. It is these guidelines that will ensure all environmental impacts are appropriately assessed—not just threatened species, critical habitat or

aboriginal cultural heritage. The same considerations that apply to other major projects will apply to decisions about whether to approve critical infrastructure.

After ensuring only appropriate projects are declared critical infrastructure, and ensuring that they are subject to an appropriate environmental assessment, this government makes this commitment to the communities of New South Wales - we will make sure that these critical infrastructure projects are built.

There have been some calls to make regulations to specify in more detail what types of projects might be declared critical and how they might be implemented.

There are sufficient powers currently available under the EP&A Act to achieve this. However, as an initial step, the government is satisfied the gazetted guidelines will meet these purposes. The Minister for Infrastructure and Planning has undertaken during the debate in the Legislative Assembly to monitor the operation of the critical infrastructure provisions over the next 12 months. If a need to move from guidelines to regulations is demonstrated after that period, the Minister will make those arrangements then.

With the new compliance and enforcement powers in the Bill we will also be able make sure that critical infrastructure projects, as well as the other projects approved under these new provisions, are built and operated in accordance with their conditions of approval.

The bill provides there will be no appeals against decisions on critical infrastructure and there will be no third party legal challenges under any environmental and planning statutes against those decisions. The bill will ensure that the construction and operation of approved critical infrastructure projects cannot be stopped or delayed by other Government agencies or local councils.

There will be independent hearings and assessment panels. To underpin these reforms, the bill will include another important initiative to strengthen the integrated assessment process. The bill will make legislative provision for independent hearings and assessment panels to provide additional expertise to resolve technical issues in a timely manner and strengthen the scientific basis for decision making. Panels will be appointed by the Minister who will specify the make-up of the panel and the scope of the matters it is to investigate. The Minister may direct the panel to be involved in any phase of the assessment process.

A panel may be composed of independent technical experts, which is an expert panel, or a panel of government agency officers. The panel may hold hearings to assist in clarifying issues with stakeholders and to ensure that community views are appropriately considered. The panel is advisory and reports to the Minister with its findings, which must be taken into consideration by the director-general when preparing the assessment report and recommendations for the Minister. The bill makes provisions for regulations in relation to time frames, landowners consent provisions, exhibition and notification provisions, and assessment fees. The bill includes transitional provisions for projects already being assessed under existing provisions of the Act.

Importantly, these reforms will provide additional opportunities for the community to comment. All major development will be advertised for community input and proponents will be required to respond to issues raised in submissions and, if appropriate, to modify the project. The new panels may also provide an independent mechanism for the community to raise issues and have them considered. The bill includes a requirement to make all assessment documents public.

New part 3A of the Environmental Planning and Assessment Act will strengthen environmental outcomes and provide for earlier consideration of environmental constraints. These changes will provide a more systematic approach to resolving environmental issues, replacing the current single issue considerations. Earlier consideration of environmental constraints will allow earlier and more effective influence over project design and location decisions. This provides better outcomes for the community and the environment without unreasonable cost to the proponent.

In summary, new part 3A introduced into the Environmental Planning and Assessment Act by this bill will provide a more appropriate regime for the assessment and approval of major investment in New South Wales. It will provide up-front certainty for complex projects by introducing concept approvals with better opportunity for improved service delivery through public-private partnerships. Red tape is cut by replacing single issue assessment processes and approvals with one integrated process delivering better environmental outcomes. Rigour, transparency and independence are strengthened through the introduction of independent hearings and assessment panels, and enforcement provisions are strengthened to ensure the desired outcomes are delivered on the ground.

Allied to this bill is a new State significant environmental planning policy, which has already been gazetted, and will be one of the ways to access these new provisions. It will focus the Minister's consent role on significant projects and sites, enable the Minister to tailor planning provisions to suit particular sites of State significance and allow the Minister to amend the State environmental planning policy to add new sites. Under the new State environmental planning policy, decisions on local development will be devolved to local government. That will allow better use of State resources and speed up the approval process. The Minister for Infrastructure and Planning has always had the power to approve projects. However, over the past 25 years more than 85 different planning instruments, directions and declarations have been made for this purpose.

This new State environmental planning policy will provide a more systematic approach for nominating projects and programs as well as for sites. The State environmental planning policy will continue to nominate as State significant development of major mines and industry, infrastructure and coastal development. Other developments have been added to the list. Construction projects worth \$50 million or more will now be included where the Minister considers the project necessary to deliver State or regional planning objectives.

The \$50 million construction project criteria will not apply everywhere but only in selected strategically important locations. The Minister might, for example, declare a \$50 million residential project to be of State significance where the project would assist

the implementation the Metropolitan Strategy by helping to locate people close to transport hubs. However, construction projects that are subject to the City of Sydney Act will continue to be determined by the Central City Planning Committee.

Major government infrastructure projects have also been added to the list to ensure that the State Government's infrastructure program can be delivered in an efficient manner. These include, for example, major hospitals, schools, TAFEs, university and medical research facilities, prisons and electricity generating plants. Once the bill is passed and commenced, State significant developments will be assessed as projects in the new part. Schedule 1 to the bill will remove all provisions relating to State significant development from part 4 of the Act. Similarly, the bill will remove all the provisions in part 5 of the Act relating to division 4 assessments as these will also be handled in the new part 3A. The bill and regulations also provide for the transition to the new part for all such projects.

A significant number of projects will be returned to local councils for approval. For example, over the last four years, over 700 urban and coastal development projects valued at over \$2.3 billion were determined at ministerial level. However, over 600 of those projects had a combined value at less than \$130 million. Under this package of reforms—the Bill and the State Environmental Planning Policy (State Significant Development)—most of these types of projects will be determined by local councils.

The bill also implements other elements of the planning reforms announced by the Government late last year. The Government is preparing new regional strategies in priority regions to align development with population growth and infrastructure needs and to protect our high-value natural resources. These strategies will provide the context for modernising the statutory plans in those regions. The amendments in schedule 2 to the bill will support those reforms to simplify and modernise statutory land use planning. The amendments do not involve a radical rewrite of part 3 of the Act and are limited to changes necessary for delivering the major elements of the reform program. The amendments are the outcome of several relevant task force reviews in 2004, involving experts and stakeholder representatives. The Government places on record its appreciation for their involvement over that period. Further consultation on the detail of these changes has also occurred with the development industry, local government, the legal profession and environmental groups.

The bill provides the critical drivers for the modernisation of local environmental plans [LEPs]. Our objective is to require every local council to bring in one LEP for their area, which means that over the next five years we will have moved from 5,500 planning instruments to 152. There is no reason there should be 5,500 local planning instruments around the State. Spot zonings and outdated orders going back prior to 1979 all add to the confusion and complexity of the system. The other goal of the planning reforms is to achieve greater standardisation and consistency of LEPs. The bill provides for standard instruments to be prepared for environmental planning instruments—namely, State environmental planning policies, regional environmental plans and LEPs. It is intended that this provision would initially be used for LEPs.

The Government has exhibited the working draft standard LEP template that seeks to standardise definitions, zones and key provisions of local environmental plans. As a result of the exhibition and stakeholder input, especially from local government and industry bodies, the amended standard LEP will be re-exhibited in the near future for further comment. We believe that the standard LEP will substantially reduce the time it takes to prepare new LEPs by reducing the involvement of lawyers in the process, offering another time saving. The standard LEP will also revise the zoning categories from the present 3,100 down to around 25 and the 1,700 definitions down to fewer than 300. The bill includes amendments to streamline and enhance the process for making LEPs. These changes will ensure that local councils prepare new LEPs in accordance with the standard instrument.

The director general will be obliged to ensure that the plan is consistent with the standard LEP before the draft plan is exhibited, and when making a report to the Minister for the approval of the local environmental plan. A further major element of the reform agenda is ensuring that new LEPs implement the State's strategic plans. The bill will enable us to ensure that these strategies are implemented through planning controls in LEPs. It does this by enhancing the existing power of the Minister to issue directions to local councils under section 117. The bill provides new powers for the Minister to ensure that the modernisation of LEPs occurs in a reasonable time. Section 33B provides for the creation of a staged repeal program for existing LEPs, which will require local councils to review and prepare new LEPs within a specified time period.

The staged repeal program may specify dates for the repeal of existing LEPs and key milestones for the preparation of new plans. The staged repeal program may also allow for the postponement of the repeal of an instrument in justifiable circumstances, and can also be used to establish requirements for the periodic review of LEPs. Local councils will be identified as requiring a new LEP within two, three or five years. The Department of Infrastructure, Planning and Natural Resources recently wrote to all general managers of local councils in New South Wales providing initial advice to them of their priority status. It is intended that shortly after the bill is passed the list will be used to establish the staged repeal program. The draft priority list is also being used to inform the provision of the next round of financial assistance to local councils from the Planning Reform Fund.

The staged repeal program is essential to achieve the modernisation of LEPs within a reasonable time frame. For the first time in recent history the Government is offering local councils substantial financial assistance to assist them to prepare new plans. Around \$5.8 million of the Planning Reform Fund has already been granted to 57 councils for work associated with modernising their LEPs, and further rounds of assistance will be provided. Transitional provisions have also been included to assist in the smooth implementation of these requirements for new LEPs. A number of local councils are already well advanced in preparing new LEPs, and have invested significant effort and resources into this process. Transitional provisions are included to allow councils in these circumstances to proceed with making a LEP that does not comply with the standard LEP. Generally, these councils will be required to transpose their plan into the complying format within five years.

The bill contains amendments to provisions regarding development control plans [DCPs]. These changes are aimed at rationalising the number of DCPs, clarifying their relationship to environmental planning instruments and enabling an owner of land to prepare a DCP instead of a master plan. The bill aims to achieve a reduction in the number of DCPs by generally allowing one only to apply to a site. This means that in future a DCP may cover the whole local government area, a precinct or a site. The bill also clarifies that a development control plan may not duplicate the provisions of an environmental planning instrument, be inconsistent with an instrument or contain provisions that prevent compliance with an instrument. The bill provides for development control plans to replace master plans. Master plans have become another layer in the planning system. To simplify

the system, in the future master planning will be implemented through development control plans and staged development approvals. The bill delivers this by allowing an environmental planning instrument to require that a development control plan should be prepared by, or on behalf of, an owner of land before development may occur.

The provisions also allow for land pooling, by providing for an environmental planning instrument to specify that a number of landowners within a defined area must jointly prepare a development control plan before development can be carried out. This provision is likely to assist in the timely delivery of urban land releases as part of the Metropolitan Development Program. The provisions will prevent planning authorities from stopping development by refusing to make a development control plan. The provision allows developers to submit a development application where council refuses a development control plan or delays the making of the development control plan by more than 60 days. The usual appeal rights will be available in relation to the development application. The provisions also empower the regulations to extend the 60-day time limit where the owner fails to provide requested additional information.

Transitional provisions have been included to ensure that the new requirements apply only to new development control plans. Local councils will not be required to remake all DCPs within a set time, although it is expected that many councils will, in practice, review their DCPs at the same time as preparing their new local environment plan. A transitional provision also deems all existing master plans to be DCPs, and deems all existing provisions that require a master plan to require a DCP.

Schedule 3 to the bill provides for the existing provisions in the Act for staged approvals to be augmented with the introduction of procedures for the lodgment, assessment and approval of staged development applications. This will enable developers to stage complex developments with clear procedures for obtaining approvals for the development. Section 83B provides that a staged development application may set out an overview of the proposal across the whole site, with the details of each separate component of the development to be subjected to subsequent development applications. Alternatively, a first stage development application may include both the concept for the entire site and a detailed proposal for the first component of the development.

Only the applicant can request that a staged development application be lodged. Where a development control plan is required for a site by an environmental planning instrument, section 83C allows a staged development application to be prepared and approved as an alternative. A staged development application is subject to the provisions of integrated approvals and designated development, and requirements prescribed by the regulations. While any consent on a staged development application remains in force, a determination on any further development applications for that site cannot be inconsistent with the staged approval. It should be noted that already more than 1,100 of the 3,000 concurrences and referrals in LEPs have been removed, and permits under the Rivers and Foreshores Improvement Act have been reduced by 60 per cent. This will assist in streamlining the approvals of local development with the removal of unnecessary red tape. The bill also amends the following Acts to allow for regulations to be made that specify persons, activities or projects which could be exempted from the need for an approval under those Acts: the Fisheries Management Act 1994, the Mine Subsidence Compensation Act 19610 and the Rural Fires Act. Schedule 4 to the bill limits the duty on determining authorities to consider section 111 where the environmental implications have already been considered by another determining authority. The provisions also provide that a determining authority can be exempted from this duty where routine activities—for example, the maintenance of infrastructure—are being undertaken in accordance with a code approved by the Minister.

Amendments to the bill expand the role of the nominated determining authority from co-ordinating the exhibition of the environmental impact statement, to include the co-ordination of the preparation and furnishing of the assessment report that forms the basis of a determination. This will ensure a better integration of all environmental matters relating to the activities and an upfront resolution of issues. The bill also provides for fishery management strategies to continue to be assessed under part 5, including in circumstances when the Minister for Infrastructure and Planning is the approval authority. In those circumstances, a regulation will set out the appropriate procedures.

The enforcement provisions in the Act need updating and strengthening to ensure environmental safeguards are delivered on the ground. Schedule 5 to the bill makes a new range of investigative, compliance and enforcement powers available to the Department of Infrastructure, Planning and Natural Resources [DIPNR] to ensure projects approved under the new part are carried out in accordance with their conditions of approval. In particular, the bill strengthens the monitoring, compliance and audit powers, and provides for offences where the monitoring or audit reporting has been inadequate, false or misleading. The bill gives DIPNR more powers to stop work on a project if there is a danger of any environmental harm. To ensure these new powers still allow for a more streamlined assessment process, the bill amends other legislation that requires permits and approvals for development.

The bill lists mining leases and petroleum production leases as integrated approvals under section 91 of Environmental Planning and Assessment Act. As a result, the Department of Primary Industries will be an integrated approval authority and will actively participate in the assessment of mining and petroleum projects under the integrated approval provisions. The bill also amends the Mining Act 1992 and the Petroleum (Onshore) Act 1991 to remove provisions which suspend the operation of the Environmental Planning and Assessment Act. The repeal of section 74 of the Mining Act makes it clear that the environmental impacts of proposals such as expansions of mines into new areas must be assessed and determined. This is essential as these proposals may have significant impacts, for example, on river systems that are important for Sydney's drinking water supply.

Section 65 (3) of the Mining Act will also be repealed. This makes it clear that any conditions the Minister might impose on a mine to protect the community and the environment from its impacts must be complied with. It is important that the mining industry be treated like any other industry in New South Wales. The reforms achieve that and will ensure that new mines and expansions of existing mines are properly assessed and that the mining industry complies with the undertakings it gave to the community when it applied for a consent. Similar provisions in the Petroleum Act will also be amended or revoked. It is intended that exemptions would be progressively introduced for minor and low impact development.

Development that is addressed by environmental planning instruments may be satisfactorily assessed by local councils under the Environmental Planning and Assessment Act. It is important to note that the Government will not allow the repeal of section 74 to prevent existing mining operations continuing under their existing approvals.

The Government undertakes to amend the State significant development State environmental planning policy [SEPP] before the mining-related provisions of the bill are commenced to ensure that planning instruments cannot prohibit mining and petroleum production activities carried out under existing leases. The SEPP will also provide appropriate transitional provisions for all existing mines. Regulations can also be made under the bill to ensure a smooth transition to the new regime for existing mines.

The Government has moved decisively with its planning reform agenda to cut red tape and provide the regulatory conditions to support a strong economy, jobs growth, and both public and private sector investment. The competitiveness of New South Wales to attract sustainable infrastructure and investment opportunities depends on having an efficient and clear development approval system underpinned by an up-to-date planning regime. This suite of initiatives—the State significant development SEPP, the new part of the Act providing for the efficient assessment and approval of major development, and the reforms to the planning regime—continues our drive to cut red tape and deliver on our infrastructure commitments. This bill is a very competent piece of legislation, which will underpin the State's economy for generations to come.

I commend the bill to the House.

The Hon. PATRICIA FORSYTHE [2.33 p.m.]: In my 14 years as a member of this place and my three years prior to that as chief of staff to the Minister for Planning I have never been involved with planning legislation as radical and controversial as this and on which there has been absolutely no consultation. The bill is based on a fundamentally false premise: that planning legislation is holding back infrastructure development in New South Wales. That is wrong. The Carr Labor Government's lack of will and failure to commit resources is what is holding back our infrastructure development. The Government's action and inaction, not the Environmental Planning and Assessment Act, is the cause.

Under the Environmental Planning and Assessment Act and other legislation New South Wales was able to complete—by meeting critical time frames and cost projections, efficiently and effectively—what could arguably be described as the single most important infrastructure development in this State, the Sydney Olympics. New South Wales was able to deliver the 2000 Sydney Olympics not despite that Act but because of it. The difference between what the Government did at the time of the Olympics and its approach to this bill is that the Government had a will to get the Olympics completed. The Carr Government, and before it the Coalition Government, committed resources to that. I repeat: the Government's action, not the State's planning legislation, is holding back development in this State.

I said that this is in many ways the most radical and controversial planning bill I have dealt with in the past 17 years. The fact that the Government has been so silent about it only highlights how significantly controversial it is. There has been no consultation or discussion at any level about the bill. Let me set the scene for it. I will begin by describing the process by which the Environmental Planning and Assessment Act and its cognate bills were introduced in this House on 21 November 1979, when the Hon. Paul Landa said:

On 17th April 1979 the Government introduced in another place five bills representing the result of the Government's comprehensive review of existing legislation relating to town and country planning and environmental assessment. Following the introduction of the bills in April this year—

as I said, this was in November—

I forwarded copies of all of the bills, together with explanatory brochures and detailed explanatory notes, to every local council and to numerous industry, community and professional associations interested in, and likely to be affected by, the bills. In April and May, every local council in the State was visited and given an initial briefing on the measures. Subsequently in June, every local council was afforded the opportunity to attend regional meetings to have detailed questions on the measures answered and further explanation given prior to the preparation of submissions by councils. Additionally, the Local Government Association of New South Wales and the Shires Association of New South Wales conducted discussion groups on their own initiative.

Seminars were organized by the New South Wales Planning and Environment Commission with numerous bodies such as the New South Wales division of the Royal Australian Planning Institute, the New South Wales Chapter of the Royal Australian Institute of Architects, the Institute of Valuers, the Local Government Planners Association, the Institution of Surveyors, the Institution of Engineers, the Building Owners and Managers Association, the Real Estate Institute, the Urban Development Institute of Australia, the Sydney Chamber of Commerce, the Confederation of Australian Industries, the Law Society of New South Wales, the Law Council of Australia, the Nature Conservation Council of New South Wales, and the National Trust.

He went on to say:

The statistics of this public consultation process are impressive. A total of 138 meetings were conducted by the Planning and Environment Commission. Of these 65 were in country areas and 73 were in the city. The meetings involved 89 with councils and 49 with non-council groups.

Written submissions were invited from a wide section of the community. The Hon. Paul Landa continued:

A total of 180 written submissions were received. Of these 61 were from councils; 18 were from professional institutes; 13 from the building and development industry and commerce; 18 from governmental and semi-governmental agencies; 4 from

conservation organizations; 6 from consultative bodies and trade unions; and 60 from members of the public. The public consultation participation programme undertaken by the commission was the most extensive and intensive process of public involvement ever undertaken in New South Wales.

In 1979 the Government thought it prudent when making the radical changes that underpinned the environmental planning and assessment legislation to undertake months of consultation. Even in 1997 the Minister for Infrastructure and Planning, the then Minister for Urban Affairs and Planning, when speaking about the process that underpinned that Environmental Planning and Assessment Amendment Bill, said:

We based these reforms on the submissions received from business, community, environmental and professional groups in response to two 1996 green papers entitled "Towards an Integrated Land Use, Planning and Natural Resource Approvals Policy for NSW" and "Regulatory Innovation—Regulation for Results". That work formed the basis of the white paper called "Integrated Development Assessment—White Paper and Exposure Draft Bill". In the white paper the reforms were grouped into three main categories.

The Minister outlined the categories and continued:

The white paper was released on 12 February 1997—

I note that he delivered this speech in October 1997—

An extensive consultation process to explain and get feedback on the proposals was embarked upon. Over 30 information seminars were held at 17 locations across the State from 24 February 1997 to 20 March 1997. Almost 1,800 people, representing State and local government, industry and community, environmental and professional groups attended the seminars. The seminars were advertised in the press, including the *Sydney Morning Herald* and the *Daily Telegraph*; in major local and regional papers and ethnic newspapers; and local radio and regional television stations were informed. Over 400 information packages were sent to State agencies, councils, interest groups, known interested individuals and the media. Over 20 media interviews were conducted. Over 7,000 copies of the white paper were distributed. The white paper was made available on the Internet, and a free-call telephone line was set up and advertised. Public comment was invited until mid-April 1997. The white paper attracted great interest. Over 560 submissions were received.

What did the Minister say in his second reading speech about the process of consultation on this bill? I will tell you what he said—and it will not take me long! He said precisely nothing, because, to the best of our determination, there has been no consultation. Certainly there has been no consultation with local government. I had the opportunity—I will not use the word "privilege"—to hear the Premier address the Shires Association conference on Monday morning. The Minister for Rural Affairs also addressed the conference. Did either of them take the opportunity to inform the shires represented at the conference that they were about to be significantly duded by this legislation? Let me say at the outset that there are aspects of this legislation that are fundamentally important and about which the Opposition has no concerns. There are, however, some aspects that greatly concern us. In his second reading speech the Minister said this about local government:

The bill will ensure that the construction and operation of approved critical infrastructure projects cannot be stopped or delayed by other government agencies or local councils.

Effectively this legislation takes the community of New South Wales out of the planning process if the Minister determines that a project is critical.

Mr Ian Cohen: What are you going to do about it?

The Hon. PATRICIA FORSYTHE: We will have an opportunity during the debate to discuss those issues. Did the Premier, the Minister for Rural Affairs or the Minister for Infrastructure and Planning take the opportunity to share their views on planning with the Shires Association at its conference this week? Maybe they did, but not in a public forum. By contrast, when I was leading for the Opposition on the 1997 amending bill, I, together with the then shadow Minister, the Hon. Ron Phillips, participated in a series of meetings with Minister Knowles and members of his department. We debated the provisions in the bill, we agreed there was a need to move forward, and we discussed how a good planning system was important to the whole community.

For the first time ever on a planning bill, I have had no contact from the Minister's office. In his speech in reply the Minister will tell the House that he gave a briefing to the Leader of the Opposition on Monday. But that is different from the approach the Minister has previously taken on this type of legislation. The Minister is not prepared to consult with members of this House who deal with legislation. He is not prepared to consult with key groups in the community. One has to question the nature of the Government's actions. The Minister began his second reading speech by describing a vision. He said:

The wellbeing of our economy depends on business being able to work with certainty, a minimum of risk, low transaction costs, and appropriate levels of regulation.

The Minister is absolutely correct in that assessment. That is a position the Opposition could claim as its policy. Two months ago the Leader of the Opposition, in an outstanding address to the business community of Sydney, set out a plan and direction for infrastructure development in New South Wales. We want New South Wales to be a State in which people feel confident to do business and invest significant amounts of capital. But more than that, we want its people to have adequate and appropriate infrastructure. The next sentence of the Minister's second reading speech is extraordinary. He said:

This bill demonstrates the Government's determination to take decisive action to achieve these objectives.

This Government has been in office for 10 years, yet it now claims it needs to take decisive action. If the Government genuinely had a vision for New South Wales, it would have made appropriate changes and adjustments to the Act years ago. It does not have a vision; it has never had a vision. The Government now faces criticism in the media, such as the significant campaign in the *Sydney Morning Herald* last week about crumbling infrastructure, and from significant interest groups. It has suddenly woken up to the fact that it needs to take so-called decisive action.

The Government knows that the Opposition, responsible as it is, is always prepared to work with it to achieve sensible legislation that shows at least a modicum of consultation with relevant groups in the community. That has not occurred in this case. The so-called decisive action the Government is going to take is about 10 years too late. If it believed that a better framework had to be in place, it should have done so a decade ago. As I said at the commencement of my speech, the Government had no difficulty in delivering the Sydney Olympics, arguably the single most important infrastructure development this State has ever seen, in a critically short period. And in doing so it met all criteria, such as efficiency, certainty, and appropriate levels of regulation. It was able to achieve that; it did not need that legislation.

It might be worth having a look at what the Minister said in his second reading speech, because it is perhaps through his words that I can best express some of the concerns of the Opposition. This bill will prove to be the Government's Trojan horse, because when it is passed the Opposition will want to know where the infrastructure proposals are, what the Government proposes to do to fix the problems with infrastructure in New South Wales and what it proposes to do in three months, six months or one year. The budget reveals very little by way of appropriate resource allocation to underpin the direction that the Government has claimed for this bill. In the second paragraph of his second reading speech the Minister stated:

The bill implements important elements of the Government's planning reform program—a program which is overhauling our planning system and cutting red tape at all levels, whilst continuing to improve the high standards of environmental assessment and community participation that has been the hallmark of planning legislation in this State for almost 30 years.

The problem with that statement is that the Minister is asking us to take much of the legislation on trust. We do not have before us all the documents we should to allow us to really underpin the process. It is interesting to note that only 10 days ago the Government was able to gazette the State environmental planning policy [SEPP] State significant development, which lists significant developments across the State that the Government was able to define as "State significant". The maps, the sites and the descriptions all appear in the gazette.

Some aspects of State significant developments will be of interest to communities. I am sure the people of Ku-ring-gai, for example, will be interested to discover that included in the SEPP is the housing strategy relating to multi-unit housing in Ku-ring-gai. It would appear that the possibility of multi-unit development in Ku-ring-gai has moved in importance from a development worthy of consideration at a regional level to that of "State significance". It is all there in the SEPP. The Government has been able to define it, describe it and have it gazetted. The Government should be able to apply that precedent to the whole of the legislation we are dealing with today. If the Government can adequately describe developments of State significance in a SEPP, it ought to be able to at least enlighten the House about projects of critical significance.

Major projects are described as developments that need a certain level of transparency and rigour, and high levels of up-front certainty for the proponent, the community and the stakeholders. Local councils may well be interested to be advised about projects that will be included now or in the future. As I said, the Government was able to gazette the SEPP. If it knows what is of State significance, it ought to be able to tell us what it deems to be of critical significance. The Minister's rationale for much of this legislation is that we will be able to deliver certain projects faster and with more certainty—such as private sector projects or public-private partnership projects—and that certainty translates into real cost savings and bankable security. In that regard the Minister referred to the Royal North Shore Hospital, Westmead campus and the Pacific Highway in its entirety.

The Opposition does not object to that philosophy; it even acknowledges the Government's ability to identify certain major projects. Of interest to the Opposition is the Government's record of dealing with projects. How many projects have been delayed or have run over budget? According to the budget papers presented two weeks ago, 171 infrastructure projects were delayed or ran over budget. The cost of these blowouts stands at \$515 million. Any analysis of those projects would show that the delays were not caused by some elements of the environmental planning and assessment legislation but rather because of the Government's incompetence and its failure to make decisions.

In his second reading speech the Minister referred to hospitals and, later, to a list of development projects that may well be able to be dealt with more efficiently. He referred to major government infrastructure projects that have been added to the list in order that the Government's infrastructure program can be delivered in an efficient manner—major hospitals, schools, TAFEs, university and medical research facilities, prisons and electricity generating plants.

Recently some members of this House were involved in an inquiry into the future development of Mona Vale hospital. What emerged from that inquiry were details of the process of consultation the Government had undertaken—or, rather, the process that ensured that it did not have to make a decision. The Government has held that project out to the community, but it has allocated no resources to it except the \$2 million plus that was spent on the so-called consultation process. The delay has not been because of planning problems or the will of the local community; it has been caused by the Government's inaction and its failure to allocate resources. The Government has referred to delays in significant developments. In that regard it must examine its own resource allocation process.

As much as anything else, the Government's incompetence has delayed the approval of appropriate infrastructure for New South Wales. The State's infrastructure is crumbling and the Government has had 10 years to do something about it. After 10 years in office it has introduced a bill it claims is about decisive action. But it simply does not come up to the mark because the Government has not at any other time demonstrated a will for decisive action. Had the Government done so, we may well have had a bill that was the subject of appropriate consultation.

So far as the Opposition is aware, the only consultation on this legislation has been with the business community groups that in the past couple of days received a phone call from the Minister for Infrastructure and Planning urging them to tell the Opposition why it should support the legislation. When we asked the representatives of those groups what the bill was about, they could not tell us because they did not know. They had merely been strong-armed by the Minister about why the Opposition needed to be given a clear message. The business community ought to educate itself about some aspects of this legislation. It would be horrified by one section of it to which I will return later.

I wish to detail some of the key elements of the bill, the purpose of which is to address major infrastructure reform. Our support for the bill is to the extent that it simplifies some of the New South Wales planning instruments, particularly in relation to local environmental plans. In that regard the Government has effectively picked up on policies and concepts the Opposition has been talking about for the past couple of years. With regard to New South Wales having an opportunity to deal better with infrastructure, the Opposition has been saying we need to move forward. But this legislation, which refers to critical infrastructure, will move New South Wales to a level that is far from the principles that have always enshrined planning legislation in this State. That is why there has always been recognition of duality, a tiered system, and a role for the State and local government.

Clearly, local government and third parties will now be dealt out of certain aspects of this legislation. Yet the Government already has at its disposal a very significant planning tool in the State environmental planning policy it gazetted only last week. The Government has had more than 10 years to plan for the State's future infrastructure. As I said, the Government has certainly not been held back by planning legislation. This is reactive legislation from a reactive government. I do not know how long the legislation has been in the planning stage. The actions of the *Sydney Morning Herald* over the past couple of weeks certainly brought to the community's attention the Carr Government's complete lack of vision for the future infrastructure needs of New South Wales.

The Hon. Catherine Cusack: That's too polite.

The Hon. PATRICIA FORSYTHE: That is too polite? I am sure my colleague the Hon. Catherine Cusack will make a few comments about that later. That is a recent campaign. However, it is not a new

message. I well recall that two years ago Engineers Australia released a significant document outlining its views about the State's infrastructure. I also recall attending a dinner hosted by the Infrastructure Council of New South Wales about three years ago at which the single message to those attending was the lack of commitment on the part of the Carr Government to develop infrastructure in New South Wales. That was a consequence of the former Treasurer, the former Leader of the Government in this House, having, in his mind, a very clear, simple policy: clear the debt first and worry about the infrastructure at another time.

The former Treasurer was very proud of the position he took with debt reduction, but it came at great cost to the people of New South Wales because around us the State's infrastructure is crumbling. As evidence of that, one need only look at what the shadow Minister for Transport was able to identify with regard to the rail infrastructure at Circular Quay, or the lack of water infrastructure for New South Wales, or the fact that the Government has no real answers to the crisis of 91 per cent of the State being in drought.

The Government talks about, for example, establishing a desalination plant. I suspect that, given the present climate and water levels in Sydney, a desalination plant would receive strong support notwithstanding its potential energy use. But did the Government do anything about providing for such infrastructure in the budget? Did it set aside resources to implement such infrastructure to deal with the fact that Sydney relies on Warragamba Dam, which was planned and built to service a city about half the size of present-day Sydney? The Government has been ignoring such issues for so long that one treats with cynicism a statement from it that it wants to take decisive action.

In 2002 the Premier outlined 87 major metropolitan projects as part of his so-called strategic plan. It is not because of planning legislation that those projects have not reached the level of the Premier's vision; it is because the Government cannot get its act together and will not allocate appropriate resources when it comes to these sorts of projects. The brake may be off; we have a new Treasurer. But that the economic climate is now such that, I suspect, the Government will find some other excuses. The Government says that it has been, in its words, "dudged" as a result of the Grants Commission proposal. Yet, it says that if it got agreement from the Premiers of all the other Labor States it would be able to take a proposal to the Federal Government to alter the distribution of resources by the Grants Commission. That is well known, it is recorded in *Hansard*, and it has been an accepted position for a long time. They are the issues that are preventing the Government from doing anything—not inadequate resources from the Federal Government. This Government has not been prepared to make tough decisions for change. It has excuses, but it does not have the will to allocate resources to the projects it needs to implement.

Two years ago Engineers Australia declared that New South Wales infrastructure was at a crisis point. In its report card on New South Wales infrastructure Engineers Australia gave the following scores: State roads, C-plus; local roads, C-minus; waste water, C-minus; stormwater, D; and rail, D. But what has the Government done about it? If it believes that the way forward is to deny local communities a voice and to bring legislation that it has failed to consult on, and if it believes that it is capable of giving to the business community, whether in Sydney, elsewhere in Australia, or overseas, an image that New South Wales is the place to do business, it has lost the plot. It is the Government's inaction that has held back development, not planning legislation in New South Wales.

Some aspects of the bill are important. We recognise the need for developments that fall into the category of State significant. We recognise and accept that SEPPs can give the Minister the appropriate approvals. What we have difficulty with is the new concept of critical infrastructure, which will be treated quite differently from any other infrastructure that has been dealt with in New South Wales. The Minister said:

Critical infrastructure is introduced in this bill. As another new provision, the bill will also allow the Minister to declare projects as critical infrastructure. For example, if the drought continues, infrastructure work to implement the Metropolitan Water Plan will need to be accelerated. Under the present planning regime, some of those components would normally require lengthy environmental assessments.

We are the first to agree that there needs to be action. We will be pleased to work with the Government for a satisfactory outcome with regards water infrastructure for New South Wales. It is difficult to know, however, just what the Government has in mind when it talks about critical infrastructure. We will certainly move an amendment in Committee to deal further with that issue.

The Coalition acknowledges the move towards the rationalisation of local environmental plans [LEPs], a step that has been acknowledged for some time. Indeed, it is, and has been for some time, part of Coalition policy. We acknowledge that the Government has put out for discussion with local government bodies a draft

standard LEP template. It is sensible to reduce the number of zoning categories from more than 3,000 to around 25, and to streamline the number of definitions within LEPs from 1,700 to about 300. We acknowledge that the principle of only one LEP across a local government area should allow movement towards a better and more modernised system of planning in New South Wales.

We acknowledge that many councils are getting on with the process of preparing new LEPs. Significantly, over the next five years the number of LEPs will drop from more than 5,000 to only 152. Where are the resources in the budget to underpin something as important as that? The proposal has been included in this bill without the level of consultation that was undertaken for the template LEP. But for the time it took to deal with other legislation, this bill would have been rammed through the House last night.

The Hon. Jan Burnswoods: What do you mean "rammed"?

The Hon. PATRICIA FORSYTHE: Rammed through. What resources have been allocated? The budget papers indicate that in the current year it is anticipated that two additional staff will be employed by the Parliamentary Counsel. For the Government to achieve the consolidation of more than 5,000 planning instruments into 152 over a five-year period, the allocation of resources to the Parliamentary Counsel must be significantly increased. I have been working with one counsel for more than two years, without success, to try to effect one small change to an LEP to meet the needs of local communities in a very deprived area as a consequence of drought.

The Opposition supports the Government's intention of reducing the number of LEPs to 152 because that is an important principle. It should do away with the concept of spot rezonings, which have in many ways weakened many aspects of the planning legislation. We recognise that. But the Government will have to do better with regard to the allocation of resources to Parliamentary Counsel if that is to be achieved over the next five years. Some of those LEPs cannot be rewritten overnight; considerable reworking and consolidation of legislation will have to take place. Even with all the goodwill of the Opposition, it may not be possible for the Government, because of its failure to allocate adequate resources, to be decisive in its actions.

The legislation deals with State significant development and major infrastructure; it streamlines the assessment approval process for major development infrastructure projects; and it gives additional power to the Minister to determine strategic sites and projects of State significance, and resolves issues associated with them. Just 10 days ago a new SEPP of importance to this legislation was gazetted. Effectively it contains nine categories of State significant development: for agriculture, timber and food, with the criteria 100 people employed and development of \$30 million; for mining, petroleum production, extractive and related industries, with the criteria 100 people and development of \$30 million; chemical manufacturing and related industries, 100 people and \$20 million; other manufacturing, 100 people and \$30 million; construction projects, \$50 million; tourism and related facilities, \$30 million; health and public service facilities, \$15 million; transport, energy, and water infrastructure, \$30 million; and resources and waste-related industries, \$55,000 tonnes per year and \$30 million. So the Government has been able to define the basis of that which underpins State significant development.

There is a significant move in relation to integrated assessments. For major projects the stop-the-clock provisions have been removed. The Director-General of the Department of Infrastructure, Planning and Natural Resources [DIPNR] may consult only with relevant authorities. A chief executive officers forum will be established comprising directors-general of certain regulatory agencies. For major projects the development approval process will be split with a new concept approval before a development application. It is a very interesting concept. The Opposition would have appreciated more advice about that concept to enable it to understand clearly what the Government will accept in that approval process. Critical infrastructure will not be defined in the legislation. The Minister corresponded with the Opposition about this, and I will have more to say about that in Committee. Proposed section 75C provides:

Any development that is declared to be a project to which this Part applies may also be declared to be a critical infrastructure project if it is of a category that, in the opinion of the Minister, is essential for the State for economic, environmental or social reasons.

Critical infrastructure is a piece of major infrastructure that, in the opinion of the Minister, is essential for the State for economic, environmental or social reasons. End of story. The Minister does not have to give reasons or do any more than declare that it is essential for the State for economic, environmental or social reasons. Therein lies the issue that I suspect will occupy the House for some time in Committee.

I turn now to proposed division 2 in schedule 1 to the bill, which relates to environmental assessment and approval of projects, and to the roles of the Minister, the director-general and the panel of experts. I suspect that these matters will be dealt with conclusively in Committee. The Minister asks the Parliament to take this matter on trust, because no regulation exists which sets out, even by way of categories, what is meant by critical infrastructure. The Opposition would like more information on this matter and will seek to amend the bill. Just because the Minister says a project meets one of the criteria, it does not mean it will be declared critical infrastructure. If the bill is passed in its present form there will be no appeal process, even though such a process is available under other State environmental planning policies. Under this bill the Minister will have carte blanche to override everything.

The better approach would have been for the Government to issue papers, similar to those distributed prior to the 1997 legislation, setting out the grounds for such decisions. What is the urgency? What is the project that the Government is so desperate to have declared critical infrastructure? It is not prepared to share that information with the House. Why has the Government suddenly realised that it must take decisive action on infrastructure development when it has failed to do so over the past 10 years? Critical infrastructure will be the subject of lengthy debate.

I refer now to proposed division 2C in schedule 5. In the past 24 hours the Opposition has received numerous phone calls from organisations and individuals in the city urging support for the bill. I suspect that not one of those organisations or individuals has actually read the bill. If they had done so they may have shown a modicum of concern for the proposals set out in this new division, which relates to the department's enforcement powers. The bill, if unamended, will give the Minister extraordinary powers in relation to entry and search of premises. Paragraphs (b) and (c) of proposed section 122G (1) will enable the Minister to exercise powers for the following purposes:

- (a) for determining whether there has been compliance with or a contravention of this Act, the regulations, any environmental planning instrument, any approval under Part 3A or any development consent under Part 4 or any document or requirement issued or made under this Act,
- (b) for obtaining information or records for purposes connected with the administration of this Act.

Proposed section 122I provides:

- (1) The director-general may appoint any person (including a class of persons), as an authorised officer for the purpose of this Division.
- (2) An authorisation of a person as an authorised officer can be given generally, or subject to conditions, limitations or restrictions or only for limited purposes.

Proposed section 122J provides:

- (1) An authorised officer may enter:
 - (a) any premises which the authorised officer reasonably suspects that any industrial, agricultural or commercial activities are being carried out—at any time during which those activities are being carried out there, and
 - (b) any other premises—at any reasonable time.

The director-general will be able to appoint any person to enter any premises if there are grounds for believing there may be non-compliance with or contravention of the Act. I hope that business in this State is well aware of that provision. The powers proposed under this bill are greater than any powers that the New South Wales Crime Commission or any royal commissioner in New South Wales may have. The Opposition will seek to amend this provision in Committee to specify those who should not at any time have approval to enter premises.

On the other hand, if a shonky development is taking place and people are deliberately contravening the Act, it is proper for the matter to be investigated and appropriately dealt with. Crossbench members may not be aware of this measure and may be considering supporting the bill. The Opposition will move an amendment in Committee to ensure that the director-general does not have the power to authorise representatives of unions or employer bodies to have carte blanche to any premises at which it suspects industrial, agricultural or commercial activities are being carried out under the Environmental Planning and Assessment Act.

The Minister's second reading speech contains little on this subject. He merely referred to the fact that enforcement provisions in the Act need updating and strengthening to ensure that outcomes are delivered on the ground. Once a development has been approved, it is important that there is no cutting of corners and that the

work is carried out in the interests of sound development. The Opposition will not seek to delete the whole section, but will seek merely to ensure that there are no unintended consequences. The Minister has gone to great lengths to describe other schedules, yet on this matter he has merely said that the monitoring, compliance and audit powers should be strengthened. He should have drawn the attention of business and crossbench members to this section, but I suspect he did not do so.

There is nothing wrong with powers to enter and search if it is genuinely believed that a development application is being contravened. However, this should not be a backdoor method for the Carr Government to allow its union mates to enter any business, agricultural premises or farm at any time in the name of the environmental planning and assessment legislation. The Opposition urges members on the crossbenches to support my foreshadowed amendment to this section in Committee.

Certain parts of the legislation that streamline the processes conform with what the Opposition has for some time said should have been done. They meet the Opposition's criteria for improving and strengthening the planning regime in New South Wales. More than anything else, we want to be able to say that New South Wales is a good place to do business. We want a strong and robust economy. We want an economy that shows overseas businesses that it is appropriate to invest in New South Wales the millions of dollars necessary to update capital infrastructure. That is the Opposition's position. We do not want to see an absolute loss of powers and the community taken out of the planning process.

The Hon. Robyn Parker: A blank cheque.

The Hon. PATRICIA FORSYTHE: Not only is it a blank cheque for the Minister; it is clear that the Minister wants local government as far away from as many projects as possible. I wonder whether the Minister took the opportunity to visit the Shires Association this week and share that fact. As a matter of principle, the Opposition wants infrastructure in New South Wales to be given priority. Infrastructure must be given priority. Our transport and health systems will not be improved if the Government is not prepared to invest in upgrading capital infrastructure. Having said that, the notion of critical infrastructure is given no more than basically one line in the legislation. The Minister will make the appropriate announcement about what infrastructure is critical.

The bill provides for a process in which, effectively, the director-general is the Land and Environment Court for the purposes of that section of the Act. What will set critical infrastructure apart is the fact that there is no appeal process. The Minister will determine whether something is critical infrastructure, and a process will be put in place. There will be environmental assessment guidelines and an advisory panel, but at the end of the day it is a closed loop. It is the Minister, the director-general and the assessment panel, but that is it. There is no provision for an appeal process. It is taking what Paul Landa would have introduced in 1979 to a level far removed from the principles that he espoused in his legislation at that time.

Mr Ian Cohen: Why don't you oppose it? You'll get the numbers in the House.

The Hon. PATRICIA FORSYTHE: We believe that New South Wales must promote itself as a good place to do business and to grow the State.

Mr Ian Cohen: Why don't you stop it in its tracks? Your rhetoric is excellent.

The Hon. PATRICIA FORSYTHE: I make it clear to the Greens that we will move amendments in Committee. We want to place the Government's record on infrastructure before the community. The Government's failure to invest in infrastructure will be the subject of debate for the next two years. That is the issue. We will certainly not deny the New South Wales community an opportunity to consider the Carr Government's record. When this legislation is passed—I suspect that it will be passed because I have heard the views of many crossbench members—the Government will be beholden not only to exercise its powers responsibly but also to meet its own criteria: that is, appropriate levels of regulation, a minimum of risk, low transaction costs and, above all, within a framework in which environmental assessment still counts for something in this State. The Opposition believes that its amendments will strengthen the legislation. I hope crossbench members have read all aspects of the bill and understand which parts are appropriate to be dealt with.

Mr Ian Cohen: We haven't seen your amendments yet.

The Hon. PATRICIA FORSYTHE: The amendments are being circulated now. It is an issue of consultation. The Government gave us little time to consult on and review this bill. Mr Ian Cohen should not come in here and talk about circulating amendments. We have had little time to review the Government's proposals. I suspect that the remainder of this debate will be interesting. At the end of the day the Government could have achieved what it sought to achieve through a proper consultation process and by working with the Opposition, as it did in 1997 and at other times when it has had important legislation. We would be much more comfortable if the Government was prepared to be open with us about so-called critical infrastructure and provide the guidelines up front. That is what is missing, that is why we have concerns and that is why we must move amendments to the legislation at this late stage.

Reverend the Hon. Dr GORDON MOYES [3.36 p.m.]: The Hon. Patricia Forsythe is an incredible optimist if she thinks the bill will pass through the House this month, because it is an extremely detailed bill. The purpose of the Environmental Planning and Assessment Amendment (Infrastructure and Other Planning Reform) Bill is to amend the Environmental Planning and Assessment Act 1979 to reform land-use planning and the development assessment and approval system under that Act, particularly in respect of State infrastructure and other significant projects and land-use planning instruments. While respecting the Government's desire to gain major developments for New South Wales, if this bill goes ahead it will be at great public price. This critical legislation will have significant implications for planning across New South Wales.

In the history of the development of the Environmental Planning and Assessment Act 1979 I cannot recall one bill that has had such far-reaching effects. Thus, if this bill is passed the environmental planning law landscape will be permanently refashioned. The bill's central intent is to cut through red tape within land-use planning processes. Surely this bill accomplishes that. But cutting red tape within land-use planning processes has been seen by some as necessary to rid planning procedures of the so-called excessive complexity that is perceived as being responsible for delay or inaction. Cutting red tape is applauded and commended by some because it streamlines and makes more efficient the intricacies of the bureaucratic processes. But others may be of the view that cutting what may be considered as red tape actually removes the checks and balances necessary for land-use planning.

For example, the Environment Liaison Office considers that this bill will remove long-standing checks and balances such as accountability, transparency, technical oversight and community input for the most important and potentially environmentally sensitive proposals such as tourist resorts, mines and marinas, as well as developments in national parks and fragile coastal zones which are currently protected.

As a member of the Greens recently interjected, the last time this type of change took place was after a disaster in the Blue Mountains National Park. It seems that people—local citizens, lobby groups, councils—are an absolute pain, an intrusion, an interruption to the bureaucracy. But the Christian Democratic Party believes that ordinary people have the right to have a say, even if they might be a pain, an intrusion or an interruption to the bureaucracy.

The bill inserts into the Environmental Planning and Assessment Act 1979 a new part 3A, which will replace the procedures relating to State significant development. Development projects are subject to the provisions of part 3A if so declared by a State environment planning policy or by order of the Minister published in the *Government Gazette*. The latter scenario is novel. The Minister may declare projects as falling within the realm of part 3A when they fit within one of two categories, being major infrastructure developments or critical infrastructure projects. A major infrastructure development is a development which, in the opinion of the Minister, is of State or regional significance. A critical infrastructure project is any type of development that might be considered by the Minister to be essential for economic, environmental or social reasons. This places huge power in the hands of a Minister and his opinions, whether or not he or she has any professional training or experience.

The Legislation Review Committee effectively describes the process for approval under proposed part 3A. I will not refer to that here, but the main concern surfacing from this process is found within proposed section 75C. If the Minister is of the opinion that a project is essential for the State for economic, environmental or social reasons, he or she can declare it to be a critical infrastructure project. This is important because the Minister can approve a critical infrastructure project even if it would otherwise be wholly prohibited under an environmental planning instrument. The salience of and concern stemming from this proposal should not be underestimated. The effect of this proposal is to vest broad discretionary powers in the Minister. It is very clear that this proposal will allow the Minister to wield far-reaching powers, untrammelled by established measures catering for the protection and conservation of the environment.

Another disconcerting aspect of proposed part 3A is that appeals to the Land and Environment Court against the Minister's decision may be made only in certain circumstances, and appeals cannot be made in relation to critical infrastructure projects. This proposal prevents individuals from questioning the merits of a Minister's decision. Citizens ought to have recourse to appeal mechanisms; that is the nature of an individual's rights within our court system. The bill provides that the Minister may authorise or require a proponent of development to submit a concept plan for a project. A concept plan is to outline such things as the scope of the project and any development options.

My esteemed leader asked the Government whether this would consist of, for example, an artist's sketch plan? Would it consist of, perhaps, an elevation? Would it consist of a line on a map? The proposal for the staged implementation of the project may be very simplistic. Concept plans may also be authorised or required in relation to environmental assessment requirements, assessment panels, public consultation and environmental assessment reports by the director-general. A person dissatisfied with the Minister's refusal to approve a concept plan may appeal to the Land and Environment Court in certain circumstances; however, again, appeals cannot be made in relation to critical infrastructure projects.

Once again, I note the hemming in of appeal rights. Of most concern is that the approval of a concept plan satisfies any requirement in an environmental planning instrument for the preparation of a development control plan. Special mention must be made of the fact that the Minister's approval of a concept plan satisfies requirements under an environmental planning instrument. Again, it is apparent that the Minister has extremely broad discretionary powers. The only requirement of proposed part 3A that is mandatory in connection with the validity of an approval of a project or a concept plan is a requirement that an environmental assessment of the project is made publicly available. The fulfilment of this public notice requirement may be viewed as just a token gesture towards the community where part 3A projects are concerned.

Where a project is approved under proposed part 3A, parts 3, 4 and 5 of the Environmental Planning and Assessment Act do not apply to it. Part 3 relates to environmental planning instruments, part 4 to development assessment and part 5 to environmental assessment. Part 3 of the Act and State environmental planning policies do not apply to the carrying out of projects under part 3A but, in the case of a critical infrastructure project, only to the extent specifically provided by a State environmental planning policy. Thus, the current environmental impact assessment [EIA] process is done away with. There will no longer be a requirement to prepare a formal environmental impact statement. The Environment Liaison Office has noted:

The EIA is an internationally recognised component of responsible environmental planning.

Within the new process for part 3A developments there will be large scope for ministerial discretion. For example, proposed section 75G states that the Minister may constitute a panel of experts to assess applications for approval, and the requirement for a panel of experts to be established and referred to is not binding on the Minister or mandatory. Where a project is approved under part 3A, the bill will not require various statutory authorisations that are required to be submitted under the current law. This proposed development is very important. The various statutory authorisations that will not be required for approved part 3A projects include, for example, the concurrence under part 3 of the Coastal Protection Act 1979 of the relevant Minister; an authorisation referred to in section 12 of the Native Vegetation Act 2003 to clear native vegetation, and a bushfire safety authority under section 100B of the Rural Fires Act 1997.

The severity of this proposal can be highlighted in the context of the removal of the need for a bushfire safety authority for approved part 3A projects. The Nature Conservation Council has indicated that this proposal may apply to residential development under the Sydney Metropolitan Strategy as well as "any other commercial venture favoured by the Minister of the day". Andrew Stanton, the Nature Conservation Council's bushfire officer, said in a media release issued on 1 June 2005:

This leaves it open for corporate developments including medium density housing, large subdivisions, as well as public hospitals, schools and nursing homes to escape the State's stringent bush fire protection guidelines... the concern here is that the future residents, workers and users of these facilities will be left vulnerable to bushfire attack... This is a slap in the face to those ordinary people who have hoped to subdivide their small residential blocks, build a new house or renovate their family home, but can't because of these strict, but previously universal, bushfire protection laws... While these small developments bear the brunt of these restrictions, large corporate developers will be allowed to circumvent the rules completely... The other concern we have is for our brave and faceless volunteer fire fighters. Does the Government expect volunteers to risk their lives protecting the commercial ventures they plan to negligently approve?

That gives some food for thought. On my part, it provokes deep concerns about the implications of part 3A projects for our communities. As pointed out by the Legislation Review Committee, this bill will provide that

certain proceedings cannot be taken in the Land and Environment Court without the approval of the Minister where critical infrastructure projects are concerned. Grave concerns must be held when laws hamper or cut off the rights of individuals to appeal ministerial decisions in our State's courts.

As indicated by the Environment Liaison Office, the public will not be able to challenge, and the court cannot make orders regarding, the declaration of projects, the approval of projects or the enforcement of conditions of approval for critical infrastructure projects. Moreover, the validity of an approval or other decision under proposed part 3A cannot be questioned in any legal proceedings if the proceedings are not commenced within three months after public notice of the decision was given. It must be pointed out that the three-month time frame may pose problems, as it may not leave sufficient leeway for proceedings to be commenced. Schedule 2 provides for the standardisation of local and other environmental planning instruments. In this regard the Legislation Review Committee said:

This is achieved through the Governor prescribing the standard form and content of local environment plans or other environmental planning instruments, including the prescription of mandatory and permitted provisions.

It is envisaged that existing environmental planning instruments will be repealed in a staged fashion. From a commonsense point of view, the streamlining and standardisation of environmental planning instruments may not cater for the individual needs of areas. A one-size-fits-all approach may not effectively target the environmental issues in a particular area. The rationale behind the standardisation of local and other environmental planning instruments is not clear. A cookie-cutter approach to environmental planning standards or requirements across New South Wales will not offer suitable solutions for the conservation of our environment.

Schedule 5 gives new powers to the Minister, the director-general and authorised officers to enforce approvals under proposed part 3A. It is proposed that the Minister or the director-general will be able to use local council order powers for part 3A projects and that the Minister will be able to impose conditions on part 3A approvals that require monitoring and audits to be carried out by or on behalf of the approval holder.

Moreover, as the Legislation Review Committee said, schedule 5 will enable the director-general to appoint persons as authorised officers to enter premises in certain circumstances—as referred to by a previous speaker—to conduct inspections, to take samples and photographs, to examine and copy records, to seize things connected with an offence under the Act, and to require the answering of questions or the production of documents. The Legislation Review Committee has exhaustively defined issues that are of real concern. I urge the Government to reflect on these issues, particularly the fact that there is an exclusion of merits review.

The Christian Democratic Party does not involve itself in obstructionist practices with government legislation, but it does warn of the dangers of being a headstrong, centrist, authoritarian government of the type found in banana republics. The people have chosen this Government and given it the authority to be a law unto itself and garner to itself the self-delusion that it alone knows best, so the opinion of the public is not required. However, we recognise that obstructionist action by many environmental groups has cost business dearly, delayed projects that would have benefited society, and discouraged investors away from this State. The approach is simple but sometimes painful: Listen to the people, and then act. Do not just crash through.

Ms SYLVIA HALE [3.52 p.m.]: Previous speakers have pointed out many of the flaws in this bill. The Greens, the environment movement, and the community as a whole are extremely concerned. I was particularly interested in the remarks of the Hon. Patricia Forsythe about the lack of consultation and time constraints. She said there had been little opportunity for the members of this House and members of the community to discuss the provisions of the bill. I therefore foreshadow that at the conclusion of the second reading debate I will move that the question be amended by omitting the words "That the bill be now read a second time" and inserting instead "That the bill be referred to General Purpose Standing Committee No. 4 for inquiry and report."

I confidently expect the Opposition and the crossbenchers to support the amendment. By doing so, members will have the opportunity to further consider the provisions of the bill and the public, who are most widely affected by it, will have the opportunity to give the committee and, through them, members of this House the benefit of their experience as to how they anticipate the bill will operate.

I say at the outset that the Greens oppose and deplore this bill. Even its title sticks in the craw. The bill represents the undoing of 25 years of environmental safeguards and the dismantling of hard-won environmental processes that have been underpinned by a framework of legal rights to challenge rapacious development. The bill before us masquerades as reform. I admit that it is true to the manner of its conception. Schedule 1, which

introduces a new part 3A and makes the most significant change to the Act, has been conceived in secrecy and subject to no public discussion or input, save that of the Property Council of New South Wales and similar groups. It has been foisted upon the community in arrogance. Ambiguity, uncertainty and arbitrariness pervade the bill's provisions, unless one is a major developer, financier, or a mate of the Government.

To reach an overall understanding of the nature of the bill, it is worth outlining its worst provisions before analysing it in detail. Proposed part 3A creates a new category of development known as critical infrastructure. There is no definition of what constitutes critical infrastructure; that is left entirely to the discretion of the Minister. The bill allows the Minister to approve critical infrastructure and other major projects based on concept plans. One might ask what is a concept plan? We are not told; but we are told what a concept plan is not: It is not a detailed report. The bill states specifically that a detailed description of the project is not required.

After providing for critical infrastructure based on a concept plan to be approved in the absence of relevant detail, the bill proceeds to remove any third party or legal challenge to the decision. As I said, ambiguity, uncertainty, and arbitrariness pervade the bill. The actual provisions are worthy of George Orwell. The only group within the community to take joy from the bill are large developers, financiers, promoters of public-private partnerships and mates of the Government—the very organisations that have contributed so handsomely and consistently to the Labor Party coffers over the last 10 years and enjoyed unrivalled access to the Premier and his Ministers. Their access to the Government has clearly shaped the bill. In an email dated 24 May, which was sent to various people and subsidiary organisations when the bill was being drafted, Ken Morrison, the New South Wales Executive Director of the Property Council of Australia, said:

This morning I attended a further briefing on amendments to the EP & A Act to implement the Government's state significant development reforms announced in the last fortnight and the reforms to plan making announced last year. The Bill will be introduced to Parliament this week.

The state significant development amendments will be very enabling and very powerful.

Mr Morrison said:

From our briefings on this, it would seem the Property Council should give its strong support to the legislation.

He concluded:

The other elements of the Bill support the reforms for plan making, resulting from the Kibble Task Force Review into Plan First. It seems that all the legislative amendments we sought will be in the bill.

The bill delivers everything the major developers have asked for. It is not difficult to determine who they are. They are the Premier's cronies who turned out in force two weeks ago, on 27 May, to celebrate the Premier's tenth anniversary in office.

The Hon. Michael Gallacher: It was pretty cheap, wasn't it?

Ms SYLVIA HALE: It was—\$500 a seat, I believe. Harry Triguboff from Meriton was there, along with Brian Rose from Rosecorp, Guido Belgiorno-Nettis from Transfield, Alistair Walton from Goldman Sachs, Helen Nugent from the Macquarie Bank, and the newest entrant to the BRW rich list, Western Sydney's own home-grown developer, Tony Perich. They were all there at Bob Carr's party. As the *Sydney Morning Herald* noted the next day, "Seats were a snip at \$500. Whole tables had been taken by KPMG, PricewaterhouseCoopers, Westfield and Rosecorp. To have a Labor minister at a table costs serious money." I am sure Minister Kelly could tell us what an enjoyable night it was, rubbing shoulders with these proponents of the public-private developers.

The Hon. Tony Kelly: I did not see you there.

Ms SYLVIA HALE: No, of course not! I was not there. But, of course, there were many Greens outside protesting, as we have persistently protested at these money-raising undertakings. But the attendees' money was not wasted. Carr and Knowles are not ingrates; they know how to return favours. What more could any right-minded developer want from a government than this tenth anniversary present? It is very clear to see who the winners in this process will be—and it certainly will not be the community. It is now in order to ask just what will the community get from the bill. It will get its comeuppance! It has been told well and truly where its place is in the pecking order. The community's reward is the loss of the right to appeal against any ministerial

declaration that a development is critical infrastructure—and that loss is accompanied by a watering down of the community's entire role within the planning process.

It is ironic that within six months of the twenty-fifth anniversary of the passage of the Environmental Planning and Assessment Act in 1979, this Government is setting out to weaken, undermine, and remove the right to community consultation and participation in the planning process. It is worth putting the bill in its historical context and looking at what was said about community consultation and participation when the Act was passed in 1979. In fact, it is essential if we are to understand just how retrograde this legislation is. When one reads the then Minister's second reading speech on the 1979 bill, one is struck by the stark contrast between it and the current Minister's second reading speech on this bill. In 1979 the Minister noted that:

The Government has been aided by its consideration of comments elicited from the unprecedented public participation processes to which the bill has been subjected.

The Minister declared that the legislative framework for environmental planning in 1979 was unsatisfactory because of:

... its failure to give members of the public any meaningful opportunity to participate in planning decision making.

References to the desirability of including the public in the planning process recur throughout that 1979 speech. The Minister was explicit then about what the Government was intent on achieving, and he summed it up in the following paragraph:

The bills will confer equal opportunity on all members of the community to participate in decision-making under the new legislation concerning the contents of environmental studies; the aims and objectives to be adopted by draft planning instruments; the contents of draft planning instruments; development applications requiring prior publicity before determination; development applications for designated developments; and environmental impact statements prepared and published in accordance with part V of the Environmental Planning and Assessment Bill. Additionally, objectors to applications for designated development can appeal to the Land and Environment Court against the grant of development consent. Members of the public are given legal standing to bring proceedings in that court to enforce compliance with the new planning laws and to remedy any breaches of those laws.

That was the intention of the Wran Government. That was truly break-through legislation—which the Carr Government is intent upon undoing. What a contrast with the current Minister's second reading speech! In Craig Knowles's speech, community participation barely rates a mention. Instead, the Minister referred repeatedly to "business being able to work with certainty", "a minimum of risk", "low transaction costs", "appropriate levels of regulation", "this bill dramatically improves the climate in which to do business in this State", "for private sector projects or public-private partnership type projects ... increased certainty translates into real cost savings and bankable security", and that the Government's agenda is "to cut red tape and provide the regulatory conditions to support a strong economy, jobs growth, and public and private sector investment".

Always the emphasis is on the fact that the legislation will "cut red tape by reducing time, cost and complexity". It is remarkable how they have changed over 25 years—25 years ago they were interested in public participation and in involving the community in the decision making process. Now all they are interested in is making money for big business. I suppose the remark that really gives the game away is in the last paragraph, in which Minister Knowles pointedly thanked "those in the various industry groups who have participated in the formulation of this legislation".

There is no mention here of the community, local government, or planning professionals, only reference to industry groups, such as the Property Council of Australia and the Urban Development Institute. After all, the Minister could not thank the Local Government and Shires Associations because, as its weekly newsletter says:

The Associations were not consulted on the major aspects of the bill. While the Associations had been notified of an impending amendment bill through [its] Planning Reform Committee, we were only consulted on Schedules 2 and 3 of the bill.

The Hon. Duncan Gay: I am surprised about that. I am very surprised. Phyllis Miller said at the opening that the shires get terrific access to the Labor Government.

Ms SYLVIA HALE: It is obvious. They said in the newsletter that they were not consulted.

The Hon. Duncan Gay: That's what she said at the opening.

Ms SYLVIA HALE: I cannot comment on Phyllis Miller's remarks. I know that on many other matters I have had a difference of opinion with her. The newsletter continued:

These schedules relate to the amendments to planning instruments and development consents. As it has turned out, these are only relatively minor aspects of the bill.

The Local Government and Shires Associations makes it clear in its newsletter that they were told about the minor aspects of the bill, but were kept in the dark about the crucial elements of the bill, despite the associations having established, in conjunction with the Minister, a planning reform committee, one member of which was the director general of the department, Jennifer Westacott. The Minister could not thank the Local Government and Shires Associations, nor could he thank the peak environmental organisations because they were not consulted either. Like the rest of the community, they have been outraged to discover just what is in this bill. There were no ongoing discussions with them, just the nasty surprise of the Minister's second reading speech and the terms of the bill.

I will now turn to the specific provisions of the bill. Let me say at the outset that the Greens believe that the bill is so fundamentally flawed that it cannot be amended to a level that would make it acceptable. Amendments would be simply be tweaking at the edges of a deeply flawed piece of legislation and the Greens will have no part in validating it by taking part in that process. The changes that the Greens believe are necessary to make the legislation acceptable are so significant they would be outside the leave of the bill. But to ensure that the concerns of the Greens, environment groups, community groups, and local government are put on the public record I will go through the bill in detail.

Mr Ian Cohen: We only found out about your amendments minutes ago.

The Hon. Duncan Gay: Do you think we have control over consultation on the bill?

Ms SYLVIA HALE: If you support the referral to the committee, and we have adequate time to consult about the amendments, we will consider your amendments during that process. Schedule 1 to the bill should be deleted altogether. As the Local Government Association said in its weekly newsletter to members last week:

The most important part of the bill is contained in Schedule 1 which relates to "Major Infrastructure and Other Project Amendments". Schedule 1 inserts sweeping new Sections into the Act.

The newsletter went on to explain that the schedule:

... strips councils of approval powers in relation to such developments, it also overrides the authority of other approval agencies such as the Department of Environment and Conservation, NSW Heritage Office, Department of Agriculture etc. Third parties are also restricted or barred from rights of appeal by various provisions of the bill.

As I said, local government was not consulted about schedule 1. Since introducing the bill last week, the Minister has asserted that he already has these powers. We can only presume that this is why the Minister felt no compulsion to consult on these matters. But the Greens dispute his contention. Schedule 1 to the bill allows the Minister to declare a development to be "critical infrastructure" or "major infrastructure development", and once this declaration is made, sweeping new powers come into play. I will deal with those powers in a moment. But before I do I would like to point out that one of the most fundamental flaws in the bill is that there is no clear definition of, or criteria with regard to, what constitutes "critical infrastructure" or "major infrastructure development". Proposed section 75A defines "major infrastructure development" as follows:

Major infrastructure development includes development, whether or not carried out by a public authority, for the purposes of roads, railways, pipelines, electricity generation, electricity or gas transmission or distribution, sewerage treatment facilities, dams or water reticulation works, desalination plants, trading ports or other public utility undertakings.

The Greens agree that this list constitutes what a reasonable person might consider to be major infrastructure. But the Government was clearly not content to leave it there. Proposed section 75C takes the definition much further, and hands the Minister the power to categorise just about anything he or she sees fit as critical infrastructure. Section 75C defines "critical infrastructure projects" as follows:

Any development that is declared to be a project to which this Part applies may also be declared to be a critical infrastructure project if it is of a category that, in the opinion of the Minister, is essential for the State for economic, environmental or social reasons.

Despite protestations from the Minister to the contrary, the bill makes it very clear that critical infrastructure can be anything the Minister deems to be essential for economic, environmental, or social reasons. Proposed section 75B (3), which relates to related development, makes it clear that only part of a development need be declared critical infrastructure for an entire project to fall into this category. These are very sweeping powers indeed.

The Hon. Duncan Gay: It could be Bob's nuclear power station.

Ms SYLVIA HALE: Yes, indeed, it could be Bob's nuclear power station, or Frank's desalination plant. Once the Minister has declared a project to be critical infrastructure, normal environmental protections—such as carrying out an environmental impact assessment before the development can proceed—are suddenly at the discretion of the Minister. Much of what was mandatory becomes discretionary, and yet the Minister continues to pretend there has been no change in the nature and extent of his powers.

The Minister may develop guidelines for an environmental impact statement [EIS] process, and the director general will be required to prepare assessment requirements on a project-by-project basis, but there are no clear requirements about when an EIS is required. Again, the entire process hangs on ministerial discretion. If the Minister decides to proceed with an EIS, proposed section 75H stipulates that any report must be publicly available for at least 30 days and that members of the public may make submissions at this point. But there is no requirement for the Minister to take the views of the public into account in his or her final determination. To help with that determination, the Minister may appoint a panel of experts to assess the project, but there is no requirement for any community or environmental representation on that panel.

The bill also severely curtails third party and legal appeals. With respect to a development that is not critical infrastructure, the proponent has three months to appeal any decision, but the community is given only 28 days to object. This is manifestly unfair, and yet it demonstrates how the Government ensures that the playing field is anything but level. The balance is clearly tipped in favour of its developer mates. But it gets worse. For projects that the Minister has designated as critical infrastructure there are no third party or legal appeals whatsoever. The Government is unequivocal about this. In his second reading speech the Minister said:

The bill provides that there will be no appeals against decisions on critical infrastructure and there will be no third party legal challenges under any environmental and planning statutes against those decisions. The bill will ensure that the construction and operation of approved critical infrastructure projects cannot be stopped or delayed by other government agencies or local councils.

When it comes to community involvement in decision making in this State, no stone has been left unturned and there is no right that has not been weakened or eliminated altogether. The Minister gets his way, and that is it! The bill makes environmental protection discretionary, relegates public consultation to lip-service, and puts the Government above the law.

Schedule 1 also introduces an entirely new creature into the New South Wales planning system: the concept approval and its associated concept plan. The justification for this move is that the Minister will be able to either deny or grant approval early in the conceptual stage of a development, and thereby avoid the developer having to spend time and money on a project only to have it subsequently rejected.

This mechanism has been long sought by the development industry, which has complained bitterly about the drawn out and costly process of securing development approval for large and/or contentious projects—and those complaints have become deafening when developments have ultimately been denied. With the enactment of this provision, the lobbying efforts of the developers have finally borne fruit. Proposed section 75M allows the Minister to authorise or require a concept plan for any project. As I said at the outset, we have no idea what a concept plan actually looks like.

The Hon. Dr Arthur Chesterfield-Evans: A few pretty pictures.

Ms SYLVIA HALE: Indeed. The bill says it must outline the scope of the project and any development options. In all other respects the bill is silent. Subsection (2) of proposed section 75M expressly stipulates that a detailed description of the project is not required. This is a ludicrous proposition. How on earth can anyone make an informed decision about a development if no meaningful information is provided or if the information that is provided subsequently proves incorrect? The Minister might be omniscient, but the community needs a reasonable amount of detail before it can provide informed input on such concept plans.

It is almost equivalent to neighbours knocking on the front door to announce that they will be undertaking some renovation. They might remark, almost as an afterthought, "Well, the other option was to

move, but we have decided to build instead. It would be an extension out the back. We have just been granted concept approval," and that is it. It would be laughable if this were not how concept approvals will operate. There is absolutely no doubt that the proponents of a concept plan will provide the barest possible detail in order to give themselves the greatest degree of flexibility later in the project. To do anything else would be bad business practice.

Based on the smallest possible amount of information, the Minister will then make his or her decision. Community consultation in the process will be little more than a charade, and once concept approval has been granted there will be little opportunity to amend, even if other critical information becomes available, any subsequent development applications, as long as they conform to the initial concept plan. The Government's adoption of the concept plan is a cave-in and surrender to the development industry. It has swallowed the industry's lobbying, hook, line and sinker. But in doing so, the Government has completely misunderstood and undermined the fundamental nature and purpose of the development assessment process.

When making planning decisions in order to achieve a full and meaningful outcome it is essential to examine detailed information. Furthermore, the process of negotiating an outcome that meets technical requirements, the concerns of the community and business imperatives, and ensures an acceptable level of environmental impact, takes time. The larger and more complex the project, the more information and time is required. Instead, this bill takes us in precisely the opposite direction. It leapfrogs the assessment process and produces a decision before any of the analysis has actually taken place. The suggestion that this could possibly lead to better planning outcomes is mind boggling.

The Minister should immediately tell the Parliament what additional resources will be provided to the Department of Infrastructure, Planning and Natural Resources [DIPNR] to accommodate the extra workload that will result from these provisions. DIPNR is already struggling in the wake of massive restructuring, unable to meet its work commitments associated with the metropolitan strategy and the planning reform process. Exactly who, in the context of a massive shortage of experienced competent planners, is going to do the work associated with this bill?

Let me return for a moment to appeal rights. Under proposed section 75K the proponent of a major piece of infrastructure or development will have three months to appeal to the court against a ministerial refusal. An objector, however, whether it be a local council, the National Trust, the Total Environment Centre, or other third party, will have only 28 days to lodge an appeal. In relation to a concept plan for major development, if the Minister refuses a plan, the proponent has the right to appeal within three months. On the other hand, objectors do not have the right to appeal against the approval of a concept plan. This is manifestly unfair.

Despite the decades that have gone into building this State environmental protection framework, this bill allows any project that the Government chooses to simply ignore environmental laws. The bill allows critical infrastructure to circumvent the core environmental protection Acts, including the Heritage Act, the Coastal Protection Act, the Fisheries Act, the National Parks and Wildlife Act, the Rivers and Foreshores Act, the Rural Fires Act, the Water Management Act and parts of the Threatened Species Act.

My colleague Ian Cohen will talk about this in more detail in his contribution, but I cannot move on without saying a few words about it. The protection of our environment has been at the centre of cultural and political life in New South Wales for at least 30 years—some would argue it has been there for much longer. The National Parks and Wildlife Act, which this bill is so deliberately designed to undermine, dates back to 1974, precisely 31 years ago. Since then, concern and awareness in the broader community about the environment has only intensified. Bob Carr has ridden this wave to his own electoral advantage, gazetting new national parks and scoring a bubble reputation as the Green Premier. Sadly, it is a very tarnished reputation.

The Hon. Dr Arthur Chesterfield-Evans: It's spin. It's not a real one.

Ms SYLVIA HALE: Yes, spin. There is no substance to it at all. It is a bubble.

The Hon. Eric Roozendaal: It can't be a spin and a bubble. It doesn't work like that. Bubbles don't spin. It's either spinning or it's a bubble.

Ms SYLVIA HALE: They twist and turn in the wind. Only yesterday members of both Houses of this Parliament were hand delivered a fresh, green choko. Sticking out of each choko was a toothpick with a small flag attached that labelled Bob Carr as the choko Premier—green on the outside, white and watery on the inside.

To the community activists, lawyers, staff in government agencies, lawmakers, law enforcers, businesses, mums, dads and schoolkids who have worked for decades building and implementing our system of environmental protection, choko Bob says, "Stuff it". Big projects favoured by his Government need not comply. This bill is truly draconian, but it truly reflects the depths to which this so-called Labor Government has sunk.

Schedule 2 contains the provisions associated with the strategic planning reforms that have been mooted over the past 12 months. The Greens recognise the need for a strategic overhaul of the State's planning framework. There is no denying that streamlining and consolidation in some areas could improve life for residents and communities, for local government and for developers. The Greens support genuine planning reform so long as it involves all the key stakeholders in the associated decision-making process. And there has been some involvement, albeit limited, in discussions on schedule 2 with local government and environment groups.

Over the past 12 months the Government has reluctantly consulted on the key provisions of the schedule, including standard local environmental plans [LEPs], consolidation of development control plans [DCPs], regional environmental plans [REPs] and State environmental planning policies [SEPPs], and the phasing out of DCPs. The consultation has not been adequate, but it has taken place nevertheless, and it is better than nothing. At least with schedule 2 it was not a closed-shop deal with choko Bob's developer mates. Local governments and community groups have had some inkling of what was coming. Proposed sections 33A to 33C deal with the introduction of a single standard LEP for each local government area, based on a standardised statewide template.

Associated with this will be standardised zoning and definitions. There is no doubt that some streamlining is necessary to reduce the more than 5,000 LEPs currently in existence across the 152 councils in New South Wales. The Greens are not opposed to this per se, but we do have a number of concerns in relation to it. Currently, there are approximately 3,100 zonings and 1,700 definitions in use across New South Wales. There is certainly room to rationalise these to a more manageable number. It is vital, however, to remember that these zonings and definitions have evolved over time to reflect very specific regional variations in geography, topography, existing land uses, plans for the future, and social, cultural and historical issues. They have evolved to reflect the fine-grained tapestry of cultures and communities in different areas. As members of this House well know, every community is different in subtle but important ways. Despite the wishes of developers, who want the same definitions to apply whether they are building a block of units in Byron Bay or in Bega, cultural and land use considerations vary greatly.

A chief concern of local government is that the State Government will reduce the number of definitions and zonings to a level that is unable to fully reflect regional subtleties and variations across the State. Strong concerns were raised in the more than 160 submissions received by DIPNR about its discussion paper in January 2005 on this matter. There was particular concern in relation to the proposed lower density living zone, which permits multiunit dwellings. Such a zoning may be appropriate in Bondi Junction or Chatswood, but surely not in the Blue Mountains or Orange. Despite the development industry's assertions, most communities across New South Wales do not consider multiunit dwellings to be lower density. It is only if the conditions that multi-units are well designed and sympathetic to their location and community considerations are met that multiunit dwellings or zonings will be accepted by the community. But this legislation does nothing to bring about such outcomes.

Local government raised also resourcing and the capacity of both individual councils and DIPNR to take on the workload associated with the changes. I have already mentioned capacity constraints within DIPNR, but local government is concerned at the cost of a wholesale review of their LEPs and DCPs. The bill will also see multiple development control plans that deal with different issues, possibly overlapping different geographic areas, reduced to a single development control plan containing all issues. Once again, on the surface this might sound like a sensible and streamlined move, but again it is one that has been designed to appease developers. Local government has expressed concern that it may not be the most practical way to deal with the subtleties of any given issue. In fact, in the name of simplicity it may indeed substitute complexity.

Another issue is the phasing out of master plans and their replacement with site-specific DCPs. Master plans tend to be for large projects that intersect multiple local government areas or involve particularly large sites. How will the new DCP arrangements incorporate this level of complexity? This move could potentially reduce the ability of the community to provide input into the design and approval process. In the absence of master plans, what will provide the important overview for community consideration? The cost of preparing

master plans is currently borne by developers. The transfer of the function of master plans to development control plans effectively shifts that cost onto local government.

The cost implication of these reforms is of major concern. Councils have indicated that funds from the Plan First levy will be woefully inadequate to complete the task of reviewing instruments over the next three to five years, and the Government has given no commitment to increase funding over the longer term for longer term operational costs that will result from these changes. Councils have also expressed concern that the time frames in which to have new instruments in place are too short, and have indicated that those time frames may not be achievable, given the industry-wide shortage of planners.

The Government has expressed its intention to reduce the number of SEPPs from the current number of 59 to 25, and the number of REPs from 44 to five. Already it has gazetted a new SEPP—State significant development 2005—much to the dismay of residents of Redfern, St Marys and elsewhere. Division 3 deals with how this review will relate to the reform of other planning instruments. Local government is concerned that these changes need to be finalised before individual councils can review and prepare their new instruments.

The bill represents the most significant reform of planning law in New South Wales for 25 years. Given the scale and nature of these reforms, the bill is lacking sufficient detail on precisely how the process will unfold. Professional planners I have spoken to, working both within DIPNR and in local government, have expressed similar concerns. The bill is too vague on the transition from existing instruments to the new instruments.

Schedule 3 relates to provisions that enable a development to be approved in stages. Once a concept approval has been granted the proponent can apply for subsequent development application approvals that are effectively rubber-stamped as long as they comply with the initial concept. Proposed sections 83B and 83C make it clear that even changes to a council's planning instruments, such as to a DCP, cannot stand in the way of a development that has already received concept approval. This represents a serious undermining of the power of a democratically elected council to determine and/or amend its own planning priorities. The Minister has the power to impose or amend an LEP, a power he or she has never previously possessed.

The bill will severely reduce community input into the planning process. It is seriously misleading for the Minister to assert otherwise. The creation of concept approval, without any details of the development being provided, severely curtails the community's ability to partake in any meaningful decision-making process. The fact that there is no community representation on assessment panels and that the Minister is not obliged to take the views of the public into consideration when making his or her final decision further excludes the community. The removal of third party and legal challenges to the Minister's decision is the final nail in the coffin.

The bill also seriously undermines the State's system of environmental and heritage protection. The ability of the Minister to arbitrarily determine a project to be critical infrastructure, and thereby render environmental impact assessment process discretionary, is outrageous. To exempt big projects from core environmental and heritage laws is alarming. This should worry everyone—not just people who care about clean air and water, or heritage and local communities, but anyone who objects to unfettered control being handed to a government. The bill is not about improving planning outcomes to achieve more sustainable, liveable communities. It is not even about ensuring the provision of essential infrastructure. Schedule 1 is about big business and placating Bob Carr's big developer mates.

The Greens support the development of essential infrastructure but this should proceed in a way that is sensitive to the needs and concerns of local communities and in a manner that complies with the same environmental protection and heritage laws that have hitherto prevailed in this State. This bill is about silencing opposition and minimising developer costs and delays in order to maximise profits. The Greens are not alone in opposing this bill.

Numerous organisations have signed a joint letter opposing the legislation. Those organisations are: A Salt Research Associates; ADI Residents Action Group; Angels Beach Dune Care and Reafforestation Group Incorporated; the Animal Protection Association of Australia (Incorporated); the Australian Conservation Foundation; the Australian Conservation Foundation, Central Coast Branch; the Australian Conservation Foundation, Shoalhaven Branch; the Australian Marine Conservation Society; Australian Seabird Rescue Incorporated; Australian Wetlands; Ballina Environment Society Incorporated; Bellingen Environment Centre; Bendalong and Districts Environmental Association; Big Scrub Environment Centre Lismore Regional

Environment Group; Bio-Diversity Protection Services; the Blue Mountains Conservation Society; and Bonny Hills Progress Association.

The Hon. Tony Kelly: Are these donors to the Greens?

Ms SYLVIA HALE: These parties do not fund the Greens. They are independent of the Greens. These genuine community organisations are genuinely concerned about community participation and involvement in consultation. They are deeply concerned about the bill's provisions. The list continues: the Brunkerville Residents Action Group; the Byron Environment and Conservation Organisation; Cables Downunder; the Caldera Environment Centre; Callala Bay Progress Association Incorporated; the Castlecrag Conservation Society; the Cavanbah Dune Care Group; Central Coast Airport Action Group Incorporated; the Central Coast Community Environment Network; the Central West Environment Council; the Clarence Environment Centre; the Clarence Wetland Network; Climate Action Network Australia; the Coast and Wetlands Society; Coastwatchers Association Incorporated; the Collins Creek Bushcare Group; the Colo Committee; the Colong Foundation for Wilderness; the Concerned Residents of Whitebridge; the Conservation Ecologists Association; Conservation of North Ocean Shores; the Corindi Beach Residents Group; and Crescent Head Ratepayers and Residents Association Incorporated.

The list further includes: the Greenpeace Australia Pacific Campaigns Manager; Dubbo Field Naturalist and Conservation Society Incorporated; the Dudley Progress Association; E.P.A.Net; East Ballina Landcare Incorporated; Ecology Action Sydney; Environment Watch Incorporated; the Environmentally Sensitive Development Association, Pambula; the Evans Head and District Water Committee; the Evans Head Memorial Aerodrome Committee Incorporated, State Listed Heritage site; the Friends and Residents of Glenrock; the Friends for Stanwell Park; the Friends of Burleigh Association; the Friends of Cook Island Aquatic Reserve; the Friends of Cudgen Nature Reserve; the Friends of Durras; the Friends of Lindfield Incorporated; the Friends of Milton; the Friends of Solitary Islands Marine Park; the Friends of South West Rocks Incorporated; the Friends of the Koala Incorporated; the Friends of Tumblebee; and the Friends of Ku-ring-gai Environment Incorporated.

The list also includes: the Gloucester Environment Group; the Gordons Bay Volunteer Bush Regeneration Project Incorporated; the Goulburn Field Naturalist Society; the Great Lakes Environment Association; the Green Corridor Coalition Incorporated; Greenpeace; the Hastings LGA Residents Action Network; the Hawks Nest/Tea Gardens Progress Association Incorporated; Hornsby Earthwise; the Heffron Community Group; Hodges Shorten Architects; the Hornsby Conservation Society Incorporated; the Hunter Bird Observers Club; the Hunter Community Environment Centre; the Hunter Environment Lobby; the Illawarra Escarpment Coalition; the Inland Rivers Network; the Jervis Bay Regional Alliance; the Jetty Action Group (JAG); the Lake Cathie Progress Association Incorporated; the Lake Macquarie Coastal and Wetlands Alliance; the Lake Macquarie Coastal and Wetland Park Committee; the Lake Wollumboola Protection Association Incorporated; the Long Beach Area Improvement Group; the Manning Group, Taree; the Mineral Policy Institute; and the Moonee Action Group.

Other organisations are: the Mosman Parks and Bushland Association; the Mudgee District Environment Group; Mulbring Valley Landcare; the Myall Koala and Environment Support Group; the Nambucca Valley Conservation Association Incorporated; the National Parks Association of New South Wales; the National Parks Association of New South Wales, Illawarra Branch; the Native Animal Trust Fund Incorporated; the Nature Conservation Council; the Nepean Action Group; the Newcastle Cycleways Movement; the North Coast Environment Council; the North East Forest Alliance; the Northern Illawarra Residents Action Group; the National Parks Association, Three Valleys Branch; the New South Wales Bird Atlassers Incorporated; the New South Wales Regional Conservation Network; the Oatley Flora and Fauna Conservation Society Incorporated; the Parks and Playgrounds Movement; the Pelican/Blacksmiths Progress Association and Land Care Group; Peninsula Dune Care, Central Coast; the Pindimar Bundabah Community Association Aquaculture Committee; the Red Rock Preservation Association Incorporated; the Redhead Residents Action Group; Rising Tide, Newcastle; the Sandon Point Bushcare Group; the Sandy Hearnes Action Group; Save Hawkesbury's Unique River Environment; the Scotts Head Protection Group; and the Shoalhaven River Alliance.

Other organisations are: the Shortland/Birmingham Gardens/Sandgate Community Forum; the Slacky Creek Bushcare Group; the Stanwell Tops Residents Awareness Association; the Summerland Point Progress Association Incorporated; the Sustainability Research Institute; Sustainable Communities Research; Surfrider; the Swanhaven Progress Association; SWEEP Consultants; the Terrigal Area Residents Association; the Broadwater Action Group Incorporated; Grey-crowned Babbler—Environmental Surveys; The Milton Mirror;

the Myall Koala and Environmental Support Group Incorporated; the Parramatta/Hills Group of the Australian Plants Society; the Society of Frogs and Reptiles Newcastle; the Wetlands Centre; the Wilderness Society; the Wilderness Society Newcastle; the Total Environment Centre; the Tweed District Residents and Ratepayers Association; the Tweed Monitor; the United Residents Group of Emerald; the Whartons Creek Bushcare Group; the Wildlife Rescue Service, Hunter Region; the Willoughby Environment Protection Association; the Wollie Creek Preservation Society; the World Council for Renewable Energy, Asia Pacific; the Wyong Shire Ratepayers and Residents Association Incorporated; and Wyong Terrestrial Orchid Research.

That is just a few of the groups. The list also includes many individuals, but I will not read out their names at this stage. That is just a smattering of the hostility of the opposition and outrage that is evident across the State. It should give all Government members cause to think about what they are doing, how they are destroying, dissipating, undermining, ruining whatever sense of credibility they might once have had with the community. As I said, this bill is about silencing opposition and minimising developer costs. But as that list indicates, the community refuses to be silenced. If Government members think they can sit back and let major projects be railroaded through, regardless of these concerns, I suggest that they are living in cloud-cuckoo-land.

Each and every one of these organisations urges members of this House to oppose the bill. I am sure many members have received the letter that accompanied the list of organisations. The Greens thank the people involved in those organisations, the vast majority of them volunteers, for their tireless work in protecting the natural environment and the culture and heritage of their local neighbourhoods. It is shameful that the Government is so contemptuous of their efforts. Along with these organisations and the hundreds of people who attended the rally outside Parliament House last Tuesday, 7 June, to protest against this bill, the Greens urge all members of this House to oppose the bill. I move:

That the question be amended by omitting the words "now read a second time" and inserting instead "referred to General Purpose Standing Committee No. 4 for inquiry and report".

I do not need to remind members that that standing committee deals with planning matters. It would be entirely appropriate, particularly in light of the views of the Hon. Patricia Forsythe—and I am sure the views that will be expressed by other members in this debate—to give the community a genuine opportunity to provide evidence to the committee and to Parliament of their misgivings or otherwise about the bill and the impact of its provisions. I trust members of the House will support that amendment.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS [4.51 p.m.]: The word "democratia" means by the people. Theoretically we are a democracy, although I think we are merely a pale shadow of that. The Government gets its legitimacy because it expresses the will of the people. If it does not express the will of the people, it has no legitimacy. That is the essence of democracy. There are always some faults in democracy. My view is that Parliament should represent the diversity of the people. If legislation takes longer to get through Parliament, so much the better; it will be improved. Each bill would be discussed as an individual piece of legislation with individual perspectives that a democratically elected Parliament creates.

The duopoly view of government is that there be only two parties, one of which gets ahead of the other, and the other, having been defeated, decays for several years. Thus, the dominant one claims legitimacy on everything it wishes to do at all times. Because it was the lesser of two evils in the minds of the public it then claims that everything it does is legitimised by democracy. Of course, this is nonsense. Democracy has ebbed and flowed throughout history. Over a couple of millennia one would find there is a generally positive trend but the tide has ebbed and flowed over perhaps half centuries within that time—and perhaps even longer if one looks at some of the revolutions and regimes that have existed. Arguably, in the thousand years since the Romans the progress of humanity was somewhat stultified by the capture of knowledge by the churches. But that is another story.

At any rate, the Government's job is to stand up to vested interests on behalf of the people, not simply to cut a deal with those vested interests. Sadly, this Government has pioneered the idea of spin and media management, so a bullying government, satisfied with mediocrity and rejoicing in power for the sake of power, has been managed by a journalist who makes things look good, meets deadlines and organises appearances. This Government, which has done very little in the past decade, is run by a journalist managing a group of schoolboy bullies. The Government has concentrated power unto itself. It often sees power as an objective of its own. It is almost arrogantly dismissive of good ideas. It is pleased to say: We have the power to do it so we will do it. With globalisation, money is often seen as an object in itself, with people so small they are almost an unmeasurable commodity.

It is convenient for developers that development applications go through quickly. Often they borrow to the nth degree and take a risk with a small amount of capital to make a killing. If they do not have to wait long, the interest payments do not build up and they make far more money. Some years ago I met a developer who deals with five councils in the Hunter region. His index of whether councils were any good related purely to how quickly they approved what he wanted to do. He had no time for any objections to his plans, no feeling that he ought to modify them in anybody else's interests, no introspection as to the direction the development might take. As far as he was concerned, the only thing that graded the council was how quickly he could get his development through it. That living, breathing, walking caricature has stuck in my mind. It is common behaviour of developer organisations. Increasingly this Government is tied to the huge donations of the development lobby in the way it deals with planning.

Some years ago I was at a Public Research Institute dinner. One of the guests asked me, somewhat belligerently, "What right do you have to interfere in the way we run our business?" I caught the tone of his question and told him, "Four per cent of the population of New South Wales elected me to look after their interests. What percentage elected you?" He looked a little nonplussed. I said, "It is shareholders, people wanting to see how much money they make, is it not?" He conceded that was the case. I said, "My job is to work in the interests of New South Wales, and nothing you do is in the interests of the people of New South Wales. That is where I get my legitimacy. That is what motivates me, and that is what I am going to do."

He sat there like a stunned mullet. Presumably he expected me to say, "I am sorry if my modest little effort in the upper House should get in the way of you doing whatever you like." Presumably that is what is normally said to him by members of the Government: We have a begging bowl here, we want people to invest in our State and we will do anything to allow that. This bill follows in the same tradition—which is becoming more frequent with this Government—of all power to the Minister. When in doubt give all power to the Minister; do not allow public input.

The Hon. Patricia Forsythe: Not just any Minister.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: I acknowledge the interjection. Often the legislation that goes through this House reflects the personality of the Minister. So if the Minister wants to grab power, the legislation will reflect that. I believe that, *pari passu* with the bullyboy approach of this Government, there has been a politicisation of the public service. No longer is the public service in any way independent of the government of the day. One could argue that an independent public service effectively runs the Government because it does not implement what the Government wants, and the Government is short term and the public service lifetime tenure means that nothing could be changed.

On the other hand, we now have a Cabinet Office that influences the selection of heads of departments. The Ministers have become fleas on the back of departments. There is nepotism within departments. From my experience within the public service, the bureaucrats at the top keep reorganising their departments until they get who they want where they want. Appointments very much depend on who you know and what you are willing to do. I know of many examples of this, not only from my own experience in Sydney Water. The loss of expertise within the public service is frightening, particularly in the environmental area, where people who are experts in their field are manoeuvred out because their views are inconvenient and do not correspond with the Government's aims.

The public service has lost the expertise of people who provide genuine neutral advice. More often departmental appointments are being made by the Cabinet Office. By appointing clones they concentrate power. This dangerous process has been going on for a decade. If there were a change of government—which, considering the Opposition, is not very likely—the implementation of policies would be resisted by the public service because of its politicisation. In our briefing by the government minders they said, with a straight face, that the bill would improve public input in the process. They spoke complete nonsense with a straight face, which supports my contention about the politicisation of the public service. Admittedly, some of them were ministerial minders.

The significant changes to the planning laws proposed in this bill are extremely detrimental to many aspects of the planning and assessment process, which has existed for nearly 30 years. This is a fundamental step backwards in historic terms. The input by the people in government policy ebbs and flows. This bill is a low ebb. The legislation gets rid of many important environmental planning laws that have existed since 1979 when the Environmental Planning and Assessment Act was first introduced. It removes longstanding checks and balances, such as accountability, transparency, technical oversight and community input. Currently, the most

important and potentially environmentally sensitive proposals, such as tourist resorts, mines, marinas, developments in national parks and fragile coastal zones, are protected under State environmental planning policy 71.

This bill proposes amendments that set up a separate regime for major infrastructure developments or any development considered by the Minister to be of State or regional significance. These provisions are contained in proposed part 3A of the Environmental Planning and Assessment Act. Proposed part 3A gives the Minister wide discretionary powers with regard to the approval of major development proposals, the cutting back of the environmental assessment processes and community involvement. The bill applies to two major types of developments: major infrastructure developments, which are any developments that in the opinion of the Minister are of State or regional significance, and critical infrastructure projects, which are any developments that are considered by the Minister to be essential for the State for economic, environmental or social reasons. The definition of these projects is entirely up to the Minister.

The Minister has largely unfettered discretionary powers in the environmental assessment of large-scale projects, approval criteria, the need to consider the views of the public, and procedures governing such projects. The bill concentrates power in the Minister in relation to the need for separate approvals, including approval on issues of pollution, native vegetation, cultural heritage, coastal protection, bushfire safety, rivers and fisheries. It allows the Minister to approve critical infrastructure developments even where local plans prohibit such development. The bill gets rid of the current environmental impact assessment process, including the requirement to prepare a formal environmental impact statement [EIS]. The EIS is an internationally recognised component of responsible environmental planning and should be clearly set out in legislation. The bill leaves the entire environmental impact assessment process to the broader unfettered discretion of the Minister.

A new process for developments under proposed part 3A will be limited to a non-mandatory range of unspecified environmental assessment requirements. The Minister may develop guidelines for environmental assessment and the director-general is to prepare environmental assessment requirements on a case-by-case basis having regard to those guidelines. I call it Minister-may legislation. The Minister may do whatever he likes. A panel of experts may be appointed by the Minister to assess applications for approval, but the Minister is not bound by the recommendations of the panel. The panel has discretion to decide whether it will receive submissions from interested persons, but the Minister is not required to take these submissions into account when making a decision. Indeed, there is no requirement that the panel, should the Minister choose to convene it, comprise experts.

The Minister may require a developer to submit a concept plan for part 3A projects. Concept plans do not have to include any detailed description of the project. This is specifically stated in proposed section 75M (2) (c). Projects will be able to be approved in principle by the Minister prior to full details of the project being made available. Additionally and importantly, there are no appeal rights for objections to the concept plan. This avenue is specifically excluded in proposed section 75L. The concept plan may simply be a vision, a few pictures or some sketches. If the development does not accord with the concept plan, presumably that is a matter for the Minister.

A developer goes to the Minister's office with a concept, has a little discussion and the Minister approves it. The rest is a mere formality. The Parliament is being asked to relinquish all power to the Minister so that he can make deals behind closed doors. There is no process to deal with individual projects. The Parliament does not deal with individual developments, but we delegate power to a process that examines each case on its merits. This bill takes away the power to put a structure in place to examine individual projects on their merits and to allow competing groups to put their case and reach consensus or compromise. By passing this bill we would be approving every deal the Minister may make in closed sessions with developers. That is a backward step.

The bill winds back community involvement in relation to the ability of members of the public to be involved in the pre-approval process; to challenge an approval on legal grounds; to enforce breaches, such as breaches of pollution licences; to seek stop work orders, interim protection orders or notices relating to cultural heritage, threatened species or pollution; and to appeal an approval on the merits of the case. In particular, the provisions in the bill abolish the longstanding rights of any person to take legal proceedings where environmental laws are not being followed. The bill even winds back the ability of the Land and Environment Court to entertain challenges to an approval and to enforce approval conditions, such as pollution licences. The Land and Environment Court has long been nicknamed the developer court because of the infrequent occasions on which the little person wins.

Following the passage of this legislation, the public will not be able to challenge declaration of projects, approval of projects, enforcement of conditions for approval for critical infrastructure projects or breaches of authorisations under section 75V—which deals with substantially consistent authorisations—and the court will not be able to make orders about them. The far-reaching exclusion of community participation is really a very bad feature of this bill. The bill also does away with the necessity for authorisations from many different State agencies and departments relating to fisheries, threatened species, cultural heritage and so on. In addition, interim protection orders and stop-work orders under national parks, threatened species and fisheries legislation will no longer apply.

It is extremely worrying that protection notices under the Protection of the Environment Operations Act or orders under section 124 of the Local Government Act will also be excluded for part 3A developments. The bill amends the National Parks and Wildlife Act so that developers will not be prosecuted for having harmed protected fauna without a licence, if the work carried out is essential for part 3A projects. Developers will be able to defend themselves against prosecution for having harmed threatened species, endangered populations or endangered ecological communities, or for having damaged their habitats, if the work was essential for a part 3A project. They will also be able to use this defence to justify having damaged critical habitat or reserved land, such as national parks.

It is interesting to note that the bill makes a huge number of consequential amendments to other Acts, all of which will have their power watered down in this winner-takes-all legislation. The Government has not put this bill in the framework of a master plan for transport; this Government has never had a master plan for transport or for water. It has basically gone along ad hoc with the new concepts, which have all been put out to tender and then written by developers in their areas of interest. There is not an overall view; this Government has never had an overall view. As the Hon. Patricia Forsythe said in her contribution, the real problem with infrastructure in this State is that the Government has not put any money into it.

The Government has not put any money into infrastructure because it has forgotten the method. It has forgotten that the State once built things. It issued bonds, it borrowed the money and it built the infrastructure. It was not declared bankrupt because the infrastructure it built was always well ahead in value of the money it invested in that infrastructure. There is nothing wrong with borrowing if you have assets. So far as infrastructure is concerned, that is the critical aspect. This Government is too scared to say to the merchant bankers and businessmen, "We will borrow the money and we will build this thing, and you cannot have the huge commission that you want to be involved in a public-private partnership."

It worries me that the Opposition, which wants to build everything by way of public-private partnerships, will leave us with the liability but without ownership of the assets. If anyone wants to use the asset they will be beholden to the private partner. The profit will be guaranteed by the taxpayer, who will have the liability should anything go wrong, but the profit will be taken by the developer. The Liberal Party's amendments, unfortunately, are weak. They want to wait for the definition of "critical infrastructure" to be inserted in a regulation. I do not think the Opposition is really serious about changing the nature of this bill. I do not believe that this bill can be changed.

I fear that the members of the Opposition, while fluffing their feathers, want to vote this bill through on the basis that they want to give the development lobby as much as Labor gives the development lobby, and want the donations just as much as the Labor Party wants them. That is most unfortunate. The bill is going in the wrong direction. Yes, democracy takes a bit longer; yes, democracy requires more voices; yes, it is more complex, but this is fundamentally a country that belongs to its people and not to developers. It is not there just for the exploitation of a few; and it is not there to enable a Minister to cut deals behind closed doors, which is what this legislation facilitates. I do not believe the bill can be fixed. I note that the last time this bill was before the House more than 100 amendments were moved by the Greens. The Greens fought for each of the amendments but were voted down on each one by the two big parties. The Greens have not bothered this time and I can understand that they are, in a sense, wearing out. Mr Ian Cohen might speak about that aspect. This bill cannot be fixed; it must be voted down.

Mr IAN COHEN [5.15 p.m.]: I am pleased to speak in support of Ms Sylvia Hale on the Environmental Planning and Assessment Amendment (Infrastructure and Other Planning Reform) Bill. I certainly have a feeling of *deja vu* on a number of levels, having gone through this process before. Before I stood to speak in this debate the Hon. Eddie Obeid asked me, "Are you moving any amendments?" I remember the first round of planning legislation, I am told it was in 1997, and I know the Committee took all night to deal with the bill. I was the only member of the Greens in the New South Wales Parliament at the time. A former

member of this Chamber, Richard Jones, and I had 150 amendments between us. Neither the Government nor the Opposition was prepared to listen to our arguments. I recall that, at the time, Reverend the Hon. Fred Nile was vehemently opposed to our amendments and supported the legislation. I will be interested to see how he and Reverend the Hon. Dr Gordon Moyes vote this time around.

It is interesting to look back over the period of 10 years that I have been a member of this House. I remember how I went through my 75 amendments one by one. Richard Jones did the same. We worked hard to try to convince members of this Chamber. I guess I have learnt a lesson; we will not bother with amendments to this bill tonight because it really is an utter waste of time, unfortunately. The legislation is so abjectly flawed I think that it deserves some historical comparison. It is interesting to note that we went through that process right through the night. I recall looking out the glass windows at the conclusion of the 150 amendments to see the grey sky of dawn. I wandered up to my room and I recall that I was quite upset about the reality of life in this place and upset to think that, of all those amendments, not one was worthy of any support. It was certainly an interesting thing to contemplate after the best part of a 20-hour sitting of the Parliament.

Some things have not changed. The Hon. Craig Knowles, who was Minister for Planning at that time, is Minister for Infrastructure and Planning now. He derives a certain pride in his attitude of take no prisoners and support no amendments. That is it. He believes such things should go through his way. There is no point in discussing the matter with him or with his weasel-worded advisers who talk about how beneficial this kind of legislation is going to be for the people of New South Wales. What a load of crap! Where are we coming from that we are supposed to listen to that type of advice?

As I said earlier, I would like to make a certain historical comparison because I think it is appropriate. It was interesting in our discussion and investigation of this legislation that it really comes down to the fact that more than 30 years ago in Queensland the State Development and Public Works Organisation Act 1971—Joh Bjelke-Petersen's Act—did very much what the current planning Act, under the auspices of the Hon. Craig Knowles, is doing this very day in the New South Wales Parliament. History has shown the legacy of Joh Bjelke-Petersen and I would venture to suggest that history will show the legacy of Craig Knowles in this Government that is way beyond its use-by date halfway through its third parliamentary term.

However, the State Development and Public Works Organisation Act 1971, which was used by Joh Bjelke-Petersen—I am sure some members of this House think he did a great job—is still in place and is used for \$50 million-plus projects such as tunnels and projects such as the Paradise Dam. Interestingly, however, an environmental impact statement is still compulsory. So on one tick, from a community point of view Joe Bjelke-Petersen's legislation of 1971 was better than Craig Knowles's bill. Joe Bjelke-Petersen's bill can be challenged on judicial review grounds—this bill does not allow that—subject to someone getting standing "as person aggrieved". What is this? Is it a glimpse of public participation? It might even be something akin to third party appeal rights. The term "as person aggrieved" was allowed under Joe Bjelke-Petersen, but forget about it under Craig Knowles and the New South Wales Labor Government.

The State Development and Public Works Organisation Act 1971 takes significant projects out of the Integrated Planning Act and puts them through processes in the Department of State Development, which, arguably, may at the time have been somewhat worse than it is here in New South Wales. After all, the Joe Bjelke-Petersen legislation is more than 30 years old. Concurrent powers become merely advisory for these significant projects. Interestingly, in New South Wales all major projects dispense with concurrence powers. Again, it would appear that the Queensland experience under Joe Bjelke-Petersen was better than it is in New South Wales under Craig Knowles. One could argue all day long about whether the Queensland Act is better than the New South Wales legislation. However, one thing is very clear: they are very similar models, which perhaps is all one needs to say.

It is obvious that the Greens are vehemently opposed to the bill, as Ms Sylvia Hale clearly detailed. It is equally obvious that the Opposition is concerned about the bill, but it is not prepared to refer it to a committee or to oppose it. Clearly the Opposition is very comfortable about the Labor Party doing the dirty work, putting this sort of legislation through. If—or I suppose when—the Coalition gets into power, it will be able to use this legislation to the hilt. The two major parties are at one in promoting the interests of developers above and beyond the interests of the general community.

Clearly, the dominant faction of Labor has lost any drive it may have had to support the general public. In recent days we have seen plenty of that. Despite the fact that it is likely that the majority of members of this House, including the crossbenchers, would support the Opposition in opposing this legislation, no such move

has been made. And, as I said, nor has the Opposition made a move to refer it to a committee in order to slow down the process, because clearly the Opposition wholeheartedly supports this type of legislation.

The Greens believe that this legislation is extremely retrogressive and aggressive. It is an attack on the rights of the community and it undermines the fundamental principles of public participation, transparency, and environmental protection. The bill proposes major and alarming changes to the environmental assessment process for large-scale developments in New South Wales. It removes many of the hard-won environmental and planning provisions that have existed since 1979, when the Environmental Planning and Assessment Act was introduced. It gives the Minister absolute power to throw environmental controls out the window. The forward-thinking and progressive legislation established under David Landa and the Wran Government has been absolutely turned around in just a few decades.

The bill sets up a regime for major infrastructure development, or any development of State or regional significance, critical infrastructure projects, and major development projects. These include aquaculture, mining and construction projects, sporting facilities, hospitals, ports, electricity generation, sewage treatment works, and various other coastal developments. With regard to electricity generation, I will be interested to see whether there will be such a forward lurch by big business interested in an alliance with the Labor Government. I would like to know—perhaps I will ask this during question time—whether the desalination plant, the purpose of which is to generate water, is mooted by the Government to supply water to the nuclear power plant to generate electricity? Or is the nuclear power plant to generate electricity to get water through the desalination process?

Reverend the Hon. Dr Gordon Moyes: They would have to be in close proximity to each other.

Mr IAN COHEN: I take the advice of the Reverend the Hon. Dr Gordon Moyes: put them close together in a marginal electorate. Maybe we can locate them just offshore in the sewage stream so we can pick up the sewage outfall at the same time and do the complete job. This demonstrates the Government's absurdity in proceeding with these big-picture, technological solutions. It misses the point completely.

I suppose I will be satisfied with this debate and debates on similar issues being put on the record, because I do not expect to get anywhere with this one. But how small-minded is the Government; it is unable to see that it is being led by the nose by the big bureaucracies—partly because its Ministers are lazy, do not do their homework, and do not oversight what is going on. They get lines on maps from the Roads and Traffic Authority and they get diagrams of pipes going into the ocean from Sydney Water, and then the Government realises it has a problem and decides to build another pipe. It is an engineering fix all the way along the line, and this legislation will facilitate the unimaginative, technological direction taken by the New South Wales bureaucracies, aided and abetted by the New South Wales Labor Government.

Members continually condemn the Greens, and make a joke and farce of the points of view we put forward, but they miss the point. They miss the point about demand management, about frugality of use, and about utilising the resources of waste we have at hand so we can create a conserving society. That does not mean that anyone has to miss out on the comforts of modern life; it is just an intelligent approach that is sadly lacking—possibly because we have a government that has been in power for too long and an Opposition that is not interested. I suppose the Opposition is waiting for the Government to fall—which will happen eventually.

The Hon. Duncan Gay: You've propped them up for two elections now.

Mr IAN COHEN: I used to credit the Deputy Leader of the Opposition for being a bull that roared, but now he is more like a sheep that bleats. We do not even get quality interjections in this House any more. It is absolutely pathetic. The standard of debate, even by way of interjections, is going down the drain.

The Hon. Duncan Gay: You are embarrassed that you want to keep them in power.

Mr IAN COHEN: There is no embarrassment at all.

The DEPUTY-PRESIDENT (The Hon. Amanda Fazio): Order! I remind the Deputy Leader of the Opposition that he should not interject. And members should not make sheep noises.

Mr IAN COHEN: Unfortunately it is very difficult to control the bleating in this House.

The Hon. Ian West: Hurry up; we want to go home.

Mr IAN COHEN: The Hon. Ian West said, "Hurry up; we want to go home." That probably sums it up.

The Hon. Ian West: It would be all right if you said something sensible.

The Hon. Don Harwin: He's entertaining us.

Mr IAN COHEN: I am. When I hear the bleats from both sides of the House, and comments like "We want to go home" and "It would be all right if you said something sensible", I would not expect to be understood by many of the sheep in this House. But that is the way it goes, and I have a right to say what I want to say. I represent a significant portion of the community of New South Wales. There are people who agree with the principles put forward by the Greens and other minority groups in this House.

In terms of sewage treatment plants and coastal zone developments we are looking at specific sites such as Kurnell and the Rhodes Peninsula, and at the Redfern-Waterloo Authority project. The criteria for "critical infrastructure" and "major development" projects are not clearly defined. The Minister has discretion to designate a project as major infrastructure. New part 3A of the bill removes opportunities for community involvement for critical infrastructure projects, which are defined as being essential to the State for economic, environmental or social reasons with regard to the ability to be involved in pre-approval; to challenge an approval on legal grounds; to enforce the approvals, such as breaches of pollution licences; to seek stop-work orders, interim protection orders and notices regarding cultural heritage, threatened species and pollution; or to appeal on the merits. We are seeing a massive reduction of rights here.

The new part also abolishes the right of any person to take legal proceedings if environmental laws are not being adhered to—basic third-party appeal rights and the rights of individuals to seek redress in court. Although we have seen many cases where the Government has overridden those rights with further specific legislation—that has been pretty disgusting—now all the rights are to be abolished. Further, the provisions will remove the ability of the Land and Environment Court to entertain challenge to an approval and enforce approval, such as breaches of pollution licences. It is interesting also to see in some 13 pages of the "Legislation Review Digest" that the Legislation Review Committee—which is dominated by Australian Labor Party membership—certainly has concerns with concept approvals. I will not go through all the details but paragraphs 70 and 71 state:

70. The Committee notes that approval of a concept plan may significantly impact on persons adversely affected by development that would normally be categorised as designated development within that plan.

71. The Committee has written to the Minister to seek his advice as to why the Bill makes no provision for an objector to appeal against the approval of a concept plan.

Why not? Government members dominate that committee. But I am sure that as far as the Minister is concerned it will fall on deaf ears. The environmental impact assessment [EIA] process, including the requirement to prepare a formal environmental impact statement [EIS] for large-scale developments assessed under proposed part 3A, is removed. The entire environmental impact assessment process will be left to the broad, unfettered discretion of the Minister.

The Minister may develop guidelines for environmental assessment, and the director general is to prepare environmental assessment requirements on a case-by-case basis having regard to the guidelines. A panel of experts may be appointed by the Minister to assess applications for approval, but there is no requirement that the recommendations of the panel bind the Minister. All public involvement is at the discretion of the Minister. We know the history of Minister Craig Knowles. We have seen how he has treated public involvement and we have seen how he listens to the developer lobby and certainly not to the public, whom he constantly disparages.

In effect, this bill takes environmental assessment out of the Environmental Planning and Assessment Act. The bill removes the need for authorisation from other State agencies and departments in regard to a vast number of environmental safeguards. Proposed section 75U (a) removes the need for concurrence, under part 3 of the Coastal Protection Act 1979, of the Minister administering that part of the Act. The New South Wales coastline is under enormous development pressure. Every year hundreds of new tourist, residential, commercial, and aquaculture developments are proposed and approved along fragile coastal land. Wetlands, estuaries, foreshores, dunes, coastal lakes, forests and headlands are all impacted by inappropriately located and designed developments. Removing the need for concurrence with the Coastal Protection Act will no doubt endanger our fragile coastal ecosystems even further. I really do not know how a government can claim it is in some way environmentally sensitive under these circumstances.

Section 75U (b) removes the need for approval for a permit under sections 201, 205 or 219 of the Fisheries Management Act 1994. This means there is no need for approval from the fisheries department to carry out activities such as dredging or land reclamation that could affect fish breeding, passage and habitat areas and harm marine vegetation such as seagrass or mangroves. This could have enormous implications for marine species, including those that are already endangered. Seagrass beds are valuable fish habitats. They provide food and shelter for many different fish and a diverse range of crustaceans, and they protect small fish from larger predatory fish.

Reverend the Hon. Dr Gordon Moyes: Like grey nurse sharks.

Mr IAN COHEN: That is correct. Like grey nurse sharks, and they are certainly running out of habitat. As a result there is commonly a greater diversity and abundance of fish in seagrasses than in unvegetated areas. The destruction of seagrass beds for development would inevitably have devastating effects on marine diversity. Very often these are the nurseries—the areas where stocking for both commercial and recreational fishers is undertaken in a natural process. Commercial fishers are equally concerned as seagrass beds are the nurseries for the fish stocks on which they rely, as Department of Primary Industries reports have shown. The destruction of seagrass beds will see a depletion of fisheries resources for the commercial fishing industry. The removal of the need for concurrence with the Fisheries Management Act also overrides the threatened species provisions in that Act.

Section 75U (e) removes the need for an authorisation, referred to in section 12 of the Native Vegetation Act 2003, to clear native vegetation. The conservation of native vegetation is critical to conserving biodiversity, countering soil and water degradation, maintaining and improving agricultural productivity, and reducing climate change. Conserving our remaining native vegetation is becoming more and more difficult, with the forestry industry's devastation of our precious forests and with illegal clearing by landholders. This legislation gives developers open slather to clear native vegetation.

Section 75U (f) removes the need for a permit under part 3A of the Rivers and Foreshores Improvement Act 1948, for excavation on foreshores of rivers, lakes and other aquatic areas. These are some of the most fragile ecosystems, being susceptible to siltation, erosion, salinity and pollution. Removing this concurrence puts our waterways under increasing threat. We have so many of these waterways up and down our coast. Lake Ainsworth near Lennox Head is under attack from blue-green algae and pollution; it is already under threat. Areas on the South Coast such as Wallaga Lake in our western wetlands and so many other areas are all under threat, in part because of drought but also in great part because of human activity. This will lower the defences for these very fragile habitats.

Section 75U (g) removes the need for a bushfire safety authority under section 100B of the Rural Fires Act 1997. This means that such permits are not necessary in areas that are highly prone to bushfire. Surely the bushfire history of New South Wales over the past decade in particular would indicate that bushfire safety needs to be taken seriously. Currently, 91 per cent of the State is in drought and we are experiencing record high temperatures. How does this bode for future fire risk? Yet major developments will not be subject to a bushfire safety authority under this bill.

Section 75U (h) removes the need for water use approvals under section 89, a water management work approval under section 90, or an activity approval under section 91 of the Water Management Act 2000. This means that approval is not necessary for the right to use water at a particular location or to carry out work that could affect the surface or groundwater, for example, the drainage. The bill also removes the power for the Environment Protection Authority to issue an Environment Protection Notice under the Protection of the Environment Operations Act. These notices are to clean up pollution, prevent pollution, or prohibit the carrying out of something that pollutes, and compliance costs for damage done.

The notices are a major tool for ensuring compliance with the Protection of the Environment Operations Act. So it seems that developers of major projects will be given free rein to pollute, without facing the consequences. But of course the Minister says, "Trust me." This is "trust me" legislation. We have to trust Craig Knowles that he has been able to work through his bureaucracy and has sufficient expertise, after he has gutted local government throughout New South Wales in the first round of planning to privatise the process of local government.

The Department of Infrastructure, Planning and Natural Resources does not have the expertise to deal with this new regime and new way of doing business. It certainly does not have enough knowledge of specific

areas. There is an empty canyon of ignorance between local government and State government agencies. Despite Minister Knowles' assurances, particularly his speech in reply in the other place, the department has insufficient expertise to do adequate and proper mapping. The result of this bill will be an increase in poor planning decisions. In his reply in the other place the Minister stated:

During the second reading debate some remarks contained an assumption that my view reflected a false view that somehow a quantity of process equates to quality of outcome.

In response to that Jeff Smith, Director, Environmental Defenders Office, said:

The legislation contains limited assurances around any processes. Processes—and in particular involvement of the community—also determine outcomes.

The Minister then stated:

That, of course, is arrant nonsense. By constantly adding to the process, particularly in an environmental assessment, the international evidence is clear that it degrades and diminishes environmental outcome.

Jeff Smith said:

No doubt that EIA is flawed in NSW. However, well-established internationally and domestically, offers a degree of accountability... This Bill is not the answer to EIA problems.

The Minister further stated:

There is a false view that more time axiomatically gives a better result.

Jeff Smith responded:

More time may do so, though—concurrence and "stop the clock" can add to the quality of decisions by making agencies take a hard look at a proposal.

The Government has done away with "stop the clock", and the process now will not necessarily result in quality decisions. The Minister continued:

There is a view that governments can work only within their silos and that environmental assessment has to be done sequentially.

Jeff Smith replied:

Concurrence is about checks and balances and having the experts making decisions.

That will certainly not be the case under this new regime. The Minister continued:

The word "may" has been incorporated in the planning Act since 1979. The use of the word "may", the discretionary power, as opposed to the word "shall", the obligatory power, has always been reflected in the Act, and there is no change. Indeed, it is a direct carryover.

In response Jeff Smith said:

The specific concern here is the discretion re community participation. Conservation groups have always argued that community rights should sit alongside development rights in the legislative framework. True that presently Parts 4 and 5 deal with a lot of community participation in the regs. The bill continues this practice but also does not require the Minister to take public submissions into account and we have not seen the regs which would go towards any "carryover".

This is another example of the sort of "trust us" legislation that is blindly accepted by the Opposition in this House. Indeed, much of the detail of this bill is in the regulations. It is merely a smoke screen, which will be a further blow to the community and the environment. Quite frankly, I do not believe we can trust Craig Knowles. His record clearly demonstrates his orientation and propensity to work with developers rather than with the people.

Local government powers that order a developer to refrain from carrying out damaging activities, such as preventing or repairing damage from drainage works or demolishing or building something that pollutes the water supply, have also been removed. Other projects that cannot be refused include aquaculture projects, mining leases, approvals under the Mine Subsidence Compensation Act, petroleum production leases or environment protection licences. In short, the amendments remove almost every layer of environmental assessment, protection and approval that government departments apply. This will allow State significant projects to go through a one-stop-shop process without interference and is an abrogation of democracy.

Paragraphs (a) and (b) of proposed section 75U (3) clearly demonstrate that the Threatened Species Conservation Act does not apply. The bill totally overrides the Threatened Species Conservation Act with respect to interrupting protection or stop-work orders. The continuing loss of native flora and fauna is one of the greatest environmental problems in New South Wales today. When the Threatened Species Conservation Act 1995 was introduced there was a sense of optimism, which I shared. That significant legislation promised a way forward on the protection of endangered flora and fauna. Last year threatened species legislation was downgraded through amendments to the Threatened Species Conservation Act. This bill now seeks to override threatened species legislation altogether. Under this bill developers will be immune from prosecution for killing endangered species.

Almost four years ago the Government introduced SEPP 71 to protect the coastal zone outside Sydney from ad hoc destructive, sprawling development. Now, every State significant development that falls under the policy in the fragile coastal zone outside Sydney can avoid environmental checks and balances from other State environment agencies and even local council regulations. State significant development that impacts on coastal wetlands and littoral rainforests is also exempt from crucial environmental checks and balances.

Given the expense of developing land on our coastline, any declaration of development as "State significant" will lower the bar for coastal development. These changes will make it easier for developers to do what they want, where they want. Environmental controls are applied for good reason: to protect the environment and the community from development that is damaging or inappropriate and from overdevelopment. These environmental controls will now be irrelevant in the face of major development.

The bill will allow the Minister for Infrastructure and Planning to give the green light for the destruction of Aboriginal cultural heritage sites without affording justice and fairness to Aboriginal traditional owners. The bill removes concurrence, referral and approval from the National Parks and Wildlife Service for the destruction of Aboriginal objects or places. I understand that the Indigenous Justice Advocacy Network is proposing a High Court challenge to this legislation. The provisions in section 75U (d), which remove the need for a permit under section 87 or a consent under section 90 of the National Parks and Wildlife Act 1974, have been described by some as cultural genocide. It is appalling that developers will have a green light to destroy Aboriginal sacred sites and artefacts, without even having to concur further with the relevant provisions of the National Parks and Wildlife Act.

I live in an area on the far North Coast that is under threat. Indeed, certain developers will cry tears of joy, particularly development companies such as Becton, which previously had to deal with the local council. In addition to introducing the new planning regime to allow the Minister for Infrastructure and Planning to be the consent authority for State significant development valued at more than \$50 million, the bill also introduces a new process called "concept approval". This will give in-principle approval to developments prior to any detailed assessment of a project. It is another case of the Government fast-tracking development without any real commitment to assessment. I will quote Councillor Jan Barham, Mayor of Byron Shire Council, a good friend and tireless worker for improved quality of life in what I believe to be an iconic shire. She said:

The Government is delivering to developers an easy access for approvals. Instead of Local Government having the final say on major developments, the Minister will be the consent authority. This makes a mockery of the planning processes for local communities as the State will not be bound to local planning rules when assessing these developments or be aware of the impacts of development. A new approval process by the Minister for "concept approvals" does not even involve public consultation ...

I have been supportive of the State reviewing local government planning processes and requiring standardised definitions and planning standards. This new process will take some years for councils due to the work involved in preparation. The Government states that they may devolve the consent authority back to council when councils have their rules in place. If this is the case, then surely it would be more appropriate to assist local government and work in partnership on these issues rather than create the opportunity for councils to be bypassed in the approval process. The new legislation does formalise the new planning principles but as yet the new template for LEPs has not been released.

The Government is creating laws to allow for the fast tracking of development and cutting "red tape", which is code for what communities called adequate assessment. On a local level it will mean less local input to development approvals and uncertainty about local expertise being used to assess applications. The government is proposing Independent Hearing and Assessment Panels consisting of one or more experts to provide technical evaluation of projects.

It appears that the Government does not understand the detailed nature of local assessment and the understanding of the impacts of proposals, particularly in sensitive coastal environments and for community amenity. In an assessment process there can be more than ten areas of local expertise needed to assess the impact of a development. In the past we have seen inappropriate approvals delivered by the court system due to the lack of understanding of local conditions and ultimately it is local government who must deal with the impacts ...

Changes such as this should have been proposed as a draft for detailed consultation with local government and the community instead of being rushed through the Parliament. We have seen the problems with these processes previously with the poorly drafted SEPP 71 Coastal process. The Government should not move forward with these changes until it consults broadly and considered the consequences of such changes. There does not appear to be the budget or staff available to DIPNR to undertake the additional workload required if these moves go ahead and this will give rise to less scrutinised applications, which rely on the applicants information.

Good development takes time, it is essential for the details of a proposal to be properly assessed and for the community to have meaningful input to the process. The new legislation strips away challenges to certain decisions and undermines environmental legislation for protection and stop work orders which were previously provided to councils to intervene if inappropriate work or impacts were identified during development.

The Government has however identified the inappropriate nature of Masterplans and has replaced the requirement for them with site specific DCPs (development control plans). This action supports the move taken by Byron Council in relation to the Becton site to produce a DCP.

It is a great shame that the Government is not taking the opportunity to work with local councils. Historically, such opportunities have been bypassed by Ministers and Governments more interested in working with the big end of town to ensure development at all costs. It is shortsighted of the Government and the Minister to take this direction, but it is what I have come to expect from them. It is interesting and laughable. Although nowadays I sit here and expect such a direction from the Government, I recall being shocked by that attitude in 1997. Perhaps I have been here too long. Perhaps I would do better elsewhere. I will give that some serious thought.

The Hon. Tony Kelly: Some of your colleagues have been trying to do that.

Mr IAN COHEN: I note the Minister's interjection, and in response I point out that the Government and the Opposition, and not my colleagues, are responsible for this attack on the people of New South Wales. In short, this bill removes the hard-won rights of people to be involved in the planning of their communities, dramatically winds back environmental protection, overrides other important legislation related to environmental, cultural and heritage protection, removes the guarantee of environmental impact assessment and reduces transparency for the entire process for large-scale developments. I am happy to join with Ms Sylvia Hale and Ms Lee Rhiannon in opposing this bill.

Reverend the Hon. FRED NILE [5.54 p.m.]: My colleague has already spoken about the bill in detail, but I have been provoked by Mr Ian Cohen's presentation to put on the record where I stand. In my 24 years as a member of this House I have witnessed the accumulation of more and more green tape, strangling green tape—albeit most with all good intentions—from both sides of politics. Despite what Mr Ian Cohen said, I would call this the courageous civil progress and prosperity bill. Its official title, of course, is the Environmental Planning and Assessment Amendment (Infrastructure and Other Planning Reform) Bill.

Mr Ian Cohen: That's all you do—read the title of the bill and then regurgitate the Government's position.

Reverend the Hon. FRED NILE: This is my contribution.

Mr Ian Cohen: You don't analyse the situation.

Reverend the Hon. FRED NILE: I do.

The DEPUTY-PRESIDENT (The Hon. Amanda Fazio): Order! I remind Mr Ian Cohen that he should not interject.

Reverend the Hon. FRED NILE: I repeat: this courageous civil progress and prosperity bill will create growth, development and, more especially, jobs in New South Wales with adequate assessment of the environment and community protection. Over the years the pendulum has swung far to the left, and now it is swinging back to the centre. It is not swinging to the extreme right; it is simply swinging to the centre. I support the bill, which could also be called the cut the strangling green tape bill. As Mr Ian Cohen was speaking I thought of that as another possible title. The bill deals with the problems of 15 different approval systems that have been complicated, confusing and costly. I will not defend Sir Joh Bjelke-Petersen—

Mr Ian Cohen: You might as well.

Reverend the Hon. FRED NILE: Mr Ian Cohen criticises Sir Joh Bjelke-Petersen, in my view falsely and wrongly. I suggest he go to Queensland, where he can see eight-lane superhighways, not the little laneways

we have in parts of New South Wales. The bill provides protection through the Chief Executive Officers' Forum and the independent hearing and assessment panels. The House should pass it.

The DEPUTY-PRESIDENT (The Hon. Amanda Fazio): Order! I call Mr Ian Cohen to order for the first time.

Reverend the Hon. FRED NILE: We should allow the people of New South Wales to receive the benefits of this legislation.

The Hon. PATRICIA FORSYTHE [5.57 p.m.]: I speak to the amendment of Ms Sylvia Hale. The Carr Government has demonstrably failed to deliver infrastructure for the people of New South Wales. If the Green's amendment is successful, the Carr Government's spin will be that for some period into the future anything relating to the infrastructure failure will be blamed on the Legislative Council. People will say that the Legislative Council is not enabling something to happen. That is what the Government will do. The Greens know exactly how this Government operates. The Opposition will not give them the satisfaction of diverting attention from the Government's record on infrastructure by supporting an amendment that refers the bill to a committee for an inquiry—an inquiry that does not have, for example, a reporting date. The amendment merely states, "for inquiry and report". We will not do that.

We are not prepared to allow the Government off the hook when it comes to infrastructure in New South Wales. Although the Greens may see this as a way forward, for whatever reason, I say to them: a better way forward would be to address some of the fundamental concerns in the legislation and support the amendments that the Opposition will move in Committee.

The Hon. TONY KELLY (Minister for Rural Affairs, Minister for Local Government, Minister for Emergency Services, and Minister for Lands) [5.59 p.m.], in reply: I thank all honourable members who contributed to the debate on the Environmental Planning and Assessment Amendment (Infrastructure and Other Planning Reform) Bill. The wellbeing of our economy depends on business being able to work with certainty, at minimum risk, with low transaction costs and appropriate levels of regulation. The bill demonstrates the Government's determination to take decisive action to achieve these objectives. By establishing greater certainty and efficiency in the assessment of projects of State significance and major infrastructure projects, the bill supports our economy and the Government's desire to provide opportunities to the private sector to participate in the delivery of our infrastructure programs.

The bill, which was developed following extensive consultation, introduces new mechanisms that will ensure the Government delivers quickly and efficiently on its infrastructure programs. Projects for roads and transport, schools, hospital upgrades, and water and energy projects are obvious examples. A single assessment and approval system for major development and infrastructure projects will replace approval processes currently scattered throughout several pieces of legislation. The environmental protection provisions under nine different Acts will be integrated into a single approval system. The bill will ensure the State focuses properly only on those matters that are genuinely of State or regional significance with a significant number of projects being returned to local councils for approval. In other words, it will make sure councils get more projects to look at and fewer will be taken from them. Councils have assured us that they are very happy about that.

For complex projects, concept approvals will increase certainty up front and will reduce environmental and investment risks and costs. Of importance, they will allow the community to comment earlier in the development process, and they will allow for community views to be taken into consideration in the refinement of the projects. The new environmental assessment procedures will address the real social, economic and environmental impacts that arise from specific proposals; they will not just constitute a compendium of information. To add to the environmental rigour in the assessment process, the assessment will be carried out under guidelines and protocols to be developed by a new Chief Executive Officers Forum, which will be made up of the directors-general of the major regulatory agencies. The guidelines and protocols will set the rules for assessment methodology, consultation requirements and performance levels, and will ensure that high environmental outcomes are achieved.

The bill provides that, for the first time, guidelines will be issued by the Minister rather than the director-general. In another first, they will be gazetted to ensure transparency and they can only be adopted after consultation with the Minister for the Environment where they relate to matters concerning threatened species and Aboriginal cultural heritage. The level of assessment will be tailored to the complexity and likely level of significance of the impacts of the project in question. Let there be no mistake—this bill will ensure that the

impact of proposals on critical habitat, threatened species and Aboriginal cultural heritage will be appropriately assessed under the new provisions.

I take this opportunity to emphasise that consultation will continue to be an essential part of the assessment process and will now occur earlier in the process. The bill provides that environmental assessment of all projects must be notified for a minimum of 30 days, with submissions invited from government agencies, councils and the community. These reforms provide additional opportunities for community participation. With new hearing and assessment panels, community consultation at the concept plan stage, making proponents respond directly to community concerns, and requiring proponents to provide a statement of environmental and social commitment for every project, this bill goes further than ever before with practical opportunities for community participation.

The bill makes it clear that State environmental planning policies must be considered when making a determination about a project—including a critical infrastructure project. Before commencing proposed part 3A the Government will ensure community consultation and environmental assessment is enhanced by amending the State significant development SEPP to expressly provide that appropriate consideration is given to economic, social and environmental impacts of proposals, the suitability of the site, a report on community submissions and other community consultations, and other public interest matters before determinations are made.

Proposed part 3A of the Environmental Planning and Assessment Act will strengthen environmental outcomes and provide for earlier consideration of environmental constraints. These changes will provide a more systematic approach to resolving environmental issues, replacing current single-issue considerations. Earlier consideration of environmental constraints will allow earlier and more effective influence over project design and location decisions. This provides better outcomes for the community and the environment without unreasonable cost to the proponent. The Government will ensure that proponents of major projects deliver on their commitments to communities on environmental outcomes.

The bill strengthens the compliance and enforcement tools available under the Act to ensure environmental safeguards are delivered on the ground. The bill provides a new suite of investigative, compliance and enforcement powers for authorised officers of the Department of Infrastructure, Planning and Natural Resources [DIPNR] to ensure projects approved under the new part are carried out in accordance with their conditions of approval. The bill strengthens the monitoring, compliance and audit powers, and provides for offences where the monitoring or audit reporting has been inadequate, false or misleading. The bill gives DIPNR more powers to stop work on a project if there is danger of any environmental harm. These provisions give real teeth to ensure that the outcomes required by the new integrated assessment process are delivered by proponents when constructing and operating projects approved under the new system.

Yesterday in the other place the Opposition sought further information about reference in the bill to critical infrastructure. That information was provided at the end of the debate and confirmed in a letter to the Leader of the Opposition. I reiterate it here today. Infrastructure will only be declared critical where its speedy completion is considered essential to the social, economic or environmental welfare of the State. Declarations about critical infrastructure will be made following proper consideration. It is not a measure that the Government will invoke lightly. The types of projects that might be declared to be critical infrastructure are those that are essential to the State.

This morning the Government announced that the north-west rail link would be declared critical infrastructure, and no-one can argue with that decision. That new rail line will go from Cheltenham to Rouse Hill via Castle Hill and will include a 16-kilometre tunnel. Another example of what might be considered a critical infrastructure project, if Sydney's water crisis continues and dam levels continue to fall, is the desalination plant because of its importance in providing drinking water to the people of Sydney. Another item that could be declared critical infrastructure is particularly important to rural members—a project to secure water supply for Goulburn as it faces a critical water shortage.

For any project to be a critical infrastructure project a thorough risk assessment will be made taking into account financial, economic, social and environmental risk. First we will look at the financial and economic risks to the State of delivering or not delivering the project. Second, we will need to look at the community implications of delivering or not delivering the project in a timely manner—the extent of social dislocation and the extent of hardship or cost to the community if the project is not delivered quickly. Third, we will need to consider the environmental risks of streamlining the delivery of the project—what are the benefits, what are the disadvantages and how will the environment gain from the timely delivery of the project?

The bill provides a clear process for making these declarations. A declaration can only be made either by an order by the Minister that is gazetted and made publicly available or by State environmental planning policy made by the Governor, which is also gazetted and made publicly available. It is important to understand that, once declared, critical infrastructure projects will be the subject of an appropriate environmental assessment. The environmental assessment will take place in accordance with the guidelines provided for in the bill. These guidelines will ensure all environmental impacts are appropriately assessed—not just threatened species, critical habitat or Aboriginal cultural heritage. After ensuring only appropriate projects are declared critical infrastructure and ensuring that they are subject to an appropriate environmental assessment, the Government makes this commitment to the communities of New South Wales: we will make sure that these critical infrastructure projects are built.

There have been some calls to make regulations to specify in more detail what types of projects might be declared critical and how they might be implemented. Sufficient powers are currently available under the Environmental Planning and Assessment Act to achieve this. However, as an initial step, the Minister has indicated that he is satisfied the gazetted guidelines will meet these purposes. He has given an undertaking that he will monitor the operation of the critical infrastructure provisions over the next 12 months. If a need to move from guidelines to regulations is demonstrated after that period, regulations will be made.

With the new compliance and enforcement powers in the bill we will be able to make sure that critical infrastructure projects, as well as the other projects approved under the new provisions, are built and operated in accordance with the conditions of their approval. The Government has moved decisively with its planning reform agenda to cut red tape and provide regulatory conditions to support a strong economy, jobs growth, and both public and private sector investment. The competitiveness of New South Wales will attract sustainable infrastructure and investment opportunities to support the economy of New South Wales, which depends on an efficient and clear development approval system underpinned by an up-to-date planning regime. This bill is a very competent piece of legislation and it will underpin the State's economy for generations to come. I commend the bill to the House.

Question—That the amendment be agreed to—put.

The House divided.

Ayes, 4

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

Noes, 33

Ms Burnswoods	Ms Griffin	Mr Pearce
Mr Catanzariti	Mr Hatzistergos	Ms Robertson
Mr Clarke	Mr Jenkins	Mr Roozendaal
Mr Colless	Mr Kelly	Mr Ryan
Mr Costa	Mr Lynn	Mr Tingle
Ms Cusack	Mr Macdonald	Mr Tsang
Mr Della Bosca	Reverend Dr Moyes	Dr Wong
Mr Donnelly	Reverend Nile	
Ms Fazio	Mr Obeid	
Mrs Forsythe	Mr Oldfield	<i>Tellers,</i>
Miss Gardiner	Ms Parker	Mr Harwin
Mr Gay	Mrs Pavey	Mr West

Question resolved in the negative.

Amendment negatived.

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

The House divided.**Ayes, 33**

Ms Burnswoods	Ms Griffin	Mr Pearce
Mr Catanzariti	Mr Hatzistergos	Ms Robertson
Mr Clarke	Mr Jenkins	Mr Roozendaal
Mr Colless	Mr Kelly	Mr Ryan
Mr Costa	Mr Lynn	Mr Tingle
Ms Cusack	Mr Macdonald	Mr Tsang
Mr Della Bosca	Reverend Dr Moyes	Dr Wong
Mr Donnelly	Reverend Nile	
Ms Fazio	Mr Obeid	<i>Tellers,</i>
Mrs Forsythe	Mr Oldfield	Mr Harwin
Miss Gardiner	Ms Parker	Mr West
Mr Gay	Mrs Pavey	

Noes, 4

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

Question resolved in the affirmative.**Motion agreed to.****Bill read a second time.****In Committee****Clauses 1 to 4 agreed to.**

[The Chair of Committees left the chair at 6.25 p.m. The Committee resumed at 8.00 p.m.]

The Hon. PATRICIA FORSYTHE [8.00 p.m.]: I move Opposition amendment No. 1:

No. 1 Page 5, schedule 1 [1], proposed section 75C. Insert after line 6:

- (2) A project may not be declared to be a critical infrastructure project until regulations have been made under this Act relating to the categories of projects that may be considered to be essential for the State under this section.

Let me be very clear about where the Opposition stands on this issue. The legislation contains many principles that the Opposition supports. We certainly accept that there is a category of development called "major infrastructure"—we absolutely accept that. Indeed, much of what the Government has said in the bill accords with Opposition policy, but the Government has in fact created a fictional category; it did not exist until this legislation came into being. The Government created a new class of project, something above a State significant or major infrastructure project—that is, a critical infrastructure project.

We have critical infrastructure in New South Wales only because the Government has failed to deliver during the past 10 years. Now, in the twilight of the Government, it is being faced with having to be seen to be doing something to address the issue of failing infrastructure. Accordingly, it created something called "critical infrastructure". All that the Opposition's amendment seeks is that the Government, by way of regulation, sets out what are to be the categories of projects that may be considered essential. As it stands at the moment, the Government has asked the Opposition to buy a concept called "critical infrastructure", which has never before been part of planning legislation in this State.

The Opposition has accepted the concept of major infrastructure. We understand that and we understand State significant projects. "Critical" is a new term, barely defined, and we are being asked to give the

Minister the authority to determine what is critical, based on criteria that the Government has set out—that is, that it is essential for the State for economic, environmental or social reasons. I suspect that, because it has failed up until now to deliver essential infrastructure to the State, the Government is feeling the pressure. It is feeling the heat from a community that wants to know why it has crumbling rail infrastructure, why it does not have road projects to break the gridlock of the parking lots that pass for highways around New South Wales and why there are so many hospitals with significant problems.

That is what the Government is now referring to as critical infrastructure. Indeed, we do have a problem. We have a problem with water supply, but what has the Government been doing for the 10 years that it has been in office? Now we have this new class and the Government has said it is critical in terms of economic, environmental or social reasons. The Opposition is not asking that every single project be identified; we are asking what the Government is talking about. What are the categories of projects that may be considered?

The Opposition proposes that, before this section is enacted, the Government provide, by way of regulation, details of the categories. I repeat: The Opposition does not want details of every individual project; it wants the categories set out in a regulation so that this new class of critical infrastructure projects can be defined up front and dealt with concurrently with the legislation. Out of this legislation the Government will get its new classification called "critical infrastructure" and, allied to that, the Opposition gets at least a category of essential projects. We are not asking for individual items; we are asking what the Government has in mind.

I commend the Opposition's amendment to the Committee. I believe it goes some way towards meeting the concerns in the community, but it also sets forth a better basis upon which this legislation can operate. As with other regulations, no doubt the Government would be able to introduce a variation from time to time. The Government should be up front about this and have some faith in the Parliament of New South Wales. The Government has failed to deliver on infrastructure. The Government has dug a hole for itself and is now asking the Opposition to take on trust the fact that the Minister will get it right. The Minister is to be the judge of what is of such critical importance that it will meet his test of economic, environmental or social criteria and be dealt with in a way unlike any other project in New South Wales.

The Hon. TONY KELLY (Minister for Rural Affairs, Minister for Local Government, Minister for Emergency Services, and Minister for Lands) [8.08 p.m.]: The Government does not support the amendment. Critical infrastructure, by its very nature, may in some cases need to be quickly declared as critical, and quickly constructed. The situation might be difficult to anticipate. The reconstruction of the bridge over the Derwent River in Tasmania—the critical link between the two sides of Hobart, which partially collapsed after a boat crashed into it—is a good example. The categories in the regulation would need to be cast so broadly as to be almost meaningless in order to ensure that essential projects are not delayed. The Government simply could not guarantee that the regulations would cover every case.

We oppose the regulations as they would undermine the intent of the critical infrastructure provisions, which is to remove delays to building critical infrastructure projects. I reiterate that the Government will gazette guidelines that will set out the assessment processes associated with these types of projects.

Ms SYLVIA HALE [8.10 p.m.]: The Greens support Opposition amendment No. 1. The Minister's reason for opposing the Opposition amendment is perhaps the most specious and ludicrous reason one could possibly come up with. Fancy predicating a whole category of important planning legislation—against which there is no appeal and which is entirely at the discretion of the Minister—on a disaster that occurred in Hobart about 40 years ago, as I remember.

The Hon. Michael Gallacher: Are you that old?

Ms SYLVIA HALE: I regret to say that I am. It is ludicrous that this is the only reason the Government can advance for opposing the amendment. The Greens support the Opposition amendment because characteristic of the bill is the fact that so much important detail is missing. So much detail is left to be subsequently provided by the regulations, which will not be able to be disallowed by this House. The Government says the infrastructure is critical. It is also important to ask the question: Critical to whom? Is the infrastructure critical to Labor's electoral success? Is it critical because all other infrastructure is failing? Is it critical because without it the flow of donations to the Labor Party will dry up? Just who is it critical to? Obviously the community does not share the Government's confidence in this so-called critical infrastructure. Indeed, it needs to be spelled out specifically what is implied when this category of planning provision, namely critical infrastructure, is passed. The Greens support the amendment because it adds at least one minimal element of clarity to the bill.

Reverend the Hon. FRED NILE [8.12 p.m.]: In his reply to the second reading debate the Minister listed some of the so-called critical infrastructure projects. He referred to the Goulburn pipeline, the harbour rail tunnel, the desalination plant, and other projects. He also referred to the Hobart bridge disaster. I wonder how many of us would have thought of a Goulburn pipeline a couple of years ago. Would there have been discussion about having a pipeline because of the disaster in Goulburn? That is just one example of a more recent—

Ms Sylvia Hale: The drought has been going on for years.

Reverend the Hon. FRED NILE: Even the Greens have not talked about a pipeline in Goulburn. I have never heard them mention it. I am simply suggesting that many projects, which none of us would envisage, could come under this legislation. I do not believe the amendment would restrict the legislation. If it were carried, and the Government then listed five categories and omitted others, people would protest against the project being allowed to proceed. We are trying to get rid of the green tape, but this is a backdoor way of putting in more green tape.

The Hon. Dr PETER WONG [8.13 p.m.]: Reluctantly, I do not support Opposition amendment No. 1. We are facing a crisis. Whatever we do, we have to make sure things are rectified as soon as possible.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS [8.14 p.m.]: The Hon. Dr Peter Wong says we have a crisis. This is what the Government always wants. It says, "You have to vote for this because we have a crisis. We have done nothing about Goulburn's water situation, we have done nothing about the infrastructure, we have done nothing about conserving water, we have done nothing about conserving electricity, but now we have a crisis. We need a pipeline. We need a nuclear power plant. Get rid of the environment; it is all a crisis." The Opposition's amendment simply seeks to clarify the term "critical infrastructure project" because the definition in the bill is basically nonsense. Section 75A defines critical infrastructure as follows:

critical infrastructure project means a project that is a critical infrastructure project, as referred to in section 75C.

What a terrific definition! It could not be clearer.

The Hon. Rick Colless: What have you been smoking, Arthur?

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: I have been reading the bill. It is a bit dangerous, I know. Proposed section 75C provides:

Any development that is declared to be a project to which this Part applies may also be declared to be a critical infrastructure project if it is of a category that, in the opinion of the Minister, is essential for the State for economic, environmental or social reasons.

In other words, it is a critical infrastructure project if the Minister says so! There is no other definition. I believe that the reason for the introduction of this bill is that the Government is losing badly in the case involving the Collex waste transfer station. If the Government brings in legislation naming the Collex waste transfer station, the High Court will chuck it out as a separation of powers issue. The Act will be changed halfway through the court proceedings because the Government will be about to lose the case. If the Government makes a policy change such as this, it can tip that case and stop the activists and local residents from protesting. As we know, the local residents have lost all their power under this legislation because the guys from Collex are successful. This is all about the Collex waste transfer station, because the No Dump Residents Association is winning.

Let us put it on the record right now that that is what the Government is doing. It demonstrates its capriciousness. A project is deemed to be a critical infrastructure project when it suits the Minister and the Government. They do not even want the definition to be able to be disallowed in a regulation. The Opposition amendment, to its credit, allows us to see what a critical infrastructure project might be, and it provides for regulations to enable the definition to be disallowed. But, of course, that would cause a delay, and the Government would lose the Collex waste transfer station case in the meantime. The Government would hate that, because the people at Collex have given the Government a lot of money and are its mates. The Government put a bill through for them a little while ago. Clearly, the amendment needs to be supported. I am not sure whether the Liberals are aware what good it would do, but it may be that the Government has the numbers in any event. The amendment supports the whole notion of residents being able to conduct a reasonable court case and thereby act in the interests of their suburb.

Question—That the amendment be agreed to—put.

The Committee divided.

Ayes, 15

Dr Chesterfield-Evans	Miss Gardiner	Mr Ryan
Mr Clarke	Ms Hale	
Mr Cohen	Mr Lynn	
Ms Cusack	Ms Parker	<i>Tellers,</i>
Mrs Forsythe	Mrs Pavey	Mr Colless
Mr Gallacher	Ms Rhiannon	Mr Harwin

Noes, 20

Dr Burgmann	Mr Jenkins	Mr Roozendaal
Mr Catanzariti	Mr Kelly	Mr Tingle
Mr Costa	Mr Macdonald	Mr Tsang
Mr Della Bosca	Reverend Dr Moyes	Dr Wong
Mr Donnelly	Reverend Nile	<i>Tellers,</i>
Ms Griffin	Mr Obeid	Ms Burnswoods
Mr Hatzistergos	Ms Robertson	Mr West

Pairs

Mr Gay	Mr Primrose
Mr Pearce	Mrs Tebbutt

Question resolved in the negative.

Amendment negatived.

The Hon. PATRICIA FORSYTHE [8.26 p.m.]: I seek leave to move Opposition amendments Nos 2, 3 and 4 in globo.

Leave not granted.

Given the seriousness of what we are debating, the Committee may give some thought to what is under consideration. I intended to talk about the three amendments together because the principle that enshrines them is the same. I will accede—obviously I cannot avoid it—to the Greens' request that they be dealt with separately. I move Opposition amendment No. 2:

No. 2 Page 10, schedule 1 [1], proposed section 75K (1) (a), line 11. Omit all words on that line.

Amendment No. 2 relates to appeals. Critical infrastructure projects will not be subject to any appeal process. New section 75K provides an appeals process for the proponent. Regardless of whether we are dealing with a proponent or an objector the principle is the same. Having established this criterion called critical infrastructure the Government is now undermining the process of planning in New South Wales by creating a concept for one class of development—critical infrastructure. According to a letter the Minister provided to the Opposition, appropriate risk assessment parameters and environmental assessment will be applied.

We acknowledge that that is the advice to the Minister, but what is inherently missing is that while something is subject to an appropriate environmental assessment, the word "appropriate" is absolutely as determined by the Minister because there will be no right of appeal by the proponent or the objector. The Minister has absolute power, and that is a concept that does not sit comfortably with the principles that have been enshrined in the environmental planning and assessment legislation since 1979.

As I said, the Opposition is happy to support the Government in relation to a class of development called major infrastructure and to put in place a planning regime that underpins that. However, critical infrastructure—which is to be determined by the Minister, with no regulation, nothing upfront, and no guidelines—will now not be subject to any appeal. The principle applies for amendments Nos 2 and 3 and I urge the House to vote against the Government's proposal and to support the Opposition's amendment.

The Hon. TONY KELLY (Minister for Rural Affairs, Minister for Local Government, Minister for Emergency Services, and Minister for Lands) [8.31 p.m.]: The Government does not support this amendment. It

introduces merit appeals by the proponent of a critical infrastructure project. This provision undermines the intent of establishing the category of critical infrastructure so that the Government can move quickly when necessary to ensure that critical projects are not delayed by lengthy merit appeals—essentially, a rehearing of the assessment process through the courts.

Ms SYLVIA HALE [8.32 p.m.]: The Greens support amendments Nos 2 and 3. We agree that the reference to "critical infrastructure" should be removed because we believe it is essential that both the proponent, who is covered in amendment No. 2, and the objector, who is covered in amendment No. 3, should be treated equally and have the right to appeal. For that reason, particularly when we are dealing with legislation and a concept that is so ill-defined, it is appropriate that there be appeal rights.

I am amazed how readily this House gives away a citizen's right to appeal to a court of law. I find that extraordinary. It is as though there is a belief somehow that there are three arms of government and that the Legislature is the only one of them that is just ignored in this House. The Greens support this amendment because we believe that in all this legislation there should be the right of appeal, particularly in relation to "critical infrastructure", which is bound to have such an important and critical impact upon the lives of people. It is wrong to do away with that right of appeal on the spurious ground that somehow "critical infrastructure" is dead urgent and must be pushed through with all speed and without any possibility of delay.

It is extraordinary that, given the nature of critical infrastructure and just how massive and expensive some of it will undoubtedly be, infrastructure that can have such a major impact not only immediately on the community but on the future development of the community can be treated in so cavalier a manner in this bill, as the Government obviously intends to treat it. For this reason the Greens are pleased to support amendments Nos 2 and 3 to strike out the reference to "critical infrastructure" in those proposed sections.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS [8.35 p.m.]: The Democrats support amendments Nos 2 and 3, in the concept of fairness.

The CHAIR: Order! Only Opposition amendment No. 2 is before the Committee.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Yes, but I am giving my reason for supporting amendment No. 2. If amendment No. 3 were not to be moved, and I were not being entirely fair to both proponents and objectors, I would not support amendment No. 2. But because of my extreme sense of fairness I believe that the proponents, in favour of whom the whole bill is stacked, should have the right of appeal as well. That would seem to me a bit much, except that one has to be fair if the objectors are going to have that right pursuant to amendment No. 3. I am supporting amendment No. 2 because I support amendment No. 3, not particularly because I am absolutely dedicated to giving even more power to the proponents.

The Hon. PATRICIA FORSYTHE [8.36 p.m.]: Far be it from me to give a lesson in House procedure to the Greens, particularly since they are voting with me, but I cannot resist. It would have been far better had we debated the appeals concept amendments, that is, Nos 2, 3 and 4, in globo.

Ms Sylvia Hale: We quantitatively did do it.

The Hon. PATRICIA FORSYTHE: You could have asked to vote on them seriatim, as I had suggested to some people. That would have been appropriate and convenient. That is just a little lesson on how we can succinctly deal with significant issues. There is a deal of hilarity on the part of the Government. All I can say is that the Government, particularly some of its members, must be extraordinarily embarrassed about this legislation and their only way out is to distract themselves from its substance by the sort of stupid behaviour they are engaging in tonight. Notwithstanding that, I urge the Committee to support Opposition amendment No. 2.

Question—That the amendment be agreed to—put.

The Committee divided.

Ayes, 15

Dr Chesterfield-Evans	Ms Hale	Mr Ryan
Mr Clarke	Mr Lynn	
Mr Cohen	Ms Parker	
Mrs Forsythe	Mrs Pavey	<i>Tellers,</i>
Mr Gallacher	Mr Pearce	Mr Colless
Miss Gardiner	Ms Rhiannon	Mr Harwin

Noes, 21

Dr Burgmann	Mr Kelly	Mr Tingle
Mr Catanzariti	Mr Macdonald	Mr Tsang
Mr Costa	Reverend Dr Moyes	Dr Wong
Mr Della Bosca	Reverend Nile	
Mr Donnelly	Mr Obeid	<i>Tellers,</i>
Ms Griffin	Mr Oldfield	Ms Burnswoods
Mr Hatzistergos	Ms Robertson	Mr West
Mr Jenkins	Mr Roozendaal	

Pairs

Mr Primrose	Ms Cusack
Ms Tebbutt	Mr Gay

Question resolved in the negative.

Amendment negatived.

The Hon. PATRICIA FORSYTHE [8.45 p.m.]: I seek leave to move Liberal Party amendments Nos 3 and 4 in globo.

Leave not granted.

I seek leave to move amendments Nos 3 and 4 in globo but for them to be voted upon seriatim.

Leave granted.

I move Liberal Party amendments Nos 3 and 4 in globo:

No. 3 Page 11, schedule 1 [1], proposed section 75L (1) (a), line 3. Omit all words on that line.

No. 4 Page 14, schedule 1 [1], proposed section 75Q (1) (a), line 33. Omit all words on that line.

The key issue in relation to these amendments is the right of appeal. The Committee needs to understand that it is essential that communities have a role and a place in planning in New South Wales, as well as a right to have a say about infrastructure, critical or otherwise, in an area. If infrastructure is terribly important, one would assume that the community would accept the rationale of the Government. But there are to be no appeals by objectors. It is quite clear from the Minister's second reading speech that there will be no role or place for local government. The Minister stated:

The bill will ensure that the construction and operation of approved critical infrastructure projects cannot be stopped or delayed by other government agencies or local councils.

As I said, this is where the Government has effectively failed to communicate its proposal, even to local government—its so-called partner in government. We know that this provision will not apply to other agencies of government. It is about taking the public out of the planning process. That is wrong in principle. The Opposition believes it is not appropriate. The Carr government has certainly not adequately consulted people about their rights.

We are being asked to buy a concept of "critical infrastructure" projects for which no clear definition has been provided other than a definition that the Minister will make determinations based on social, economic or environmental considerations. Effectively, there will be no process of appeal, so the Land and Environment Court is being taken out of the process. We will be rewriting the Environmental Planning and Assessment Act. When we conclude our deliberations on this part of the bill someone will need to rewrite the planning texts that apply in New South Wales, because this bill fundamentally changes the principles that underpin the Act.

Ms Sylvia Hale: Why do you not vote against it?

The Hon. PATRICIA FORSYTHE: Because there are many aspects of the bill that the Coalition supports, as I think we have made clear. The Coalition fundamentally accepts the role of major infrastructure,

but we are not prepared to buy a pig in a poke, which basically is what an inadequately defined "critical infrastructure" provision, devoid of an appeal process, is. Beyond that, the Coalition accepts that it is timely to streamline planning processes, and the Coalition accepts the role of major infrastructure. I thank Ms Sylvia Hale for her interjection.

Reverend the Hon. FRED NILE [8.49 p.m.]: These amendments are different from the previous amendment, which was defeated. I was surprised that the Greens so enthusiastically supported that amendment because it sought to give developers the power to appeal following the Minister's refusal of a development application. It had nothing to do with the community. These amendments deal with appeals by objectors. As I understand it, the classification of "critical infrastructure project" is designed to streamline an important project. For example, the Goulburn pipeline, which we hope will be a reality, could be stopped by an objector and tied up in the appeals process while the people of Goulburn die of thirst.

Ms SYLVIA HALE [8.50 p.m.]: The Greens support Opposition amendment No. 3 because it gives objectors the power to appeal against decisions in relation to critical infrastructure. We do so on the same grounds that we supported amendment No. 2, which extended appeal rights to both parties: if it is good for the goose, it is good for the gander. The Greens oppose amendment No. 4 because it deals with concept plans. The provision dealing with concept plans provides that only appeals lodged by the proponent will be permitted. No provision exists for appeals by objectors. For reasons of parity and equal treatment, even though the Opposition favours proponents of critical infrastructure, we oppose amendment No. 4. We do so in accordance with our opposition to the notion that there should be no appeal rights whatsoever with respect to concept plans by objectors—and a great deal hangs on the approval or otherwise of concept plans.

The bill makes it perfectly clear that there is no requirement to provide details in the drafting of a concept plan. Once a concept plan has been approved any subsequent development application that is consistent with the plan cannot be refused, even if additional information comes to light, the original description was flawed or it deliberately lacked relevant and important detail. Under the bill as it stands once the concept plan has been approved objectors have no right to appeal. Because there is a fundamental disparity between the treatment of proponents and objectors the Greens will not support amendment No. 4.

The Hon. TONY KELLY (Minister for Rural Affairs, Minister for Local Government, Minister for Emergency Services, and Minister for Lands) [8.54 p.m.]: The Government does not support amendment No. 3. This amendment would introduce merit appeals for objectors. Even more than the previous amendment, this amendment has the potential to tie up critical infrastructure projects in the court through third parties lodging merit appeals. Appeal provisions such as these have a major impact on whether the private sector will participate in these projects and reduces the potential for it to enter into public-private partnerships. This is a curious amendment from the Opposition, given that public-private partnerships are a major component of the Opposition's policies in this area.

Third-party merit appeals would introduce major delays in the approval of projects such as the north-west rail link, the desalination plant—should it be necessary—and projects that might be necessary to ensure that Goulburn does not run out of water, as Reverend the Hon. Fred Nile has stated. The amendment is unacceptable and the Government does not support it. The Government does not support amendment No. 4 either. It introduces merit appeals for proponents in respect of concept approvals for infrastructure and other major projects. It, too, goes against the whole intent of amendments to reduce red tape and increase the certainty that projects will proceed.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS [8.55 p.m.]: Madam Chair—

[*Interruption*]

The schoolboy bullies on the other side can go to hell! I have had enough of schoolboy bullying in my life. If Government members have nothing better to do than play schoolboy bullying, they should go home to bed.

The CHAIR: Order! The Hon. Dr Arthur Chesterfield-Evans will resume his seat. The degree of disruption to the debate is unacceptable. I would appreciate the co-operation of all members in allowing the Committee to proceed in an orderly manner. It is disorderly for the Hon. Dr Arthur Chesterfield-Evans to seek the call to speak on amendments and to then launch a tirade of abuse against other members. If he asks me to call to order members who are interjecting on him, I will do so. However, it is not his role, when speaking to

amendments, to insult other members. A number of members on both sides of the Chamber have been called to order already, and if they continue to interject I will be quite happy to add to their score.

[*Interruption*]

Order! I call the Hon. Michael Costa to order. The Hon. Dr Arthur Chesterfield-Evans has the call.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: I was responding to an interjection, rather than starting a tirade spontaneously. One might ask why the concept of "critical infrastructure" has been included in the bill. I did not understand at first because, from a functional point of view, it is the same as a project of State significance in that both of them can be arbitrarily conjured by the Minister. The reason for a separate category of critical infrastructure is blindingly obvious. This bill has been introduced at this time to enable Collex to win its case.

The existing State-significant development provisions would not change the law sufficiently to win that case so the Government has invented another measure that effectively does the same thing. It is another element of ministerial discretion, but with a different name. If there were appeals by objectors to critical infrastructure projects, without this amendment the case of Collex would be able to go ahead and, I believe, the Collex people would win. I will provide some facts to back up that contention. This bill, which amends the Environmental Planning and Assessment Act, seeks to help Collex over its legal hurdle in relation to the Clyde waste transfer station. The legislation must include wide policy-type drafting.

The Hon. Tony Kelly: Point of order: I ask you to remind the honourable member that he is not entitled to debate the general context of the bill, merely the clauses affected by the amendments.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: To the point of order: The significance of these amendments relates to the definition of "critical infrastructure" and the impact of these amendments on other important legal cases, to wit, the Collex case. This is a critical aspect of the bill. The implications of the amendments would be to allow the court case to go ahead. If the amendments are defeated the court case will not go ahead.

The CHAIR: Are you speaking to the point of order?

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Yes, I am. What I am saying is absolutely relevant to the passage or non-passage of the amendment. I might be troublesome, but I am certainly relevant.

The CHAIR: Order! Both amendments seek to delete the words "critical infrastructure" from proposed sections 75L and 75Q. In essence the member was relevant, but he must confine his remarks to the impact that the removal of those words would have on the proposed sections in schedule 1.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: My argument was longer than I wanted it to be, but it explains why in the current court case these amendments are critical. The legislation must be drafted as a wide policy-type document as any future Collex special legislation would be unconstitutional, because of associated chapter 3 issues. The No Dump Residents Association [NDRA] took Collex to the Land and Environment Court at the end of last year and again early this year. The main point of the case was that the Clyde Waste Transfer Terminal (Special Provisions) Act 2003 did not give proper lawful authority for the waste transfer station to operate. The case was split into two parts. The first part was to decide the proper interpretation of the legal effect of the Collex special legislation. The NDRA was successful in that argument.

That special legislation approved the waste transfer building only and all activities outside the building—trucks in and waste containers out—are not covered by the Act. The only reason for that decision was that those activities were excluded by the development application and the Act approved only that development application. The second part of the case dealt with the claim by Collex that in the alternative it has existing use rights. The claim was that because the site was an old goods yard that gave Collex an existing use right for the balance of the Clyde transfer terminal. The NDRA argues that the site cannot have existing use rights because the Collex use is different use, namely, that of a waste management facility. Justice Talbot ruled that Collex does have existing use rights for all waste management activities outside the four walls of the waste transfer building itself, despite the site never being used for waste management and State significant development cannot have the benefit of existing use rights.

That is why a new category of the concept of critical infrastructure has to be created, even though it is effectively the same. Section 109 of the Environmental Planning and Assessment Act 1979 provides an

exemption only to a requirement in the local environmental plan, not from a requirement for consent to the Act itself. State significant development requires consent by the Minister, and as such cannot have the benefit of section 109. Section 107 of the Environmental Planning and Assessment Act applies only if the development is characterised as prohibited. The Collex special legislation has the legal effect of making all parts of the Collex project State significant development. That has the effect that development is permissible by consent of the Minister. As such it cannot have the benefit of sections 107 or 109 of the Act.

The NDRA believes that the judgment Justice Talbot gave to Collex was contrary to law. The group immediately filed and served appropriate appeal documents in the New South Wales Court of Appeal. It believed it would win on appeal, as Collex did not have existing use rights as defined in the Act or in the applicable New South Wales Court of Appeal and High Court authorities. The filing of the appeal has triggered these changes in the Environmental Planning and Assessment Act. The changes are designed to circumvent the requirements in relation to the State significant development by defining this new category in order to get Collex out of its legal problems. The changes were also designed to allow the Minister to rubberstamp a new approval if the NDRA is successful on appeal.

The definition of "critical infrastructure", from a functional point of view, is identical to State significant development. There is merely a tiny difference which would be irrelevant in any other context but the Collex waste case. My argument is that the bill, and these amendments in particular, are designed to win the Collex case. In effect they are interference in the process of the courts by Parliament and, as such, are liable to be struck down by the High Court. However, the short way of fixing this would be to vote for the amendments, in which case the No Dump Residents Association appeal could go ahead, as it should. The amendments should be supported. If they are not, Parliament will be deliberately interfering in the Collex case and, basically, we have belled the cat on this occasion.

Question—That amendment No. 3 be agreed to—put.

The Committee divided.

Ayes, 15

Dr Chesterfield-Evans	Miss Gardiner	Mr Ryan
Mr Clarke	Ms Hale	
Mr Cohen	Mr Lynn	<i>Tellers,</i>
Ms Cusack	Ms Parker	Mr Colless
Mrs Forsythe	Mrs Pavey	Mr Harwin
Mr Gallacher	Ms Rhiannon	

Noes, 21

Dr Burgmann	Mr Kelly	Mr Tingle
Mr Catanzariti	Mr Macdonald	Mr Tsang
Mr Costa	Reverend Dr Moyes	Dr Wong
Mr Della Bosca	Reverend Nile	
Mr Donnelly	Mr Obeid	<i>Tellers,</i>
Ms Griffin	Mr Oldfield	Ms Burnswoods
Mr Hatzistergos	Ms Robertson	Mr West
Mr Jenkins	Mr Roozendaal	

Pairs

Mr Gay	Mr Primrose
Mr Pearce	Ms Tebbutt

Question resolved in the negative.

Amendment No. 3 negatived.

Amendment No. 4 negatived.

Schedule 1 agreed to.

Schedules 2 to 4 agreed to.

The Hon. PATRICIA FORSYTHE [9.12 p.m.]: I move Opposition amendment No. 5:

No. 5 Page 60, schedule 5 [17], proposed section 122I. Insert after line 4:

- (2) An officer or employee of an industrial organisation of employers or employees cannot be appointed as an authorised officer for the purposes of this Division.

This is a different amendment to those we have dealt with previously. Although some crossbench members have felt that it is important to support the Government's intention of creating a regime to deal with critical infrastructure, this amendment deals with a different matter. It is important that people who breach environmental planning legislation, who create shonky developments and who cut corners should be the subject of investigation. The Opposition has absolutely no problem with the concept of departmental enforcement powers. Indeed, division 2C states that the department has a right to enforce regulations and legislation. The Opposition is of the view that in schedule 5 the Government has put in place the potential for much greater powers than it might have intended.

I believe the Government intended that departmental officers be able to enter certain premises. Indeed, proposed section 122J states that an authorised officer may enter any premises at which he reasonably suspects that any industrial, agricultural or commercial activities are being carried out that contravene the Act, the regulations, any environmental planning instrument, any approval under part 3A, any development consent under part 4 or any document or requirement issued or made under the Act. The Opposition has concerns about the definition of "authorised officer". I am interested to hear the Government's defence of the bill or indeed whether it is prepared to accept the Opposition's amendment. The Opposition is seeking to amend the definition that simply states that the director-general may appoint any person as an authorised officer for the purpose of this division.

I am not sure that the Government intended to make the definition so broad. We do not want union officials to use these provisions as an opportunity to enter work sites but that could potentially happen. We have provided a definition that applies not only to unions. We believe that an employee of an industrial organisation of employers cannot be appointed as an authorised officer for the purposes of this division. One must read not only the definition of an "authorised person", which is so lacking in the bill, but also the powers of the authorised person. I am reliably assured that the Government proposes giving authorised officers greater powers than those of the New South Wales Crime Commission. Those powers are extraordinary in their breadth. This is not about fundamental planning principles in terms of major or critical projects; this is about the fundamental issue of appropriate powers. I urge crossbench members and, indeed, the Government to accept the Opposition's amendment, which will limit the class of persons who may be considered as authorised under these provisions.

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 officers who will be authorised to undertake enforcement action will be public servants employed by the Department of Infrastructure, Planning and Natural Resources. Clearly, they will not be employed by an industrial association of either employers or employees. In any case, there is absolutely no reason that a person associated with the union or any employer association cannot carry out their work duties professionally and properly. We are debating planning legislation, not industrial law. As I said, the Government does not support this amendment.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS [9.18 p.m.]: I do not quite understand the rationale for this amendment, and I cannot support it. It is unlikely that someone employed by an employer organisation would be appointed by the Department of Infrastructure, Planning and Natural Resources as an inspector because they would have a job already and they would have to resign and become an employee. Also, one does not want an employer advocate doing inspections of employers. That would be absurd. Under the amendment, it would seem that an officer of an industrial organisation could simply be a union delegate in his or her workplace.

Unions take an interest in, and run courses on, occupational health and hygiene, so people with a degree of expertise in that area might well work for a union. Under this bill the powers that are given to authorised officers are extraordinarily high. All the provisions in this bill are draconian in nature, which is not inconsistent with other Government policy. However, it should not impede someone who is not a union delegate who has a background in occupational health and safety or industrial hygiene from getting a job as an inspector within the framework of the Department of Infrastructure, Planning and Natural Resources.

Ms SYLVIA HALE [9.20 p.m.]: The Greens oppose this amendment for many of the reasons advanced by the Hon. Dr Arthur Chesterfield-Evans. Proposed section 122L outlines the powers of authorised officers. One of their powers is to "examine and inspect any works, plants or other article" and another of their powers is to "examine and inspect any records". If work of this nature is to be done it often requires a degree of expertise. Amongst the ranks in the union movement are people who have made a definite study of pinpointing deficiencies in work, plant or other articles. Merely because someone is an officer of a union—whether or not it is in an honorary capacity—is not sufficient to exclude that officer from being able to be appointed as an agent.

On the face of it, this amendment is supposed to be equal-handed in its approach because it excludes employers and employees of industrial organisations. But as the Hon. Dr Arthur Chesterfield-Evans pointed out, the whole intent of this amendment is to exclude active union members, in particular, active union officers. The Greens cannot support this amendment. Once again this is a manifestation of the Opposition's anti, automatic and unthinking approach to unions.

The Hon. PATRICIA FORSYTHE [9.23 p.m.]: The Minister suggested that officers employed by the Department of Infrastructure, Planning and Natural Resources [DIPNR] would be employed as inspectors, but that is not what is stated in this legislation. That might have been the Government's intention, but that is not what is stated in the legislation. It is left open. The Opposition is well aware that business wants this legislation passed. Perhaps those who have been so insistent on passing it in its present form are comfortable with all aspects of it. The Opposition has real concerns about the open-ended nature of the bill.

It is not good enough for the Minister to say that officers employed by DIPNR will be authorised to carry out inspections. That is not what is stated in the Act. The Act states that any person can be appointed as an authorised officer. If those who are intent on supporting the Government's entry and search power proposals read the legislation they will establish that authorised officers will be granted extensive powers to carry out inspections at any time when agricultural or commercial activities are being carried out. The department must be able to deal with shonky developers. People must not be allowed to cut corners. If people are licensed to do certain things within certain hours and they breach those provisions the department should have the capacity to carry out inspections.

This new section is much broader than that. I have adequately expressed the Opposition's concerns. Down the track, when people discover the unintended consequences of this legislation, they will wonder whether Opposition members were asleep or awake when it was debated. Because of the open-ended nature of definitions in this bill Opposition members are aware of the potential for this new section to be misused. I appeal to all honourable members to examine this issue. I am surprised that the Minister accepted the bill in its very broad format. As the bill has gone through the Cabinet process one would have to ask whether the Government has another agenda. As I said earlier, the Minister suggested that officers employed by DIPNR would be employed as inspectors, but that is not what is stated in this legislation.

Amendment negatived.

Schedule 5 agreed to.

Schedules 6 and 7 agreed to.

Title agreed to.

Bill reported from Committee without amendment and report adopted.

Third Reading

The Hon. TONY KELLY (Minister for Rural Affairs, Minister for Local Government, Minister for Emergency Services, and Minister for Lands) [9.27 p.m.]: I move:

That this bill be now read a third time.

The House divided.

Ayes, 31

Ms Burnswoods	Ms Griffin	Mr Pearce
Mr Catanzariti	Mr Hatzistergos	Ms Robertson
Mr Clarke	Mr Jenkins	Mr Roozendaal
Mr Colless	Mr Kelly	Mr Ryan
Mr Costa	Mr Lynn	Mr Tingle
Ms Cusack	Mr Macdonald	Mr Tsang
Mr Della Bosca	Reverend Dr Moyes	Dr Wong
Mr Donnelly	Reverend Nile	
Ms Fazio	Mr Obeid	<i>Tellers,</i>
Mrs Forsythe	Ms Parker	Mr Harwin
Miss Gardiner	Mrs Pavey	Mr West

Noes, 4

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

Question resolved in the affirmative.

Motion agreed to.

Bill read a third time.

LEGAL PROFESSION AMENDMENT BILL**GAMING MACHINES AMENDMENT BILL****DRUG MISUSE AND TRAFFICKING AMENDMENT BILL**

Bills received.

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

Motion by the Hon. Tony Kelly agreed to:

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

Bills read a first time and ordered to be printed.

STANDING COMMITTEE ON PARLIAMENTARY PRIVILEGE AND ETHICS**Message**

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

MADAM PRESIDENT

The Legislative Assembly informs the Legislative Council that it has this day agreed to the following resolution:

- (1) That the Committee on Parliamentary Privilege and Ethics inquire into and report on appropriate protocols to be adopted for the execution of search warrants on members' offices by law enforcement agencies and investigative bodies, and in particular the procedures to be followed:
 - (a) in obtaining a search warrant;
 - (b) prior to executing a search warrant;
 - (c) in executing a search warrant;
 - (d) if privilege or immunity is claimed;

- (e) for the resolution of disputed claims of privilege; and
 - (f) related matters.
- (2) That the Committee have leave and power to confer with the Legislative Council Committee on Privileges for the purposes of this inquiry, and in relation to each committee's inquiries into s13b of the Constitution, and matters relating to the registration of pecuniary interests.
- (3) Requests that leave be given to the Committee on Privileges to confer with the Committee on Parliamentary Privilege and Ethics.

The Legislative Assembly requests that the Legislative Council pass a similar resolution.

Legislative Assembly

JOHN AQUILINA
Speaker
9th June, 2005

Consideration of message deferred.

BUSINESS OF THE HOUSE

Postponement of Business

Government Business Order of the Day No. 6 postponed on motion by the Hon. Tony Kelly.

GAMBLING (TWO-UP) AMENDMENT BILL

Second Reading

The Hon. TONY KELLY (Minister for Rural Affairs, Minister for Local Government, Minister for Emergency Services, and Minister for Lands) [9.40 p.m.]: I move:

That this bill be now read a second time.

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

Leave granted.

This bill provides for amendments arising from the statutory review of the Gambling (Two-up) Act 1998. Section 33 of the Act required that a statutory review of the Act be initiated within five years of the commencement of the Act. As honourable members would be aware, these requirements are not unique to the Two-up Act but exist in most pieces of legislation.

The aim of these statutory reviews is twofold:

- firstly, to determine whether the policy objectives of the Act remain valid; and,
- secondly, to determine whether the terms of the Act remain appropriate for securing those objectives.

The review of the Two-up Act was carried out during the course of 2003-04. As part of the review, submissions were invited from interested parties.

Key stakeholders were also approached directly and invited to make submissions. None of the submissions received regarding the Two-up Act expressed concerns regarding the operation of the Act. In general, the review concluded that the policy objectives of the Act remained valid and that the terms of the Act remain appropriate for securing those objectives. The submission received from the Services Clubs Association proposed that the playing of Two-up be allowed on a limited number of commemorative days in addition to Anzac Day. I specifically thank Graeme Carroll for his organisation's suggestion. In seeking an extension to the playing of Two-up, the association stated:

The objective of these activities would be to attract a younger generation of Australians to participate in these activities. As the number of war veterans continues to diminish, the "mixing of the generations" over a game of Two-up is seen as a way of engendering a greater sense of national pride in Australia's war effort. Young people attending these events will ultimately become the members and directors of these clubs in years to come and it is imperative that they understand the objectives on which these clubs were initially based.

The review report, which was tabled in Parliament on 17 November 2004, recommended that this proposal be examined in consultation with key stakeholders.

On that same day the Premier indicated his in-principle support for the proposal. In accordance with the Premier's announcement, the following organisations were contacted to seek their views on the proposal:

- the Returned Services League [RSL],
- the Vietnam Veterans Association,

- the Vietnam Veterans Federation of Australia,
- the Naval Association of Australia,
- the Royal Australian Air Force Association,
- the Ministry for Police,
- NSW Police,
- the Australian Hotels Association,
- Clubs New South Wales and
- the Club Industry Advisory Council.

All but one of these organisations has supported the proposal.

Initially it is envisaged that the playing of Two-up will be extended on a trial basis in 2005 on two occasions only, that is, Victory in the Pacific Day on 15 August and Remembrance Day on 11 November. By regulation, it will become lawful for games of Two-up to be operated on these days under the same conditions that games of Two-up are operated on Anzac Day.

It was decided to apply the same conditions as those applying to Anzac Day after consultation when it was revealed that many RSL sub branches and their members use venues other than services clubs, such as hotels and other types of clubs, for functions on commemorative days, and that this is particularly an issue in rural and regional areas in New South Wales.

Following Remembrance Day this year, the extended operation of games of Two-up will be reviewed in consultation with key stakeholders to determine whether the extension should continue beyond the trial period.

The amendments in the bill will also enhance the regulation-making powers in regard to the allocation of charitable funds raised through the operation of games of Two-up in clubs. The Act currently allows for registered clubs to raise funds from the operation of games of Two-up. This bill provides for a regulation-making power to prescribe which charities or charitable organisations may receive funds raised from the operation of games of Two-up in registered clubs.

I assure the House that no such regulations will be drafted without consultation with the club industry. Some in the club industry have suggested that funds from the playing of Two-up might be directed towards charities directly supporting and assisting ex-service men and women and their families, such as Legacy. This enhanced regulation-making power is included in the bill with this suggestion in mind.

The enhanced regulation-making power will also enable reporting requirements to be introduced for the allocation of funds raised from the playing of Two-up should this become necessary. There is one more issue of relevance to the playing of Two-up that I shall raise.

Concerns have been raised that the playing of Two-up on Remembrance Day could commence before the observation of silence at 11.00 a.m. Clearly, this would not be in keeping with the solemnity of the occasion and it would be quite disrespectful. Accordingly, the bill introduces a specific prohibition on the playing of Two-up on Remembrance Day before 12.00 noon.

In conclusion, the bill provides for greater flexibility in the regulatory framework for the operation of games of Two-up in New South Wales, and is supported by a majority of key stakeholders.

I note that it is the practice that all bills are scrutinised by the Legislation Review Committee.

The Committee's obligations are set out in the Legislation Review Act 1987, and I believe that this bill does not contain any provisions that fall within the areas of interest to the committee.

The bill does not contain any provisions that trespass on personal rights or liberties. It does not include provisions that increase the compliance burden placed on venues. It does not contain any provisions that make rights, liberties or obligations unduly dependent upon insufficiently defined administrative powers or non-renewable decisions.

The enhanced regulation-making powers in the bill will provide for the extended playing of Two-up in a simple, flexible and effective way. These powers will facilitate the initial trial and any subsequent continuation of the extension to the playing of Two-up. It is not considered that these amendments inappropriately delegate legislative powers or insufficiently subject the exercise of legislative power to parliamentary scrutiny.

I commend the bill to the House.

The Hon. CHARLIE LYNN [9.40 p.m.]: The Gambling (Two-up) Amendment Bill extends the playing of two-up to other commemorative days in Australia. At present two-up can be played only on Anzac Day, and it is proposed that this year the playing of two-up be extended to Victory in the Pacific Day, on 15 August, and Remembrance Day, on 11 November. Registered clubs would be required to donate the proceeds of the game to charity. However, I note that, initially, clubs would not be required to report on the disposal of the proceeds. I understand that, to date, the RSL, the Vietnam Veterans Association, the Vietnam Federation of Australia, the Naval Association of Australia, the Royal Australian Air Force Association, the Ministry of Police, NSW Police, the Australian Hotels Association, ClubsNSW and the Club Industry Advisory Council have been consulted and there is overwhelming support for this proposal. I thank my good friend Graeme Carroll, Chief Executive Officer of the Services Clubs Association, for the submission from his organisation. It states:

The objective of these activities would be to attract a younger generation of Australians to participate in these activities. As the number of war veterans continues to diminish, the "mixing of the generations" over a game of two-up is seen as a way of engendering a greater sense of national pride in Australia's war effort. Young people attending these events will ultimately

become the members and directors of these clubs in years to come and it is imperative that they understand the objectives on which these clubs were initially based.

I agree that younger Australians need to have a greater appreciation of the efforts of those who fought for this country, and two-up is a uniquely Australian game that is commemorated every Anzac Day. My personal view is that it should be played on Anzac Day and Victory in the Pacific Day. Anzac Day is representative of the landing at Gallipoli and Australia's service in World War I and Victory in the Pacific Day on 15 August commemorates the surrender of Japan and the end of the Pacific war. I would prefer to see the playing of two-up restricted to those two days. I would also limit the game to clubs, particularly services clubs. Two-up is a services activity that would encourage people to patronise services clubs on those two days. It could be played in hotels in country towns that do not have a services club. They are my personal views. The Opposition supports the bill.

Reverend the Hon. Dr GORDON MOYES [9.43 p.m.]: I lead for the Christian Democratic Party in debate on the Gambling (Two-up) Amendment Bill. The purpose of the bill is to amend the Gambling (Two-up) Act 1998 to allow two-up to be played on certain commemorative days other than Anzac Day. The Christian Democratic Party accepts the motives of the bill. That said, I record my dissatisfaction with any initiative, as harmless as it may be perceived by some, that promotes gambling. Without delaying the House, I shall explore some of the misconceptions of the game of two-up in the hope that it might help people save some money.

The bill permits the playing of two-up on Victory in the Pacific Day, 15 August, and on Remembrance Day, 11 November. The same conditions and requirements that apply currently to the playing of games of two-up on Anzac Day would apply also to these days. Most importantly, and out of respect, the bill will prohibit games of two-up being played before 12 noon on Remembrance Day. The proposal to extend the number of commemorative days on which two-up could be played was received while a statutory review of the Gambling (Two-up) Act 1998 was being conducted. As honourable members will be aware, many, if not most, Acts are subject to statutory review every five years or so. The proposal was the subject of consultation with many key stakeholders.

Two-up was a popular game among the Australian diggers of World War I, and it continues to be played on commemorative occasions to imitate them. It seems to be a relatively harmless activity. But the apparent uncontroversial nature of the game may lead two-up competitors to think they have better odds than reality dictates. I have taken an interest in the statistics of probability and read a major paper on this subject by Professor A. H. Pollard, head of the Statistical Studies Department at Macquarie University. Dr Peard of the Queensland Institute of Technology also authored a paper about misconceptions in probability. The study is an interesting read and details the misconceptions that people hold about the probabilities in games such as two-up. For example, one common misconception is belief in the gambler's fallacy of the law of averages. Many of those who play two-up appear to believe that, which is why many gamblers forfeit their hard-earned savings to play apparently innocuous games.

The Mathematical Association of New South Wales, in a learned article on statistical probability published in volume 22 of its *Reflections* journal of August 1997, discusses how the fallacy of the law of averages operates. Honourable members may be interested to hear this. For example, when we toss a single coin a number of times we would expect it to come down heads about half the time and tails half the time. But the operative word here is "about". With a large number of flips—100, for example—we would be surprised if exactly 50 per cent produced heads, even though this would occur more often than any other combination. We would be quite happy with a split such as 45:55 or 58:42.

But if a coin is tossed twice or if two coins are tossed, the probability of half heads is one in two. But, in reality, this probability is never again so high and decreases indefinitely with an increasing number of tosses. Therefore, the longer a person plays, the greater the number of losses. While the probable outcome of tossing a coin is an even split between heads and tails, it does not mean that the outcomes will oscillate perfectly between heads and tails. For six tosses, for instance, the probability is five out of 16 and for 1,000 tosses it is only about 2.5 per cent. There is not a one in two chance of winning every time the coin is tossed—the probabilities of getting a head or a tail decreases every time the coin is tossed.

If a coin was tossed 10 times, we would not be too alarmed if there were seven heads and three tails. The chance of that combination occurring is 11 per cent. But if a coin was tossed 100 times, the chance that we would get 70 heads and 30 tails is reduced considerably to 0.00232 per cent. We could reason intuitively that 10 flips of the coin are not enough to give us the same sensitivity as 100 flips would. The learned statistical articles show that it can be concluded that, as the number of coin flips increases, the chance of getting exactly half heads

and half tails gradually reduces, and the chance of getting a coin combination within given limits from this even split increases. The probability that a particular combination will surface with two coins in a game—which is how most two-up games are played—is even lower.

We must never underestimate the effects of gambling: loss of finance and time spent gambling may lead to feelings of anxiety, depression and guilt, thoughts of suicide, or even attempted suicide. During my more than 27 years with Wesley Mission I have seen the grave effects of gambling addictions. Those effects should not be taken lightly. Any knowledge of statistics and the laws of probability should keep a person from playing two-up if they want to win. The only winners are those who do not play. But the Christian Democratic party does not want to prevent others from fulfilling their desire, provided they are willing to pay the price.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS [9.49 p.m.]: I am flabbergasted by the display of statistics by Reverend the Hon. Dr Gordon Moyes. I thought when betting on heads or tails on the toss of a coin that the longer one played the greater the chance of winning 50 per cent of the tosses. I do not understand why if one tosses two coins the chance of getting a head or a tail does not improve as time goes by. The statistics are extraordinary. The game of two-up is played for charity, so there are some winners. By comparison, poker machine gambling favours the club and pub industries. Although gambling can be harmful, at least there is a positive side if the proceeds go to charity.

The Hon. HENRY TSANG (Parliamentary Secretary) [9.50 p.m.], in reply: I thank honourable members for their contributions to the debate. As an honorary member of the Returned Services League I have great pleasure in commending the bill to the House.

Motion agreed to.

Bill read a second time and passed through remaining stages.

APPROPRIATION BILL

APPROPRIATION (PARLIAMENT) BILL

APPROPRIATION (SPECIAL OFFICES) BILL

FISCAL RESPONSIBILITY BILL

STATE REVENUE LEGISLATION AMENDMENT (BUDGET MEASURES) BILL

Second Reading

The Hon. HENRY TSANG (Parliamentary Secretary) [9.51 p.m.]: I move:

That these bills be now read a second time.

I commend the bills to the House.

The Hon. GREG PEARCE [9.51 p.m.]: I lead for the Opposition on the Treasury budget bills: the Appropriation Bill, cognate with the Appropriation (Parliament) Bill, the Appropriation (Special Offices) Bill, the Fiscal Responsibility Bill and the State Revenue Legislation Amendment (Budget Measures) Bill, which we contend is not truly a budget and finance bill. These budget bills prove that Bob Carr never saw a tax he did not like and never found one he could not hike. On this occasion, after the grave error our good colleague the Hon. Michael Egan made last year, Bob Carr and his new Treasurer have had to backtrack on land tax.

The Government has benefited from 10 years of record revenue. During those years the Government has had in excess of \$7.2 billion extra revenue above budgeted income, primarily from property taxes. Further, the Government has had record goods and services tax [GST] revenue and is now receiving a greater amount of money from the Commonwealth through GST than was expected. Yet the State faces crumbling infrastructure, rising debt and a deficit of \$979 million if the budget had been reported on the same basis as it was for the previous nine years. As a result of a change to the budget reporting—which was one of the last acts of the Hon. Michael Egan before he went fishing—the Government has been able to manufacture a small surplus this year. A budget would not be a budget under Bob Carr without a new tax. In this case, we have several new taxes.

This is a budget of a tired old government that has no ideas, is locked in its ways and is unable to deal with the waste and mismanagement that it has presided over for its entire term. When the budget papers were released the Leader of the Opposition, John Brogden, pointed out that amongst the capital expenditure projects 171 projects were either behind schedule or the subject of cost overruns totalling \$515 million. The Government has made pronouncements about the large amount of money it has spent on infrastructure. When we deduct the \$515 million from the proclaimed increased infrastructure spending and take into account the cost overruns and delays over the years, we understand why we have not seen results and our infrastructure is crumbling. This budget was dead in the water the day after it was released when the shadow Treasurer, the honourable member for Southern Highlands, pointed out that the budget did not include the money that had to be paid for nurse and police pay rises, which were recently granted above the 3 per cent the Government had targeted, plus further pay claims expected later in the year by teachers and public hospital doctors.

Bob Carr has become known as an expert media spin merchant, if nothing else. In the case of these budget bills, his spin did not work. I draw to the attention of honourable members some of the articles that followed the release of the budget. On the front page of the *Daily Telegraph* on 25 May 2005 the heading was "Carr Government's three-step Budget strategy. Beg Borrow Steal. Voters slugged, surplus raided". The *Daily Telegraph* got it right. On the same day Piers Akerman wrote an article headed "Squandered past and an uncertain future". The heading says it all. On the same day the *Sydney Morning Herald* ran a number of articles. Its editorial on 25 May was headed "Like Carr's record term, a budget adding up to little"—just like Bob Carr's record term. The editorial in the *Australian* on 24 May was headed "Bob Carr celebrates a wasted decade".

Even the regional papers got in on the act. On 26 May The Newcastle and Hunter *Herald* ran an article headed "Left wondering where all the money has gone. Andrew Refshauge has provided no answers". On 28 May 2005 the *Australian Financial Review* ran an article, which I recommend Labor members read, headed "Carr flirts with fiscal shambles". The article likened the Carr Government to "a dying government to leave either a large surplus or a notorious mess to its opponents". We are expecting a mess from this tired old government, which has no ideas and nothing to show for 10 years of record revenues and record income from GST.

The State Revenue Legislation Amendment (Budget Measures) Bill is of considerable concern to the Opposition, and I will briefly refer to it. The bill introduces the new tax measures outlined in the budget. It removes the refinancing concession for mortgages from 1 July 2005. It imposes a limit on the previous tax concession, such that mortgage duty is payable on the refinancing of mortgages of more than \$1 million with different lenders. This will reap collections of \$20 million or so in the first part year and \$25 million in the next full budget year. However, Treasury has no idea what effect it will have on mortgagee behaviour. Five per cent of all mortgages fall into this category, comprising 38 per cent of total value. That is another tax that the Government has introduced after its experience with land tax and vendor tax introduced in the mini-budget. Here it goes again. It has not learnt the lessons; it cannot help itself. Somebody in Treasury thought up this smart tax—it was not Michael Egan, who claimed credit for the vendor tax, because he is not there any more. This is another tax imposed by the Government simply because it has an insatiable appetite for tax.

The second new measure is the insurance duty, which the Government is raising from 5 per cent to 9 per cent. Whilst that does align it more closely with other taxes, New South Wales is the only State with the insurance protection tax, the post-HIH tax. The raising of the duty to the 9 per cent level breaks Michael Egan's promise not to hike it back to 9 per cent. It also contradicts Treasury advice to the HIH royal commission that price hikes on insurance caused people to abandon insurance. The insurance duty, we are told, will reap approximately \$120 million. The bill also introduces the backflip on land tax. It restores an indexed \$330,000 land tax threshold for the 2006 tax year at 1.7 per cent, which is consistent with Coalition policy to restore land tax thresholds. However, the Government has nothing for the mums and dads and others who, this year, have been hit with land tax bills, have been forced to sell properties, and have been subjected to hardship they did not expect. The bill also makes changes to concessions for vendor duty and land-rich disposal duty.

I understand, in accordance with advice from the Clerk of the Parliaments, that this bill is amendable, but only to reduce the incidence of tax. The Opposition generally opposes the increased State taxes and believes that, instead of increasing the taxes, particularly having regard to the lessons it should have learnt in relation to land tax and vendor duty, the Government should reign in spending, cut waste, cut back on that \$5.1 billion of waste the Opposition has identified since the March 2003 election, and reduce State taxes to improve our competitiveness with other States. The Opposition opposes the two new tax measures on insurance duty and mortgage duty on refinancing. It proposes to move amendments, which have been circulated, in relation to those new taxes when the bill is considered in Committee.

The bill does not abolish vendor duty, which the people of New South Wales have demanded. Instead, currently, vendor duty of 2.25 per cent applies to the sale of a non-principal place of residence property on the dutiable value. Where the dutiable value is no more than 12 per cent more than the purchase value, no tax is paid. A sliding scale then comes into effect between 12 per cent and 15 per cent, and there is a full 2.25 per cent above that. There are many complexities about this tax. The Government should be, but is not, ashamed of itself because it was a retrospective tax. In addition, the tax makes no recognition of the value of additions to the property and the other expenditure that might have been incurred by an owner of an investment property.

The new amendments clarify the position in relation to a change of trustee—land that is held subject to a trust and transferred—and in relation to land-rich provisions. On Wednesday in the Legislative Assembly the shadow Treasurer foreshadowed amendments to the State Revenue Legislation Amendment (Budget Measures) Bill that opposed the new taxes on insurance duty and mortgage duty. The Carr Government was so embarrassed that it blocked a vote on those sensible amendments. Bob Carr did not want to see whether his members were prepared to vote in favour of more new taxes imposed on the people of New South Wales. The new tax hikes will impact on business and families, and on the competitiveness of business in this State.

This week that lack of competitiveness was again highlighted by the Queensland Government's budget outcome. The Treasurer, Dr Andrew Refshauge, should be roundly criticised for having failed to remove the crippling vendor duty, which has ensured that New South Wales will continue to struggle to retain jobs and investment while Queensland cuts taxes to attract investment. The New South Wales Treasurer simply has no ideas and answers, just new taxes, whilst Queensland is cutting State taxes and further undermining the competitiveness of New South Wales.

What should really embarrass the Hon. Henry Tsang is that Queensland is now boasting a per person tax rate of \$1,708, compared with New South Wales at \$2,229 per person—although that is before the New South Wales insurance tax and mortgage duty tax rises are factored in. That is approximately \$500 less per person in Queensland compared with New South Wales. It is no wonder that businesses are moving to Queensland and that New South Wales is no longer running along at the rate it should be in relation to employment and its economy. On Treasury's own figures, New South Wales economic growth is stagnating at a pathetic 2 per cent. The Reserve Bank has revealed that employment growth in New South Wales is just 1.3 per cent.

The Fiscal Responsibility Bill will replace the General Government Debt Elimination Act, which Treasurer Egan introduced in 1999, having given notice of his intention to do so in a memorandum accompanying the half-yearly budget review of 14 December 2004. The budget sets out general government sector and financial sector net debt and unfunded liabilities, including superannuation, long service leave, and so on that will fall on the Government to pay in the future. The Government is claiming that it has general government sector [GGS] net debt under control at 1.1 per cent of gross State product [GSP].

The combination of the slim operating surplus of just over \$300 million and the risks in the Treasurer's assumptions about reducing future growth rates in government expenses in the 2005-06 budget demonstrates the vulnerability of the claim to unfunded wage blow-outs and the property market slow-down. The object of the Fiscal Responsibility Bill is to set targets and fiscal principles designed to achieve medium-term reduction of GGS net financial liabilities as a proportion of GSP to 7.5 per cent or less by 30 June 2010; long-term reduction of GGS net financial liabilities as a proportion of GSP to 6 per cent or less by June 2015; maintain underlying GGS net debt as a proportion of gross State product at or below its 30 June 2005 level, which was 1.1 per cent, unless an increase is required in net debt to reduce one or more components of net financial liabilities; and to eliminate total State sector underfunded superannuation liabilities by 2030.

General government net debt is relatively low. However, the financial liabilities are high and climbing, and there are good reasons to address the debt. The unfunded liabilities debt is more expensive to service than net debt, and it constrains growth in government expenses relative to revenue. The objects of the General Government Debt Elimination Act have not been satisfactorily met. The seven fiscal principles in the Act include an obligation to exercise tax restraint—but we have seen the Carr Government's performance in relation to taxes. It has introduced vendor duty, increased insurance tax and ad valorem coal royalties, removed the roll-over relief and refused to address the IGA hidden taxes. Earlier I quoted figures relative to New South Wales and Queensland. New South Wales remains the highest taxed State.

In one of the quite strange results of this budget, the debt reduction of unfunded liabilities will in be partly achieved by borrowing more, thereby increasing net debt. The new legislation abandons reference to

maintaining the highest possible credit rating. We were told by Treasury that this was apparently an oversight. Treasury said that if medium-term and long-term targets are achieved, de facto they will achieve the rating. The opposition believes that the objective of maintaining the highest possible credit ratings should have been retained. The new bill also abandons requirements in the old Act for the Government to report to Parliament on a comprehensive financial management framework for the State's finances, in accordance with international public sector best practice.

The Opposition will not oppose the bills but will move the two amendments I have foreshadowed in relation to the new insurance and mortgage taxes. The Opposition can only give this budget a mark of zero out of 10. For the people of New South Wales it is really a very depressing budget from the Carr Government. It has not addressed any of the growing problems the State faces as a result of the Government's neglect, mismanagement, and waste. It is a great pity that the next election is not being held now.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS [10.14 p.m.]: I will speak on the budget in more detail tomorrow, but I think these bills deserve comment. The Fiscal Responsibility Bill is just a lot of pious principles for propaganda purposes. I am not sure that any of it is enforceable; it is really a state of play at a point in time. It contains no enforcement provisions, so that, if the Government does not follow its own fiscal principles, what is the bill, apart from a list of what the Government likes to think is saleable at the time and presumably wants credit for? The only thing that does seem to me to be foolishly limiting is to simply take an arbitrary part of gross State product and say that must be the cap on the level of debt.

The Government has got itself into trouble, and indeed may yet fall, because of its foolish unwillingness to borrow to fund infrastructure. The fact is that most current infrastructure was built with government bonds, which were funded, and the Government was never declared bankrupt, because it had assets to cover its borrowings. That is the way all households work, if we adopt the Maggie Thatcher analogy of households and countries. There is absolutely no reason not to have debt, provided interest rates are stable—which they certainly have been for quite some years now, if you are not irresponsible in your borrowings, which was perhaps a problem of the Whitlam Government, if you have asset backing for the debts you incur, and if payments are funded by the infrastructure that you build, or are well within your means.

New South Wales has a triple-A rating, it has infrastructure falling down, and we are passing bills that will not allow any debt to be created. The thing is: If we then embrace the concept of private-public partnerships with gay abandon, which has been recommended by the Government—and to an even greater extent by the Opposition—we may well be guaranteeing profits for private-public partnerships that will create liabilities for which there is no debt, merely a liability, and in respect of which there is no asset. In a sense we would have liabilities without assets, and technically without debt. I think that is far less satisfactory than intelligent borrowing. This pious limitation of debt to an arbitrary percentage of the gross State product is counterproductive in my view. Presumably the Government believes this will generate kudos in the financial markets. I suggest that this is humbug and, even more, bad economic policy.

On the subject of humbug and bad economic policy, the State Revenue Legislation Amendment (Budget Measures) Bill basically provides for an increase in tax on insurance. I am not a great fan of insurance in particular, or the insurance industry in general. I think that after September 11 the insurance industry had to recoup a lot of money, and that premiums were increased on a global level. The insurance industry tends to be a global industry.

The cost of a large number of insurance premiums increased, particularly home warranty insurance. Of course, the risk had not changed at all; a plane flying into a building in New York certainly did not affect the number of shonky builders in western Sydney. My view is that the Government should have established an insurance company similar to the Government Insurance Office. That company could have calculated the risk, the Government would have guaranteed it, and that would have kept the premiums low for the benefit of Australians.

Instead, the Government bailed out insurance companies that were not making enough profit. I am not sure that those companies even knew what the risks were in the industry. Premiums, it seems, had been arbitrarily set, and insurance companies simply pulled out of the industry when they believed the risk had increased. Perhaps the number and value of claims had increased due to an increase in shonky builders. However, the regime of policing builders in this State was, and remains, so poor that that surely must have been the root cause of the problem. The Government did nothing about that. Instead, in effect, it let insurance companies set premiums and merely guaranteed them. In other words, taxpayers looked after the insurance

industry. Now that premiums have increased, the Government has raised its tax on them. Once again, the consumer is hit.

Some types of insurance worry me. I have motor vehicle insurance and income guarantee insurance—or, as it is called here, disability income insurance. I understand that disability income insurance is allowed as a tax deduction at the Federal level. Why is it deductible federally yet taxed at the State level? Occupational indemnity insurance is a very big issue in medical practice. Indeed, the cost of that insurance has been forcing some practitioners, particularly obstetricians, from the profession. Yet the Government is raising the tax on that insurance from 2.5 per cent to 5 per cent.

Hospital insurance is being taken out because the public sector is abandoning its universal coverage role and becoming a safety net for those who cannot afford private health insurance. But, yet again, the Government has increased its tax on that insurance. The Government is acting against the public interest by increasing some taxes. I think that needed to be stated before the House adjourns tonight.

Ms LEE RHIANNON [10.21 p.m.]: I will leave my substantial comments about the budget until the take-note debate tomorrow, but I will comment on revenue raising. We all know there are limited opportunities for State governments to raise revenue; there is not much room to move when it comes to State governments boosting their coffers. The Greens have some sympathy with the Government regarding that predicament. In this legislation the Government raises additional revenue in two ways: first, by hitting insurance by increasing stamp duty, and, second, by mortgage duty refinancing. The Greens support the latter measure the Greens, so I will not go into that in detail.

We do have some thoughts on the increase in stamp duty on insurance. The legislation will almost double stamp duty on household, travel, and mortgage insurance. The rate goes from 5 per cent to 9 per cent. As usual, with insurance matters there is disagreement about the impact of the increase. Dr Refshauge argued in his budget speech that the increase to 9 per cent would add only \$15 a year to a \$400 household contents premium. The insurance industry, on the other hand, argues that the additional cost would be about \$50 a year on the average premium. This 9 per cent increase, from 1 September this year, is expected to raise an additional \$120 million in 2005-06, rising to \$185 million in 2008-09. Obviously, that is a significant amount of money.

We know that the duties that companies have to pay will be passed on to consumers. That is how capitalism works. If the costs are not passed on, company profits would be dented—and corporate managers do everything they can to resist that. Insurance companies should absorb the proposed increase by lowering their premiums. One day the Government will have to take on the major companies, and particularly the major insurance companies. But for the moment we know that will not happen. Dr Refshauge should have spelt out how insurance companies should change their ways, particularly in light of what he is doing by this revenue-raising measure. However, the Treasurer has not analysed how his proposed increase will be passed on.

A study by an actuary, Richard Cumpston, released last week, revealed that insurance companies have achieved their highest returns for more than a decade, so they are not passing on the benefits to consumers. The study found that insurers received after-tax profits in the six months to December 2004 of about 23 per cent, compared with an average return in the past 11 years of 8 per cent. The Treasurer has not been silent on the role of the insurance companies. It is the first time I can recall that a senior Labor member of Parliament has aired this issue. He has spoken about the windfall profits that insurers have made in recent years and about how they should absorb the rise. The Greens support such comments. But I have to say, given how the Government has handled insurance issues in recent years, that I am left with the impression that Dr Refshauge's comments are nothing more than a tactical move to make the insurance companies, rather than the Government, look greedy.

Remember, the insurance companies will not be hit by this stamp duty hike. The insurance companies need to be taken on with something stronger than words. We will not hold our breath for that to happen. But what we need to do—and we can do it with a simple amendment to the legislation—is to retain stamp duty on insurance at the 2004 level for insurance on property worth less than \$500,000 and contents worth less than \$50,000. Yes, this would reduce the income that will be raised, but it has the big advantage that it would not take money from those who can least afford it. We all know how the Treasurer could make up the shortfall—by going after the insurance companies. One day, we hope, Labor will remember this.

In Committee I will move amendments that establish a means-testing regime that will allow the Government to still raise revenue while ensuring that the increase in stamp duty does not hit people whose property is valued at less than \$500,000. If there is not some relief for people doing it tough, they will just give

up on insurance. The Greens want to encourage people to take out insurance. The new regime the Government is proposing will result in people not taking out insurance. They will give up on insurance before they will do without food or a roof over their head. We know that many people in disadvantaged areas, particularly remote rural areas, adopt a cross-your-fingers policy; they just hope nothing will happen to them. By means testing the increase, we encourage people who are not so well off to take out insurance. This bill can be improved, and in Committee the Greens will move amendments to achieve that improvement.

I take this opportunity to thank Mr Michael Wilkinson, Clerk Assistant Corporate Support, who retires next week. I have just realised that these will be the last bills he will be working on with us. I have very much appreciated his work and his advice over the years. I must apologise to him because on many occasions we made his life more difficult by getting things to him at the last minute. All the best, Mr Wilkinson, in your retirement. And travel safely.

The Hon. HENRY TSANG (Parliamentary Secretary) [10.27 p.m.], in reply: I thank honourable members for their contributions. As the hour is late, the Government will reserve the right to respond to comments made by the Opposition and the Greens in tomorrow's take-note debate. I commend the bills to the House.

Motion agreed to.

Bills read a second time.

In Committee

The TEMPORARY CHAIR (The Hon. Kayee Griffin): Order! The Committee will first consider the Appropriation Bill.

Clauses 1 to 30 agreed to.

Title agreed to.

The TEMPORARY CHAIR (The Hon. Kayee Griffin): Order! The Committee will now consider the Appropriation (Parliament) Bill.

Clauses 1 to 5 agreed to.

Title agreed to.

The TEMPORARY CHAIR (The Hon. Kayee Griffin): Order! The Committee will now consider the Appropriation (Special Offices) Bill.

Clauses 1 to 9 agreed to.

Title agreed to.

The TEMPORARY CHAIR (The Hon. Kayee Griffin): Order! The Committee will now consider the Fiscal Responsibility Bill.

Clauses 1 to 26 agreed to.

Schedule 1 agreed to.

Title agreed to.

The TEMPORARY CHAIR (The Hon. Kayee Griffin): Order! The Committee will now consider the State Revenue Legislation Amendment (Budget Measures) Bill.

Clause 1 agreed to.

The Hon. GREG PEARCE [10.33 p.m.], by leave: I move Liberal Party amendments Nos 1 to 4 in globo:

- No. 1 Page 2, clause 2, lines 6 and 7. Omit ", except as provided by subsection (2)".
- No. 2 Page 2, clause 2, lines 8 and 9. Omit all words on those lines.
- No. 3 Pages 4–7, schedule 1 [4]–[12], line 5 on page 4 to line 21 on page 7. Omit all words on those lines.
- No. 4 Pages 8 and 9, schedule 1 [14], line 26 on page 8 to line 9 on page 9. Omit all words on those lines.

As I said in the second reading debate on the bills, once again the Government has not responded to the needs of the State, which are to manage the State properly, reduce waste and mismanagement, and ensure our competitiveness with other States, particularly Queensland and Victoria. Instead, it has again resorted to raising taxes. It is extraordinary that the Government has done that, given the experience of last year's ill-fated mini-budget and the taxes that were introduced as a result. We all recall that at that time the former Treasurer claimed, without doing his homework, that the State was in financial crisis because GST revenues were not flowing to the State in the manner he thought they should, notwithstanding that the State was receiving record GST revenues.

The former Treasurer also claimed that pay rises for nurses and teachers had not been included in the budget for the previous year. When the former Treasurer was questioned at the mini-budget inquiry, he was forced to admit that those pay rises had been included in the previous year's budget. I suppose that, from the point of view of the State, that is a little better than what has happened this year. This year's budget was dead in the water just one day after it was delivered, when it was discovered that the Treasurer had not allowed for the full impact of recent pay rises for nurses and police, and certainly had not allowed for possible pay rises for teachers and hospital doctors.

After 10 years of record revenues and \$7.2 billion in extra revenue from property taxes and other revenues, more than \$5.1 billion has been identified as waste mismanagement since the election in March 2003. Opposition amendment No. 1 allows us to prevent the Government increasing the tax on insurance duty and introducing mortgage refinance stamp duty. For the reasons I gave in the second reading debate, the Opposition is opposed to the insurance duty grab. It is something Michael Egan promised he would not do. The Opposition is also opposed to the introduction of mortgage refinance stamp duty. I commend the amendments to the Committee.

The CHAIR: Order! As Greens amendment No. 1 conflicts with Liberal Party amendment No. 3. Ms Lee Rhiannon may move it in order that the amendments can be considered concurrently.

Ms LEE RHIANNON [10.37 p.m.]: I move Greens amendment No. 1:

- No. 1 Page 6, schedule 1 [9]. Insert after line 16:
- (b) home and contents insurance for the insured's principal place of residence, being insurance covering the principal place of residence of the insured or personal property at the residence, or both, where the sum insured does not exceed:
- (i) \$500,000 in the case of a policy covering the residence only or the residence and contents combined, or
- (ii) \$50,000 in the case of a policy covering contents only, or

I note that the Treasurer has introduced stamp duty on insurance as a revenue-raising measure. The Greens do not object to this, but we believe that the provision may not have been properly considered or, alternatively, that the Government has not addressed the consequences of it. People on low incomes, who are at the bottom end of the property market, will do it tough. Some property owners do not have a lot of money to spend on everyday needs. Increasing stamp duty will simply place a further financial burden on them, and that will mean they will have to forgo some things. One of the things they will clearly have to forgo is insurance. The Greens believe this is a real shame. We support people taking out insurance, even though we have concerns about the way in which insurance companies operate. The Greens amendment would help ensure that people stay in the insurance system.

The amendment would put in place a means testing system. Stamp duty would remain at the 2004 level for property valued at \$500,000 or less, or contents valued at \$50,000 or less. They are two measures by which a decision can be made on whether stamp duty should apply. We believe it is something that both major parties should be able to support. We acknowledge that it would reduce the Government's revenue to some extent, but we believe that it has the advantage of benefiting people at the low end of the property market. The revenue may

not be as great as the Government anticipates because people will stop taking out insurance. The stamp duty the Government expects may not be quite what it has predicted. For all those reasons I commend the amendment to the Committee.

The Hon. GREG PEARCE [10.39 p.m.]: This amendment was presented only in the last 15 minutes or half an hour. Although some of the sentiments expressed by Ms Lee Rhiannon have a great deal of merit, we all should have learned our lesson, particularly from the vendor tax and the manner in which Michael Egan introduced it. I recall that when he and Treasury officials were questioned at the mini-budget inquiry they had to admit they had not done any studies, homework, or projections as to the impact of the tax. They had no idea what its effect would be.

At one stage Michael Egan was reduced to saying that the rationale for the tax was that he thought it was a good idea. We cannot support this type of an amendment without any understanding of its potential impact. Our amendments, which are simple, understandable, and easy to cost, are important. We cannot support this type of change on the run without any idea about its consequences. We do not want to have another vendor tax. Accordingly, we cannot support the amendment.

The Hon. HENRY TSANG (Parliamentary Secretary) [10.41 p.m.]: The Government cannot accept the proposal to apply a lower rate of insurance to lower-value policies. The assumption that this will help low income householders with their insurance is flawed. If accepted, the amendment would apply a lower rate to any small insurance policy irrespective of the capacity of the policyholder to pay. Applying a higher rate above the threshold would create an incentive for those near that threshold to underinsure, which would mean that people would choose their level of insurance not on the basis of need but for taxation reasons.

The higher threshold proposed by the Greens would provide generous concessions that would seriously undermine the revenue from this measure and weaken the Government's capability to deliver the services outlined in the budget. This proposal is a recipe for tax avoidance and underinsurance. The increase in insurance stamp duty is vital to fund the services outlined in the 2005-06 budget. Revenue of \$120 million in 2005-06 would be forgone. What could \$120 million fund? It could provide 1,500 additional nurses, 1,176 additional police officers or 1,440 additional teachers.

The Hon. Greg Pearce: This is the Greens amendment. It does not take up the \$120 million at all; it is only part of it. You guys have got the money, but you don't understand.

The Hon. HENRY TSANG: I remind the Hon. Greg Pearce that if we got a fair deal from the Commonwealth there is no doubt that we would not need this tax increase. Every year the people of New South Wales hand over \$13 billion in GST revenue to the Federal Government but receive only \$10 billion. We are short-changed by \$3 billion each year. The Government opposes Greens amendment No. 1.

The CHAIR: Order! There are two sets of amendments before the Chair: Opposition amendments Nos 1 to 4, which were moved in globo by the Hon. Greg Pearce, and Greens amendment No.1, which was moved by Ms Lee Rhiannon. I will put the Opposition amendments in globo first. If they succeed, the amendment of Ms Lee Rhiannon will lapse. If the Opposition amendments are unsuccessful, I will put the Greens amendment.

Question—That Opposition amendments Nos 1 to 4 be agreed to—put.

The Committee divided.

Ayes, 11

Mr Clarke	Mr Lynn	Mr Ryan
Ms Cusack	Ms Parker	<i>Tellers,</i>
Mrs Forsythe	Mrs Pavey	Mr Colless
Mr Gallacher	Mr Pearce	Mr Harwin

Noes, 21

Dr Burgmann	Ms Hale	Ms Robertson
Mr Catanzariti	Mr Jenkins	Mr Roozendaal
Dr Chesterfield-Evans	Mr Kelly	Mr Tsang
Mr Cohen	Mr Macdonald	Dr Wong
Mr Costa	Reverend Nile	
Mr Della Bosca	Mr Obeid	<i>Tellers,</i>
Mr Donnelly	Mr Primrose	Ms Burnswoods
Ms Griffin	Ms Rhiannon	Mr West

Pairs

Miss Gardiner
Mr Gay

Mr Primrose
Ms Tebbutt

Question resolved in the negative.

Opposition amendments negatived.

Greens amendment negatived.

Clause 2 agreed to.

Clause 3 agreed to.

Schedule 1 agreed to.

Schedules 2 and 3 agreed to.

Title agreed to.

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

CLERK ASSISTANT CORPORATE SUPPORT, MR MIKE WILKINSON

The Hon. HENRY TSANG (Parliamentary Secretary): Clerk Assistant Mike Wilkinson has just handled his last bill in this House. I am sure all members will join with me in thanking Mike for his 14 years of service to the Parliament.

[The Deputy-President (The Hon. Kayee Griffin) left the chair at 10.56 p.m.]

Friday 10 June 2005

[Continuation of sitting of Thursday 9 June 2005.]

[The House resumed at 10.00 a.m.]

JOINT STANDING COMMITTEE UPON ROAD SAFETY

Report

The Hon. Ian West, on behalf of the chairman, tabled report No. 7/53, entitled "Vehicle-based Measures to Better Monitor, Manage and Control Speed and Other Road Safety Matters: Report of a Visit of Inspection by a Delegation of the STAYS SAFE Committee, 10-28 July 2004", dated June 2005.

Ordered to be printed.

BUDGET ESTIMATES AND RELATED PAPERS

Financial Year 2005-06

Debate resumed from 7 June 2005.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS [10.02 a.m.]: Where is the money to move from polluting diesel vehicles to electrified stock? Where are the funds to provide noise barriers for people whose homes and local parks back onto these tracks? This year we have seen the only decent proposal to produce something that we actually need for public transport—I am talking about the Parramatta fast rail project—and it does not come from the Transport portfolio but from a developer. Then, in a stunning turnaround for a group that is so fond of private-public partnerships, the Carr Government wrings its hands and points to the mess it has

made of the airport line contract. It is possible to conduct business with contractors in a sensible manner, but the Carr Government has not proved itself on this. That is why I have suggested that we bite the bullet and do what governments have always done: take out a loan and let the public buy in through bond schemes.

With all the corporate takeovers happening at the moment, I am told that there is \$16 billion of spare money sloshing around in the stock market ready to buy such bonds. I note that this weekend the unions will demand that the Government borrow to fund its infrastructure schemes. Yet last night we passed the foolish Fiscal Responsibility Bill, which sets the fact that the Government can only have 7 per cent debt. As I said, there is nothing wrong with debt provided there is equity, and there is certainly nothing wrong with simply taking on the liabilities to guarantee the profits of private sector operators while they keep the assets. That is what triple-A credit ratings are for—so we can borrow when necessary. Once again the budget repayment strategies for improvements to passenger rail are nowhere to be seen. We have had the revelations this week in a quite incisive series by the *Sydney Morning Herald*—we do not see this sort of sensible stuff from this miserable Government's entire planning department—that the easements in the city have been sold off.

The easements for underground rail do not even exist, and we will have to choose the route of the underground rail based on where people have constructed their buildings unsupervised and without any easements. This Government is not just stupid; it is aggressively and decisively stupid. When the Western Sydney Orbital was being built I moved an amendment to have a rail easement with that road easement, as there is in Perth, but the Government turned it down. There is still no easement in the north-west sector. The Government is talking about roads, yet we are spending billions of dollars on rail tracks. I have put a question on notice for the Minister for Transport to deal with in the estimates hearings about what easements exist, what tracks we had previously and which of those tracks can be revived.

Where does this budget allocate funds aimed at moving Sydney away from its outrageous oil dependency before we are forced to do something by the reality of an oil shock that is predicted to hit any time in the next 10 years? Why are we not seeing a budget that allocates a significant proportion to reducing the impacts of the oil production peak? It seems that we are not planning on having a peak oil crisis in the same way that every other developed country is predicting. If the energy experts are right this could have an effect before the next election. So where is the plan and where is the money? It might be noted that we are buying diesel buses rather than compressed natural gas buses, although the price of oil is set to rise much more than the price of natural gas. Of course, natural gas is produced in Australia, and bus depots have the infrastructure to fuel buses with natural gas. It is simply absurd.

The failure to plan in the energy sector for globally recognised problems continues, with \$7.5 billion allocated to new generation from greenhouse-producing infrastructure. Compare this with the \$40 million that Frank Sartor has to manage demand and one can see why are we are "planning" to increase demand for the next several years. This is a luxury item we cannot afford. We do not have demand management expressions of interest, so the big businesses that could shut down to save on peak generating capacity are not being considered. It might be noted that this is exactly what happened: the energy expressions of interest were sitting in the bottom drawer when the lights went out in Victoria due to supply problems.

There has been little demand management at a small level, and the idea of cogeneration, with each area being able to demand manage, taking the pressure off the substations—that is where most of the blackouts are happening—has not occurred. While the mechanism exists to get the figures from Transgrid as to the inputs and outputs from each substation, we have yet to see that the expertise exists to do that; nor, indeed, is the stated intention, although on being quizzed, the minders say that it is possible to get these figures. The problem is that the people who plan the network are the people who have the options of either building the network using supply side generation or supervising cogeneration, which means that the money will go to someone else. Effectively, we would have Dracula in charge of the blood bank in terms of money for the continuation of supply at the electrical level.

The Government is selling the high-value retail business while keeping the burden of maintaining the delivery mechanism of this resource firmly on the back of the New South Wales taxpayer—more long-term grief and little return. The fact that electricity has been priced relatively cheaply in New South Wales and that profits have been taken as dividends from consolidated revenue means there is no money in kitty to build new power stations. Anybody who runs any sort of business knows one has to be able to replace plant as part of the running costs. The Government has squibbed on that and now is going cap in hand to private partnerships to get money to build new power stations. There has been no demand management, it has not saved money from its generation, and now it is making out that its cap-in-hand approach to private generators is some sort of long-

term strategy. Of course, it is no such thing. It is basically bad planning. The nuclear debate is a smokescreen. Bob Carr wants to discourage people from wanting nuclear powered generators so they will be willing to accept the coal-fired generators he knows are necessary in the absence of demand management.

In Health, where is the funding for emergency dental care to get rid of the waiting lists, which stretch anywhere from nine months to several years? The Government has abolished the waiting list because it can only treat emergencies, and most of those are extractions. Dentists do not want to do that work because extracting teeth that are too far gone is unsatisfying, so there will be a huge and worsening shortage of public dentistry. Fortunately I managed to institute an inquiry into that problem and I have a great many figures but, unfortunately, under this new 15-minute rule I will not have time to present them.

The Government has consistently refused to provide this House and the people of New South Wales with a register of government assets, even though it has such a register, basically in order to facilitate their sale. Each government department knows what it owns, but will not disclose this information to the public. Each government department also has an assets disposal register which contains assets that it intends to sell. This was discovered when a freedom of information application was made in relation to Beacon Hill High School. The assets disposal register for the Department of Education and Training came all blacked out except for the line that read "Beacon Hill High School", and the list was a page and a half long. Every department has a similar list, and if this were an open and transparent government such lists would be available to the public. If that were the case the public would be forewarned of any proposed sale and could put pressure on the Government. But not this Government—this is the most secretive Government in the history of New South Wales.

Another example of the sale or giving away of significant public assets in recent times is the Fox Studios site. Fox Studios was virtually given to Rupert Murdoch's company in exchange for the setting up of a film industry in Sydney. The New South Wales Government made massive concessions to Fox in a bid to beat Queensland as the centre of movie making in Australia. The price for this wanton grab for kudos led to a massive financial contribution by the taxpayers of New South Wales and a health cost for residents living close to the Fox Studios workshops. The Government has allowed Fox to avoid the usual regulation preventing noxious odours being emitted from the workshops, some of which are from carcinogenic materials used in the construction of movie sets. The Environment Protection Authority has washed its hands of the site, NSW Fire Brigades has been told not to inspect it, and no union has standing to inspect the working conditions. The residents of Poate Road have to suffer the emission of noxious, dangerous odours at all times of the day and night. They are being slowly poisoned. The Government refuses to put any check on Fox Studios, sacrificing people's health at the altar of movie making.

Mental health is an area in which the Government continues to fail dismally. It makes announcements about the increase in the number of psychiatric beds, but the increase is woefully inadequate and does not even return to the numbers of 10 years ago. As honourable members would know, I was instrumental in establishing the inquiry into mental health in 2002. I have tried since that time to get the Government to give me figures on what is spent on mental health services at the area health level. No-one has been able to provide those figures. It appears that mental health has the lowest priority in spending, and figures are not available because they would be embarrassingly small.

Prisons have become the place where mental health services are provided in the most efficient and effective manner. Many psychiatrists in Corrections Health say that many of their patients are better off in prison as they get better treatment. This is not to say that mental health services are well funded in prisons; it is just that they are often non-existent outside. The average expenditure on mental health services in Australia is 6.5 per cent of the total budget, whereas in developed countries like the United Kingdom it is in the order of 10 per cent. There is no escaping the fact that more money needs to be spent on mental health services. I can never get an answer from the Government. I have received two lots of answers in reply to my request for more details regarding the Government's response to the mental health report, and it is all couched in very great generalities.

Closer to home, in this Parliament, the Information Management and Technology Strategic Plan 2004-2007 needs attention. I have looked at the strategic document and it has become clear to me that Information Technology Services has been deliberately underfunded in a number of areas. The report on the plan states:

The goals of the Parliament are becoming increasingly dependent on the availability of high quality application systems, reliable network infrastructure and robust communications capability.

From this and other statements in the document it would seem that we are more and more reliant on technology, and this is not about to change. What concerns me are the references to "partial" on page 14, "slow" on page 11,

"entirely unachieved" on page 18, and "implementation", a word that appears in a number of places. The document outlines reductions in information technology [IT] capital funding over the past four years, resulting in "much obsolete equipment and technologies in Parliament". This attempt to cut costs on equipment is resulting in higher costs to support and maintain a wide variety of different models, versions and configurations. The lack of integration of the GroupWise package—the old-fashioned email program—with Lotus Notes means we are unable to adequately manage our IT, putting members at a huge disadvantage. [*Time expired.*]

The Hon. TONY CATANZARITI [10.17 a.m.]: The budget that was brought down by the Government on 24 May 2005 was delivered by the new Treasurer, the Hon. Dr Andrew Refshauge, and an excellent job he did. This fair budget, with its delivered aims of implementing massive infrastructure projects into our communities, has been well delivered, resulting in new projects across the State that will support schools, emergency services, health, roads, utilities, and other vital services. I commend the Treasurer for what he has announced this year. The tradition of excellent and strong New South Wales budgets has continued.

This tradition has been set for the past 10 years by the best Government this State has had, under the leadership of the longest-serving Premier, the Hon. Bob Carr. I am proud to be part of a Government that continues to produce for the citizens of New South Wales. This tradition has been carried on from the former Treasurer and member of this House, the Hon. Michael Egan, a man who consistently delivered for the people of our State and one who is fondly remembered by all. His work has been continued at the same healthy forward pace by Treasurer Refshauge, and I am pleased to have the opportunity to speak on this budget, and the projects that have come to rural and regional New South Wales in particular.

Like his predecessor, Treasurer Refshauge's success is remarkable because he was able to deliver a good, strong budget for the people of New South Wales despite the added burdens placed upon this State by the Howard Federal Government, which has continued to pressure the State unfairly with the infamous Federal grants system. This highly unfair and underhanded system is taking up to \$3 billion a year away from the constituents in this State, who contribute \$13 billion in GST revenue and are short-changed by receiving only \$10 billion in return. This is a budget which, despite giving away \$3 billion to support the Queensland budget, manages to deliver on the issues of importance in this State and, I add, regional areas such as the Riverina.

The strength of this budget is that the New South Wales Government has listened to the residents who have complained that the changes in last year's budget have impacted on the smaller landholders. In response, the Government has now introduced a land tax threshold. This threshold has been set at \$330,000, meaning that small family landholders will be exempt, leaving our mum and dad homeowners flying under the radar of the land tax threshold. This threshold means that 400,000 New South Wales residents will be better off and protected from the tax: 350,000 people will now not pay any land tax at all, and 50,000 others will be paying much less. This is an excellent aspect of our budget.

One of the most dreadful droughts to hit this State—the worst drought in a century—has crippled our rural and regional areas. I am proud to say that this budget continues to support our farmers. The State Government has committed \$360 million in 2005-06 to support our farmers and primary producers across New South Wales. This budget is aimed at continuing that support, as the State suffers through the worst drought in a century. Since the drought, the Carr Labor Government has committed more than \$160 million in drought support measures to New South Wales. The Treasurer in this budget has also delivered a firm promise that government support will continue until the drought breaks.

There is no question that this Government is committed to helping our drought-stricken regional areas. This budget includes an initial allocation of \$16.2 million to support ongoing drought assistance measures. I acknowledge once more that extra funding will be committed if the drought continues. Hopefully, for everyone involved, it will not be necessary and we will see the sustained rains that are needed now to break the curse. If not, the Government is committed in this budget to continue to do what is necessary to help our regional towns and communities.

This is a strong budget that provides new and upgraded State infrastructure. The Riverina areas have been given their fair share. The electorate of Murrumbidgee has received major projects, and I am very happy to be able to announce many of them today. One of the most exciting upgrades for the electorate and the town of Griffith is the announcement in the budget that Griffith TAFE will be provided with facilities for nursing and child studies. Once this upgrade is completed the Griffith community will have brand new, state-of-the-art facilities, with a new training facility for students and refurbishments of several classrooms. As I speak today, this project is in the initial tender stage. Therefore, the monetary value must be withheld in the name of fairness.

Be assured, this is no small commitment in monetary terms and it is a huge commitment in social improvements to the town of Griffith.

The electorate has also been allocated \$578,000 for an Aboriginal outstation and \$400,000 for the refurbishment of the Finley Hospital doctors rooms and community health facility. Finley will also receive funding for major renovations to the town's fire station as part of the \$7.4 million program to build and renovate NSW Fire Brigades facilities. The electorate will receive \$500,000 under the Rural Hospital Health Service Program. The budget includes an important ongoing commitment towards two very important projects: \$3.4 million for the Griffith police station and \$2.5 million for the upgrade of the Griffith Hospital emergency ward. Further, \$900,000 has been committed to Griffith for the full replacement of the main canal bridge on the Burley Griffin Way at Yenda—a very important project.

In the electorate of Lachlan, the budget has delivered funding for several very important projects. This money has been allocated to specific projects that are important to local areas, such as the \$590,000 that has been pledged for brand new housing for teachers in Condobolin and \$100,000 towards the Local Courts systems. The Government has pledged just over \$1.1 million towards upgrading CountryEnergy infrastructure. These important infrastructure works will receive \$630,000 to upgrade the Condobolin to Tallebung powerline to 33 kilovolts and a further \$460,000 to upgrade two substations in the Forbes central business district. Also, \$160,000 has been pledged to upgrade part of the Parkes to Cooks Myall powerline. The investment in important and necessary local infrastructure such as this makes this budget so rewarding.

The electorate of Wagga Wagga has been the recipient of a huge new project involving works in local Forests NSW areas. This work, which is worth \$3.273 million, will involve planting, site works, fertilising and stock road works. This project will be matched by a commitment of \$600,000 towards the brand new Wagga Wagga police station and \$400,000 towards the implementation of a video-conferencing system for Local Court systems. These infrastructure commitments are also seen in the \$2 million that has been pledged to reconfigure and upgrade the Hammond Avenue zone substation to cater for the growth that this fine city is experiencing, as well as a commitment of \$750,000 towards other energy infrastructure works to ensure that the local power grid will be healthy as the city grows.

Infrastructure upgrades in the electorate of Albury will be focused on new allocations of funding to address one of the most important issues in our society, that is, helping those who are economically disadvantaged by whatever circumstance. In Albury \$657,000 has been pledged towards group homes for people with a disability and \$715,000 has been pledged to rebuilding 13 public housing units, making them modern and suitable for disadvantaged families. This infrastructure upgrade directly helps people. It is excellent news. Another important initiative that has been announced this week is the new funding for breast screening units in the electorates of Albury and Wagga Wagga. These units come as part of the additional new \$6.6 million allocated for cancer screening in the State budget, including an extra \$3.6 million for a capital program for breast cancer screening. This extra funding will significantly increase access and participation rates to screening services, which will in turn increase early detection rates.

This budget has delivered a strong reassurance that the New South Wales Government is committed to maintaining our great State. The bold infrastructure projects, protection for our farmers and increases in services are evidence of this commitment. Despite the continuing Federal Government pressure, the Carr Government has once again delivered for the people of New South Wales. I am proud to commend this budget to the House.

The Hon. PATRICIA FORSYTHE [10.27 a.m.]: If ever further proof were needed that the Carr Government has become a tired and jaded Government, it is the 2005-06 budget. This budget lacks imagination and vision and, more than anything else, the funds for solutions to the problems that are facing the people of New South Wales. If in 100 years someone were to open the budget books of New South Wales to try to gain a picture of the way New South Wales was today, they would not know that 96 per cent of the State was in drought. That is because the Government has no clear strategies, no real allocation of resources and no commitment to drought relief.

Whilst there has been some allocation of funding for drought relief, rural New South Wales has been largely forgotten. An amount of \$16 million has been allocated, when all but 4 per cent of the State is in drought. It is a pitiful and inadequate amount. Beyond that immediate provision of relief in terms of drought support there is no real strategy for dealing with the underlying issues of water use. The Government has not focused on changing the way the community uses water. When we look at the allocation to Sydney Water, we should not be concerned about the allocation, we should be concerned about whether the Government gets

around to spending it. For example, \$97 million of the budget that has been allocated over the past three years to Sydney Water for the maintenance of water distribution and sewage treatment. That money has not been spent.

There is acceptance among the broader community that inefficiency at Sydney Water results in the loss of millions of litres of water every year because of the dilapidated state of our pipes and mains. Despite the Government having allocated funds to alleviate these problems, there has been no appropriate spending of those funds. The Legislative Council conducts a rigorous budget estimates process. It is not a matter of what the Government says it is going to do; it is what the Government actually does that counts. The Opposition knows that the budget is in many ways a smokescreen, and that although it purports to be about the allocation of resources, the reality is that in many instances that is simply not occurring. The budget is, as I said, the budget of a jaded government, a government that has no new ideas and no fresh approach, a government that has failed to recognise its own mistakes.

I acknowledge the comment by the Hon. Tony Catanzariti that the Government has reinstated the threshold on land tax—in fact, it adopted the Coalition's policy—but I suggest that the Government was left with no choice but to do so. The result of its polling made it clear that the Government had made a serious error of judgement when it dispensed with the threshold on land tax. However, the fact remains that the Government is crippling the State by imposing the vendor duty and it has done nothing to rectify that. Honourable members have only to listen to the Premiers of Queensland and Victoria to appreciate their delight that the introduction of vendor duty in New South Wales has given people in this State—and others looking to invest—yet another reason not to invest in New South Wales.

Many investors are just mums and dads who are looking to purchase a property as an investment towards their retirement. That is increasingly a feature of the way many people set up their superannuation. Many people have taken steps to guarantee their future, only to see it potentially at risk because of the vendor duty. But it is not only the investors who are affected by vendor duty; it also has a flow-on effect. I warned the Treasurer last year about the impact it is having on renters, because, inevitably, those who invest in property will not bear all the costs, they will pass some of them on, and rents have increased considerably. Honourable members will be well aware of the effect of the onerous land tax.

I took the opportunity on a recent visit to Queanbeyan to ask a number of real estate agents at a breakfast function about the taxes imposed by the Government and what they mean on the ground in a community like Queanbeyan. I can tell honourable members that it has meant a 10 per cent increase in rents in the past 12 months. A 10 per cent increase is above the consumer price index, which in turn means that many people who live in that area, regardless of any wage increase or increase in welfare benefits, are now effectively out of pocket. They are out of pocket because of the actions of the Carr Government. The Carr Government is no friend of battlers in this State. It is no friend of ordinary, hard-working people who in the future may well be looking to buy property, because every step forward is followed by a step backward. The Government's taxing policy has made it even more difficult for people to get out of the rent spiral.

I will now turn to some of the priorities of the Carr Government, particularly in the electorate of Monaro. If the Government were serious about winning the next election it would have given a clear message to the electorate of Monaro, but it has got its priorities wrong. The member for Monaro was elected on the promise of a major hospital upgrade. Queanbeyan hospital was to get a \$30 million refit. Now it is to be a \$44 million refit, but the electors of Monaro should not think that means that the Carr Government is being even more generous. The increase has occurred because the Government has delayed the project and, instead of having their hospital at the end of this term of government, under the Carr Government's timetable they will get it in, at best, 2008.

I know the Government has its priorities wrong because in this latest budget it set aside \$8 million towards a new office block for Queanbeyan, which will house up to 10 government agencies. I assure the Government that that has not won it any friends in the electorate of Monaro or in the community of Queanbeyan. It will simply mean that many departments will be relocated to that office block, leaving an enormous amount of vacant office space throughout Queanbeyan. It is not clear how that office space might be filled. Agencies were leasing space and everyone was a winner—private enterprise, the owners of the buildings, and the community, from the flow-on effect. There is no reason why that arrangement could not have continued.

The Government has diverted resources to the construction of that office block so it can have some sort of monument to the Premier perhaps, but it has misplaced its priorities. The funds allocated in the 2005-06 budget should have been earmarked for Queanbeyan hospital to complete that project in a timely fashion.

Everyone would have been a winner in that case. It is another misplaced priority. Honourable members should turn their attention first to the budget papers and then to the media releases issued by the member for Monaro. The honourable member for Monaro, referring to the issue of health in the community, noted that there had been no specific funding for health in the Cooma region but said there was certainly going to be additional funding—the \$3.5 million allocated for Queanbeyan hospital.

Then, out of the blue, this week there was another announcement of an \$8.8 million upgrade for Bombala hospital. That is not referred to in the budget papers. I suggest that the results of the Government's polling throughout the southern area of the Monaro electorate clearly indicate that the Government is in serious trouble. Out of the blue, magically, weeks after the budget was presented, a rabbit has been pulled out of the hat and suddenly the Government has found \$8.8 million! It was not referred to in the budget or in earlier media releases, but the member for Monaro now says, "It is in the budget." Well, the Opposition has looked at the fine print and it is simply not referred to in the budget papers.

I look forward to learning a little more about that process during the estimates hearings, but it is clearly an afterthought. I would say to the people of Bombala, "Do not break out the champagne yet. Wait until you actually have that hospital delivered and on the ground, because there is no clear allocation of funding, it is merely an announcement. That is all it is at this stage. Until the hospital is built, do not count on it. Do not rely on this Government."

The Government has therefore let the community down on health services. We have witnessed this massive reorganisation across the greater southern area. Allegedly, the Greater Southern Area Health Service will receive an additional \$33 million in the budget, an increase of 7.9 per cent. If honourable members read the staff journals that are published each week to keep the staff informed—as I do—they will discover that all of the focus, the back office work, is on the executive; it is not on front-line services. The focus is not on the provision of additional doctors and nurses, and it is not on the front-line delivery of good health services for the community. The community feels let down. The NRMA has considered it necessary to set up its own council to focus on issues such as roads in that area. It has created a New South Wales and Australian Capital Territory Better Roads Panel to consider priorities for the area. I would have thought that was the job of the Government. The NRMA President, Alan Evans, said:

There is an overwhelming public concern about the quality of road infrastructure.

Roads are the key form of transport outside cities and there is a very strong link between the quality of the road network and the health of regional economies.

The NRMA has had to set up a panel for southern New South Wales and the Australian Capital Territory to focus on priorities because the Government has not allocated adequate resources. The Government has treated those communities absolutely shabbily, and other organisations are now having to step into the breach. What an indictment of the Carr Government's budget and priorities.

A few weeks ago in an adjournment speech I highlighted a significant public health issue that is now emerging in Queanbeyan relating to properties in Queanbeyan and across southern New South Wales that have loose asbestos in the roof. Last Saturday a home unit in Queanbeyan was discovered to have loose asbestos in the roof. Someone cut a manhole in the ceiling and was showered with the substance. This is a major public health issue, but not one dollar has been allocated in the budget to assist Queanbeyan council to carry out a proper audit on properties in that region. Loose asbestos is also believed to be in the roofs of properties in Cooma and on the coast, as a result of the actions of an entrepreneur in the 1960s. However, it is there now and it needs to be addressed.

The Government does not acknowledge the need to address the issue urgently. The problem cannot be left with property owners; it must be addressed by way of a partnership between the council and the State Government. As I said, not one dollar has been allocated in the budget to assist Queanbeyan council, or any other council, to deal with this potentially serious and fatal public health issue. I can only say that the honourable member for Monaro has a weak voice; obviously he is not being heard in the Carr Government.

Any measures to strengthen the economy of the area would be welcome—for example, better roads and better water infrastructure. We have potential growth in Braidwood, with a proposed 121-lot subdivision, as well as a large retirement village. However, the area's sewerage facilities are inadequate to cope with such significant infrastructure. Many residents of the area say they need to move forward and there must be growth in the area. But an area cannot grow if the necessary infrastructure is not in place to underpin it. They are the issues

that regional communities are concerned about. Palerang council has been forced to implement a 28.5 per cent rate increase because of a new set of boundaries that are simply not sustainable, but there is nothing in the budget to support or protect that council. [*Time expired.*]

Ms SYLVIA HALE [10.42 a.m.]: "No government in the history of this State has devoted more of its energy and resources to strengthening the basic services and essential infrastructure on which our people rely." So said the New South Wales Treasurer on budget day. However, we have to take this self-congratulatory statement with a very large grain of salt. Although the Government has said it will spend more on infrastructure, health, housing, and disability services, these increases will come at the expense of other areas, where the problems have become glaringly obvious.

We have the shell of a metropolitan plan, almost empty of any detail. We have had rail closures in northern and central western New South Wales, and trains that run at 40 kilometres an hour because of the failure to maintain tracks and bridges. We have a government whose transport Minister has an inexplicable, irrational and pathological dislike of light rail. We have announcements of new rail, but we have heard it all before and little has materialised.

The Carr Government plans to build more coal-fired power plants, but this will contribute even further to our already appalling level of greenhouse gas emissions. One need only look outside and see the smog that is engulfing us to realise how little the State Government has invested in cleaner and greener infrastructure. One need only look at the statistics on journeys to work, statistics on mode of transport of freight, and those on environment and air quality to be struck by just how heavily and yet how detrimentally transport in this State favours roads and private vehicles over the provision of decent public transport.

One need only catch public transport or drive to work to realise how dysfunctional Sydney has become. The Greens are pleased that the Government is relaxing its fiscal straightjacket a little and allowing itself to carry slightly more debt—a further \$3.5 billion. The budget projects net financial liabilities of 8.3 per cent of gross State product [GSP], which the Treasurer maintains will further reduce to about 7.6 per cent of GSP in 2009-10. The Greens do not believe this is a problem, and nor do we think that public debt is a bad thing when it finances essential infrastructure.

It is important to keep the Government's fiscal situation in perspective. The Government's level of debt is very low compared with that of other OECD countries. The policy of the United Kingdom Government, for example, is for net debt to be maintained at below 40 per cent of gross domestic product [GDP]. This is five times the current debt level of New South Wales. In 2002 other OECD countries had debts ranging from 43.4 per cent of GDP, in the case of Finland, to 134 per cent of GDP, in the case of Japan. However, those countries' economies are considered to be strong. Even in the United States of America, the champion of neoliberal economics, the Government deficit is enormous. The Government's level of net debt is patently small when compared with that of the United Kingdom or the United States of America, as well as being far below the OECD average.

Debt elimination was the driving force of Treasurer Egan's fiscal policy. There are two fundamental problems with that policy. First, the accounting arguments are flawed because government surpluses are simply money that has not been spent on public services. Second, future generations benefit from past spending, just as today we use infrastructure built 10, 20 or 50 years ago. Spending of a long-term capital nature should be financed from long-term borrowings, to spread the burden equitably across generations. While we may today supposedly reap the benefits of not incurring debt to provide essential infrastructure, the burden of our failure to do so will be borne by our children and grandchildren.

The Government likes to trumpet New South Wales's triple-A rating. This rating is used by a private investment agency to rate governments or companies on their credit risk. New South Wales's triple-A rating means that the State is a pretty safe outfit to lend money to. However, if the New South Wales Government is not prepared to borrow, what is the point of having a triple-A rating? Governments may claim that the way the global markets operate constrains what they can and cannot do. But economist Fred Argy notes:

Globalisation does not preclude Governments from spending and taxing and even from running structural fiscal deficits over the business cycle.

This budget partially acknowledges the rundown in capital spending on infrastructure and pledges an increase in spending. However, we should not regard this as a sudden embrace of Keynesian economics. Rather, we should regard it as a desperate scramble to be seen to be doing more because of the public backlash against the

Government's failure to spend on essential public services. People want good-quality community services, hospitals, schools, and public housing. Social spending is a method of income redistribution. I wonder whether the Labor Party remembers what that is.

The Greens also have concerns about the projects on which this money will be spent. The Government may choose to allocate the additional infrastructure funding on greenhouse gas-producing, coal-fired power stations instead of investing in renewable energy sources such as solar, wind and wave. The Minister for Energy and Utilities appears to be besotted with desalination plants but he refuses to entertain water recycling.

We also need to look at how infrastructure is financed in New South Wales. The Government has committed itself to providing much new infrastructure through public-private partnerships. But such arrangements do not save us money; in fact, they redirect public money into the pockets of the private sector, a habit to which the Government is addicted. Whether the Government borrows more or less, it and the taxpayers still have to pay for infrastructure, through debt repayment, payments from recurrent expenditure under a contract, and/or by way of user-pays fees. The question is: Which method is best for the public and which method delivers the best public services?

The Greens do not support the use of public-private partnerships [PPPs], for the following reasons. PPPs often come at a higher cost of financing infrastructure compared with traditional public sector debt financing. PPPs emerge when an investor or government identifies an opportunity. They are rarely developed out of any identified priority of need or, if they are, they tend to be developed at a premium cost to the Government. There is no reason to assume that the private sector is inherently better at providing infrastructure and services than the public sector. There are numerous examples from the United Kingdom that illustrate the point. Britain has a history of private hospitals being poorly constructed and run. As well, there was some upsurge in fatal accidents after Railtrack took over the management of Britain's rail infrastructure. So much so that the Blair Government has been obliged to re-nationalise the management of rail infrastructure.

Under PPPs, risks are never truly transferred because when essential services provided by the private sector fail, the public sector is forced to act as guarantor or to step into the breach. We have only to look at Port Macquarie Base Hospital to realise the truth of that. PPP contracts are shrouded in secrecy through commercial-in-confidence clauses that deny the public access to critical information. Privately run companies often place downward pressure on wages and conditions to contain costs and increase profits. I am sure the Labor movement as a whole is aware of that. Finally, the first priority of private companies is to make a profit rather than to provide a public service.

No-one is suggesting that government-run services are perfect or that they have no room for improvement. But the Greens question the assumption that they are somehow inherently undesirable or inefficient. Government utilities and services can be highly efficient, and, moreover, any profit they generate can be kept in public hands for the public benefit. Looking back at previous budgets, prior to the entrenchment of neo-Liberal ideology within Treasury 10 years ago, some level of deficit funding was the norm in New South Wales. Sadly, the Australian Labor Party has taken on the ideology of the Chicago School economists and become fiscally constrained, yet profligate when it comes to transferring money to the private sector.

I will now turn to the budgetary impact on certain portfolios. Public housing has been allowed to slide into decline. This must be a great source of shame to many within the Labor Party who still have a social conscience. The decay of public housing that has been allowed to occur in New South Wales is a disgrace. This budget provides a capital enhancement of \$20 million, which is welcome. There will be a net increase of 477 housing units this financial year, which will not house more than 0.61 per cent—that is less than 1 per cent—of the 78,000 households on the waiting list for public housing in this State.

We note that the Government plans a stock enhancement of 1,500 units over the next 10 years. That is an insignificant figure. To make the public housing system sustainable, the Government must triple its stock over the next 10 to 15 years, it must promote greater income mix—after all, the Government is always going on about social mix—and it must house moderate-income workers, especially essential service workers. If this were done, public housing would more or less pay for itself.

We would also have more balanced and diverse urban areas. What is the great virtue of forcing more people into renting in a private market which is largely unaffordable for those on the bottom 40 per cent of incomes, and which offers little security of tenure? Instead of taking social housing into a new direction, the Government intends to claw back \$5 a week from tenants for water usage and to evict those who manage to find

employment. The Government needs to radically rethink its approach to social housing and housing affordability generally.

In regard to land tax, the Labor-controlled State governments are all competing to outdo each other. The Treasury claims that New South Wales has the lowest top marginal rate of land tax in the country. That is hardly something that social democrats should be proud of. Labor governments should have co-ordinated policies for a systematic, nationwide land tax. The Centre for Full Employment and Equity has quite roundly condemned the Government's latest move to limit land tax. The centre said:

The political back down is exemplified by land tax relief provided to nearly half a million (mostly Sydney) residents. This is bad economics but good politics. It encourages further speculation in an already inflated real estate market and diverts resources away from more productive (employment creation) activities.

The Greens support a land tax on all land holdings, with concessions being available to low-income people. There has been an improvement in Health spending, with a 9 per cent increase in recurrent funding. This is a welcome move. We note that an additional \$300 million over four years will go to mental health and new emergency psychiatric units. More still needs to be done on mental health. The Mental Health Co-ordinating Council and other groups have been calling for a long time for more money to be put into mental health. It is not enough to simply provide crisis facilities; there must be ongoing provision for community mental health services to allow intervention at the earliest opportunity. In this respect the Government should target homelessness, which disproportionately affects those with a mental illness and aggravates their problems.

The Greens are pleased to see that the Government is increasing spending on Community Services by 12.2 per cent and that this will fund more child protection caseworkers. However, we note that the Community Services Grants Program and children's services have received no enhancement. The Government has allocated \$1.2 million for the first year, rising to \$2.4 million for the following three years, to trial alternative supported accommodation models for people with a disability. The Greens support this initiative as there is a lack of long-term supported or semi-supported accommodation.

There is also extra money for respite care and for intensive support for families who have a child with a disability. The Greens also welcome this. Funding for the Adult Training, Learning and Support Program has not been adequately replaced. The Minister for Disability Services misled people by indicating before the budget that the funds cut last year would be restored. This has not occurred.

In conclusion, the Government is belatedly, and inadequately, addressing the desperate need in housing, health and welfare. But it is clearly too little and reflects a bandaid approach to these issues rather than heralding a wholesale rethinking of problems that blight our entire community.

The Hon. JAN BURNSWOODS [10.57 a.m.]: I am pleased to support the Carr Government's 2005-06 budget and in particular to congratulate the new Treasurer, Andrew Refshauge, on his first budget. Usually, in speaking on the take-note debate each year I try to say a little about what is happening in education, and I would like to do so again today.

The Education and Training budget is now up to \$10.1 billion, which is a record, and I am pleased to note that that figure represents a 4.5 per cent increase on last year's budget, in other words, a \$440 million increase. One of the major areas of expenditure, leaving aside the capital works and maintenance program for the moment, is the variety of expenditure involved in delivering the class-size reduction targets for kindergarten, and years 1 and 2, which is on track to be delivered by 2007. Anyone with any past or present involvement in education knows just what a difference it makes to have only 20 students in kindergarten classes and what a difference it will make as the rest of the program is rolled out to reduce year 1 classes to 22 students and year 2 classes to 24 students.

That program has involved a considerable amount of expenditure and preparation to deliver an additional 1,500 teachers at a cost of \$476 million over the next four years, and something like \$100 million over four years, most of which is already being spent to build new classrooms in schools where the reduction in class sizes requires additional classrooms.

I am pleased that the Government has continued its record for spending on literacy and numeracy programs, such as the Reading Recovery Program, which places emphasis on the earliest years. The budget has allocated additional funding for TAFE capital works, with major new projects being undertaken at a number of TAFE colleges. It is important to note that almost half of those improvements will be for TAFE colleges outside

the metropolitan area. There will also be significant funding to support apprenticeship programs. The Carr Government, through this budget and other measures, is seeking to tackle the skills shortage in this country. I only wish the Federal Government regarded the skills shortage as seriously.

Finally, I am pleased that this year's budget will make available an additional \$53 million over four years to improve education for Aboriginal students. A recent report highlighting the need to take new and creative measures with respect to Aboriginal education is welcome. The Government examined that report earlier this year and has now allocated additional funding to improve education for Aboriginal students.

I now deal with the electorates for which I have responsibilities as a Labor member of the Legislative Council. First, with regard to the electorate of Myall Lakes, the large sum of \$3.2 million allocated last year for the stage one upgrade of Bulahdelah Central School is ongoing, and this budget includes funding for stage two of that upgrade. Under joint State-Federal funding for Pacific Highway projects, there is an allocation of \$62 million for the Karuah to Bulahdelah dual carriageway, section one, and \$26 million for the Bundacree Creek to Possum Brush dual carriageways. The Myall Lakes electorate has a number of important State road projects. I have been strongly lobbied about them and have been taken to some of the sites, and I am pleased that the budget includes an allocation for the replacement of timber bridges, with additional State funding for planning and other works with respect to the important Pacific Highway upgrades. Another important initiative is the investment by Hunter Water of \$1 million for capital works to increase the Hunter's water storage capacity, to secure supply against the drought and to continue developing wastewater and sewerage services in the growing Hunter Water area of operation.

For the electorate of Davidson, Gordon railway station has now been included in the Easy Access Program, which is steadily improving many stations in the metropolitan area. I am not sure how long this program will take but I remember asking Vince Graham some questions about it at an estimates committee hearing. From memory, he said there are 305 stations in the Sydney metropolitan rail system, so it will be a lengthy program. Stations such as West Ryde now have lifts, greatly improved lighting and security, and improved access for women with young children, people with a disability and older people. Honourable members would agree that this is an important program and I am pleased that Gordon station has now been included in the program. Other important upgrades are being undertaken in the Davidson electorate with respect to bus priority lanes on major roads.

In the electorate of Epping local newspapers have run many favourable articles congratulating the Government on providing funding for the upgrade of Cheltenham Girls High School. This large high school draws students from surrounding areas, including the Ryde electorate. I am pleased that the school has received funding for the upgrade. Also, money has been allocated for a new facility at Pennant Hills High School. Previously Epping Boys High School received money, so it is pleasing that those three important schools are being looked after. Funding has been allocated for other infrastructure programs, including cycleways in Pennant Hills and a pedestrian refuge in Cherrybrook.

The Lane Cove electorate has also benefited from this budget. Money has been allocated to construct a hall at Hunters Hill High School. Honourable members may remember the unfortunate fire that destroyed a heritage building that dated back to the turn of the century when the site was essentially a picnic area for people travelling by ferry to the areas surrounding Lane Cove River and the Parramatta River. An additional \$100,000 has been set aside to continue the upgrade of visitor facilities at Lane Cove National Park.

A number of other major areas of expenditure relate to the Lane Cove electorate but their importance extends way beyond that electorate. One such project is the Royal North Shore Hospital, where \$5.2 million has been allocated for high-dependency, 24-hour care and day surgery facilities. A further large sum has been allocated towards the upgrade of the burns unit at Royal North Shore Hospital. Initial funding has been set aside for stages one and two of the major redevelopment of Royal North Shore Hospital, an important development for the whole area north of the harbour and Parramatta River.

The other major area of expenditure, which relates partly to the Lane Cove electorate but has enormous importance for surrounding electorates, particularly the Ryde and Epping electorates, is the Lane Cove tunnel. The Government has allocated \$13.5 million for the tunnel and associated road improvements. Of course, the majority of expenditure for that tunnel will come from private developers. With respect to the Epping to Chatswood rail link, recently workers broke through the tunnel to Chatswood station, so work on that rail link is well under way. Indeed, those two major areas of roads infrastructure are ahead of schedule.

Finally, I turn to funding allocations for the Ryde electorate and, in particular, I refer to ongoing funding for improvements at Ryde Hospital, an important and, indeed, iconic institution for the surrounding areas. Honourable members, regardless of where they live in New South Wales, would acknowledge the importance that people place on their local hospital, although Royal North Shore Hospital and Concord hospital deal also with crisis events and perform highly skilled surgery. However, for most of us, Ryde Hospital is our local hospital, with its accident and emergency section, maternity unit and so on. We rely on this facility for regular health care.

In that context I am pleased that the budget includes money for additional acute and non-acute beds at Ryde Hospital, as well as further upgrades to the peri-operative unit. Important health facilities are being provided in the area in addition to those at Royal North Shore Hospital to which I have already referred. They include development at Macquarie Hospital and a toxicology unit. So there is a good range of health developments serving the Ryde, Epping and Lane Cove electorates and the surrounding areas, including Kuring-gai, Willoughby, Lane Cove, Davidson and so on. I stress that the funding allocated in this budget for Ryde Hospital is not enormous. The most recent large sum spent at Ryde Hospital—\$5 million or \$6 million—saw the opening of a new building with a suite of operating theatres a year ago, in June 2004 from memory, and work at Ryde Hospital is ongoing. As a local resident and a careful reader of the local papers, one thing I regret is the extent to which investment in and developments at Ryde Hospital are sometimes downplayed, if not misrepresented, by some people, members of the Liberal Party in particular, and occasionally in some local papers.

It is a great shame, and it worries elderly residents in our community, when such stories appear. One such article appeared on the front page of the *Northern District Times* of 9 March this year under the headline "Diagnosis: closure" alongside a photograph of the member for Epping, Andrew Tink, looking very serious while standing outside Ryde Hospital. In fact, there is nothing whatsoever in the story about a closure. I could provide numerous other examples. I guess we all have examples of scare stories that gain headlines. Perhaps we should give more thought to the effect that such stories have on people in the local area. [*Time expired.*]

The Hon. ROBYN PARKER [11.12 a.m.]: I have listened to members opposite put their selective spin on the 2005 budget. It is obvious to those who live in the Hunter that this is a Sydney-centric budget. It is what we have come to expect. Once again the left-wing Labor members in the Hunter have not been able to achieve what we need in the Hunter region. When the Premier entered the other place on the day after the budget was handed down the Premier puffed out his chest and proudly quoted a number of newspaper headlines. But he forgot the headlines in the *Newcastle Herald*. His performance was breathtaking. Labor regards the Hunter as its heartland, but the people of the Hunter are waking up to Labor, as the 2003 election results showed. I look forward to the people of the Hunter expressing their dissatisfaction with the Carr Government at the ballot box in 2007.

The *Newcastle Herald* carried the headline "Borrower Bob" with a photograph of Bob Carr and Treasurer Refshauge trying to shovel material labelled "budget mix" into a concrete mixer. In the background is not a great building of which Bob the Builder would be proud but rather a falling-down shack with holes in its roof and its door falling off. That accurately depicts the state of infrastructure in New South Wales, and this budget will do nothing to fix that situation. Hunter newspapers carried headlines such as "This is a Sydney-centric budget." Indeed, the *Newcastle Herald* reported, "State budget uninspiring. Premier Bob Carr could be disappointed if he envisaged the budget handed down yesterday as the package that would help restore his Government's electoral fortunes." This tired, clapped out Government has lost any vision—that is, assuming it had a vision in the first place.

In the *Newcastle Herald* Bill Mitchell wrote, "'Backdown' and 'Sydney-centric'. These words come to mind when you read yesterday's State budget." The reaction from the business world, trade unions and social welfare groups was fairly muted. It is disappointing that more is not being done to build, rebuild and expand infrastructure. The budget could be labelled "more of the same", and that is certainly the case in terms of the Hunter. It contains little that is new. There are budget blow outs and delays. For example, the budget papers reveal a missing key element: the redevelopment of Mater Hospital, which has been delayed for at least 12 months. The people of the Hunter also miss out on a much-needed boost to cancer treatment and mental health care.

The Government talked about implementing a lower Hunter transport plan but nothing in this budget will bring that to fruition. Basically, the funding seems to be for old projects that have simply been reannounced. More of the same! Bob Carr might like to call himself Bob the Builder but my kids call him SpongeBob

SquarePants, a television character whose body is made out of a sponge. That is how the people of the Hunter see Bob Carr: sopping up funds from the Hunter and spilling them out into Sydney. A cartoon in the *Newcastle Herald* says it all! It shows Bob Carr and Treasurer Refshauge desperately trying to push a clapped out car, with a 10-year plaque on the side, up a hill. The Government is going nowhere; it is certainly on a downhill slide in terms of the State election in March 2007.

Before I go into detail about the recent State budget and its effects on New South Wales and the people of the Hunter in particular I shall share with the House some mail I have received about the Carr Government's land tax. The land tax is the world's dumbest tax, and it is the world's cruellest tax in the eyes of many people in New South Wales. Of all the letters I receive, the letters about the Carr Government's property tax convey the most anger and disappointment—even more than the level of dissatisfaction with cuts in disability funding and medical services. And that is saying something. I shall share with honourable members the plight of a grandmother from Soldiers Point in Port Stephens whose letter arrived in my office recently. Vicki Ashford's land tax bills are more than her weekly wage and she is expected to pay them within three months. In the months of January, February and March Vicki paid \$1,625 each month. In June, July and August Bob Carr wants \$2,520 a month. For the past eight months this single mother and grandmother has paid \$12,435. That is \$1,562 each month or \$390 a week. Her letter to Bob Carr stated:

Do I not eat, buy petrol, enjoy my grand kids, pay my bills?

This woman has gone through life with the belief that hard work will pay off, and she has instilled this belief in her children and her grandchildren. She prides herself on her ability to support herself at any cost, and as a single mother this would not have been easy.

After years of hard work and budgeting, this lady has acquired property so she can be self-sufficient in retirement. Now she says she would have been better off on the pension or in a dole queue. This story is played out over and over again—hardworking people, planning for their retirement, aiming to be self-sufficient, are being slugged with this mean tax. As a result, people are getting into debt beyond anything they could have imagined, trying to refinance mortgage repayments and other competing bills. And let us not forget, there is an extra tax on that. It is affecting people's ability to pay their mortgages, their rates and their ongoing day-to-day costs. It is affecting the belief of so many people in New South Wales that hard work will pay off. How can you instil this ethos in your children and your grandchildren when you no longer believe it yourself?

The Treasurer said that he had listened to community concerns about land tax and stated the community will think the Government has done the right thing by keeping this tax. What community has he been listening to? I suspect that community does not extend beyond Labor's cabinet room. On Wednesday, members of the Carr Government turned their backs on hardworking taxpayers by voting against a motion to debate the abolition of the State's punishing vendor tax. Too often Labor members of the Hunter and Port Stephens block debate on unfair taxes. Labor Party backbenchers who have described the vendor duty as the world's dumbest tax went to water when given the chance to voice their opposition to the tax. What a bunch of hypocrites. Once Labor members from the Hunter and Port Stephens cross the Hawkesbury River on their way to Sydney they become Bob Carr's men, all their rhetoric goes to water and they vote the way Bob Carr wants them to. The Treasurer is not only ignoring community concerns, he is also ignoring members of the Government, who are supposed to be representing their constituencies. This was their opportunity to show the people of New South Wales and their constituents that they care about their community.

The vendor duty has killed the property market in New South Wales, with investment dollars flowing to other States, Queensland and Victoria mainly, and even overseas to New Zealand—just like Premier Carr's investment dollars. The vendor tax is not only having an effect on investment in New South Wales; it is also costing jobs, particularly in the property and building sectors. In an article in the *Newcastle Herald*, property investor Bill Kington was reported as saying that the New South Wales Government's decision to retain the vendor tax would discourage investment in real estate. He said it limits people's ability to be able to use real estate to get ahead. He went on to say that in places like New Zealand there is no stamp duty or exit duty, and that encourages people to buy and sell houses. New Zealand's housing stock remains in a good state because there is an incentive for people to fix them. That says it all. The time has come for the Government to admit it has got it wrong, to dismantle the tax and allow the property market to recover.

This budget is just another example of a tired, incompetent, irresponsible government that taxes the electorate through the roof. Under this Government we have high taxes, high debt and low growth. The budget missed opportunities and did not provide answers to problems that this Government, which has been in office more than 10 years, has created. It provides no answer to the water crisis, no answer to late trains and no answer

to our public hospital crisis. It has no solutions, no plans and no vision. This budget will not rebuild New South Wales. It will simply continue to punish mum and dad investors. Every household in New South Wales will be hit by this budget. Insurance companies are already reaping huge profits and now every household will be hit by an insurance stamp duty increase from 5 per cent to 9 per cent. Bob Carr might be celebrating this weekend his record as Premier, but we are the ones suffering the hangover.

Once again, the people of Newcastle, the Hunter and Port Stephens miss out on services that should be standard issue. Despite the desperate need for new police stations, the Hunter will not receive any. I have informed this House on other occasions about the state of Raymond Terrace police station. Once again it has missed out on funding for an upgrade, despite the Government's 1996 budget allocation of \$2.6 million, which was magically reallocated. There is much interest in whether the new Minister for Police will visit Raymond Terrace police station and see for himself the conditions under which our fantastic police have to operate. The station is in worse condition than it was nine years ago, when money was first allocated for an upgrade. I want to know why the Government is ignoring the need when the reasons for building a station could never be more evident. Port Stephens council is happy to go into partnership with the Government to build the station. The land is there and the commitment is there, but the Carr Government is asleep at the wheel when it comes to Port Stephens, and once again the area gets nothing from a Labor Treasurer, on this occasion Dr Refshauge. It is the same old story.

We have heard Labor members speak about wonderful things happening in railway stations in Sydney, but I can advise the House that the much-needed upgrade at Cardiff and the transport interchange at Broadmeadow have not gone ahead. There has been much talk about the closure of the Newcastle rail line, yet the lower Hunter transport plan was conspicuously missing from the budget. It is just more and more rhetoric. There are budget blow-outs all over the Hunter. The relocation of a bird habitat on Kooragang Island has been delayed for at least a year.

We have heard wonderful things about school upgrades in Sydney, but the Hunter Performing Arts High School upgrade has been delayed—another budget blow-out. But there is money to refurbish government offices and the head office of the Hunter Water Corporation. I should have thought that enhancements to Grahamstown Dam would be a key infrastructure project, but there are budget blow-outs and delays for that project also.

The Government has boasted about the extra 89 public hospital beds in the Hunter. That is all well and good, but where are the additional nurses? Where is the funding and plans to get additional nurses and to redevelop Hunter health needs? People in the Hunter are desperate yet services like public breast screening programs in Maitland have closed down. The Government is restricting mammograms for women under 50 years of age and those over 69 years.

The figures in this budget might sound impressive, but all we hear about is spending on previously announced projects. We hear of \$12 million of Hunter Water spending going towards the new Honeysuckle office block, but we hear nothing about infrastructure to fix the region's problems and to resolve the export bottlenecks at the Port of Newcastle. When we analyse budget spending throughout the State we can see that this budget has been handed down by a Sydney-centric government that is tired and has no vision. This Government has passed its use by date. It's time to go Bob Carr! [*Time expired.*]

Ms LEE RHIANNON [11.27 a.m.]: Dr Refshauge's first budget—apparently without a whiff of the former Treasurer, Mr Egan—shows that New South Wales Government is slowly getting over its irrational public sector borrowing voodoo. The Greens welcome the shift, but the Government still has its priorities wrong—prisons before public education, motorways before public transport. This approach will not deliver for the majority of New South Wales residents or for the environment. The Treasurer and the Premier trumpeted the \$303 million surplus but where are their ideas on how to use this money? When the Treasurer increases spending on capital infrastructure for police by 21 per cent but by only 7 per cent for education, it is clear that law and order still drives the Carr agenda. A 26 per cent reduction in capital expenditure from the previous year for rail services will do nothing to improve our beleaguered rail network. The Greens had hoped the Treasurer would do more to repair the decade of neglect of essential infrastructure—our rail system, public schools and the water and sewerage system.

I acknowledge that some progress has been made on infrastructure maintenance. But let us remember that the job of all governments is to regularly maintain and upgrade the State's infrastructure. The Government's attempt to get media and public brownie points for doing the fundamental job of government is a bit rich. Public

education did not get the boost it urgently needed. Yesterday, during the debate on English as a second language teaching services, I and other speakers said that the Department of Education and Training had made numerous budget submissions for more funding in that important area but, once again, its requests fell on deaf ears.

When we examine the 2005 Education budget we are left with the impression that it hits those who can least afford it. The State's most disadvantaged public schools have lost \$16 million, while the wealthiest private schools have picked up more than \$50 million. With a \$303 million budget surplus, the Government clearly has the money to fund additional teachers, literacy programs, and smaller class sizes for the most needy schools in New South Wales. The Priority Action Schools Program, an important process, should be retained.

I urge the Minister for Education and Training to lobby in Cabinet for some of the surplus to be used to revive this badly needed program. While this Government strips money away from the poorest public schools, it finds money for the elite private schools. The latest publicly available figures show that in 2003 Treasury found \$51.3 million for the top wealthy private schools. For example, Barker College and Pymble Ladies College each picked up more than \$2 million. I was disappointed that drought support has not been used more creatively to assist public schools in drought-affected parts of New South Wales. We know that public schools play a central role in rural and remote communities.

With people being forced off the land because of the drought, school numbers drop and, inevitably, teachers are withdrawn. A simple and not too costly way to support rural communities at this difficult time would be for the Government to declare a moratorium on the reduction in teacher numbers in public schools in drought-affected areas. It is going to be a tough winter for people on the land. The Government needs to ensure that the education of our young people in those areas does not suffer, and teachers play a central role there. The loss of a teacher from the local school is a further kick in the guts. Schoolteacher numbers should be maintained at current levels, even when student numbers fall below the Government's threshold. This would be a simple way to protect the education of students in rural and regional areas and give communities a better chance to recover when the drought breaks.

Public transport and other environmentally friendly transport systems, such as cycling, are the poor cousins when it comes to funding by this Government. After running down rail services, the Minister for Roads has turned on bicycle users. It appears that the State's most senior bicycle official has been sacked and that the bicycle funding budget has been cut by two-thirds. The budget was light on initiatives to develop public transport. Yesterday the Premier announced an \$8 billion rail project. Whilst the Greens welcome that project, public transport and rail need to be continually developed and new projects added to the system as the population grows. It is worth noting the timing of the announcement, that is, two days before the Australian Labor Party State conference. It also came at a time when the Government has been under pressure following the excellent articles in the *Sydney Morning Herald* about Sydney's transport needs.

This project was pulled out of a hat all of a sudden. Where does it fit into the budget? Is it merely a reannouncement of an earlier project? Unfortunately, much of the Government's action is spin doctoring, rather than consulting with the public to achieve the best outcome. The Greens believe it is a worthy project. But we hope it sees the light of day and does not become another reject, like the Action for Transport 2010 plan. The budget is patchy about delivering for regional New South Wales. We are disappointed that a dedicated freight line for Port Kembla's terminal has still not been funded. On the eve of the Australian Labor Party State conference let us remember the Premier's broken promise at a State Labor conference two years ago.

He committed to creating 2,000 jobs for the Illawarra when he announced the end of Sydney as a working port. Members would remember that he got himself in hot water with that announcement and tried to backtrack and say he did not really mean the end of Sydney Harbour as a working port. The promise of 2,000 jobs to the Illawarra can only be delivered if the expansion of Port Botany does not go ahead and Port Kembla and Newcastle ports pick up the extra growth in imports and exports. The Illawarra also lost out on public transport, with rail capital spending down by 26 per cent. That is a betrayal of the people of the Illawarra. I wonder what the Minister for the Illawarra does? He should advocate projects for the Illawarra, such as the long overdue world-class high-speed train network for the South Coast.

The increases to public education and training in this year's State budget hover around the inflation rate. For all the media coverage about the physical condition of public schools, the budget offers no State-funded increase to school and college maintenance. State budget figures are notoriously fuzzy, but State funding increases to public education and training appear to be no more than the inflation rate, which is anticipated to be about 3 per cent. In his audit report into public education Professor Tony Vinson said that \$90 million per year

for two years was needed for maintenance catch-up. The budget shows an increase of \$10 million for maintenance, all of which is accounted for by additional Commonwealth funds. This means that there is no additional State funding for maintenance. The New South Wales Teachers Federation notes that last year maintenance for public schools was cut by \$28.2 million, or 13.3 per cent. This loss has not been recovered in this budget and, factoring in inflation, public school maintenance has now fallen even further behind.

According to the New South Wales Auditor-General, even the Department of Education and Training acknowledged that in June 2004 there was a \$115 million maintenance backlog. We would have to expect that the backlog is now growing. Premier Bob Carr claimed that this was the budget for infrastructure investment, for which the State will borrow \$1 billion. Education and Training certainly will not profit. Capital expenditure will rise across the portfolio by only \$13.4 million, which is an absolute pittance, while the number of new schools to be financed through public-private partnerships will increase. The Greens support the call by the New South Wales Teachers Federation for greater transparency and accuracy in the State budget papers.

Many of us had hoped that with the changing of the guard from former Treasurer Mr Egan, with his smoke and mirrors style, to the grandfather of the Left, Dr Refshauge, we would see more openness. But we find that Treasury still measures the increase to Education and Training by comparing this year's budget allocation with the previous year's budget allocation, rather than with what was actually spent. That is called revised allocation. Treasury-produced percentage increases are therefore higher than they are in reality. This is an appalling accountancy practice that should not be tolerated because it is misleading and dishonest.

Whilst there are a few black spots in public servant pay claims, largely the claims have been met. I acknowledge this aspect of the budget because these actions stand in sharp contrast to what we would get under a Brogden Coalition Government. The Coalition in power would sack 18,000 public servants. Mr Brogden has already announced that piece of madness. The Coalition rants about the poor state of public school maintenance, leaking water pipes and the ramshackle rail system, yet it wants to sack public servants. That is code for privatisation. As to wages for public servants, Mr Brogden said, "The Government now spends \$20.3 billion a year just on wages. There is no productivity trade-offs in the so-called wage negotiations." His remarks show the ugliness we would be exposed to if a Brogden government ever eventuated. Let us remember that the religious right is chafing at the bit to retrofit the Coalition.

This is a budget of missed opportunities and wrong practices. My colleague Ms Sylvia Hale gave an excellent rundown earlier on issues to do with her portfolio responsibilities. My colleague Mr Ian Cohen will also speak on the budget and his contribution will cover the impact of the budget on the environment.

Reverend the Hon. FRED NILE [11.40 a.m.]: I am pleased to take part in this debate on the 2005-06 New South Wales budget. As stated in Budget Paper No. 2, the Government has committed \$40.6 billion in this budget for general government expenses; a further \$3.8 billion for capital infrastructure for the general government sector; and \$4.4 billion for the public trading enterprise sector, a total of \$48.8 billion. This is the first budget since this Australian Labor Party Government was elected not to have been delivered by Mr Michael Egan, who had been Treasurer for nine years and nine months.

Honourable members of this House were surprised at Mr Egan's sudden resignation from Parliament during the Christmas period. It denied us the opportunity to express our appreciation for those years of service, and for Mr Egan's service to the State as Leader of the House. Although some members may have formed a different view of Mr Egan, I always found him most helpful in all matters affecting this House, especially in his role as Leader of the House. I also congratulate Premier Carr, who successfully completed 10 years as the Premier of this State, exceeding the reign of Premier Wran. When he was Treasurer, Mr Egan concentrated on reducing the \$12 billion State debt left by the former Coalition Government. He tried to keep the budget in the black with a surplus in what I would regard as the tradition of the ALP Right, which was the case for many years when Labor was previously in office.

The new Treasurer, Dr Andrew Refshauge of the Labor Left faction, has been tempted to change Mr Egan's emphasis, which would have ensured this State's triple-A credit rating. One of the advantages of concentrating on reducing the \$12 billion debt—which Mr Egan concentrated on and was successful in achieving—was that it reduced the huge \$1 billion interest payment, but the disadvantage was that there was a lack of spending on major infrastructure projects. Now the Government is in catch-up mode. Projects should have included the replacement of old rail stock, the replacement of worn-out infrastructure and new infrastructure projects, such as a new western suburbs railway line and the construction of dams to satisfy the growing demand for water by New South Wales residents.

One could say the chickens have now come home to roost as the Government scrambles to catch up in the infrastructure area. In recent days there have been a flood of announcements concerning expenditure on infrastructure, perhaps to head off criticism at the New South Wales ALP conference to be held next weekend. Those announcements included a water pipeline to Goulburn, a new harbour railway tunnel, new western railway lines, et cetera. This budget will increase the general government sector debt of \$1 billion, and the public trading enterprise debt of \$2.5 billion. Under the new Treasurer we are moving into the debt cycle. That will enable the Government to budget for a \$34.7 billion investment in public infrastructure across New South Wales over the next four years. A major area of public concern in this State has been a breakdown in rail services, in relation to both efficiency and quality. Services are no longer reliable and the result has been to force people to travel to work by car. This has put increasing pressure on the available transport system.

I am pleased that the Government proposes to replace almost 500 old rail cars with airconditioned carriages and will purchase 81 new outer suburban railway carriages. But more needs to be done. A new rail timetable will be introduced in September and I hope it will be successful. It is certainly necessary. There has been a lot of controversy about bus transport, with the Government in conflict with private bus companies. This has created uncertainty for passengers who are concerned about the reliability of the private bus system on which they are dependent. State Transit will replace 268 standard buses and equip all buses with closed circuit television cameras to ensure the safety of both passengers and drivers. As we know, having a TV monitor only shows the driver being attacked. What will actually happen when those events occur? There does not appear to be what might be called a rapid response to protect the safety of drivers and passengers.

I commend the Government for its decision to complete the North Kiama bypass, which I use regularly. An amount of \$18 million has been allocated to complete the bypass. It does appear to have been dragging on for many years, but perhaps there will be a sense of urgency to get that finalised. One of the concerns I have noted during the period I have been a member of this House is that in the past responsible governments—and they would have been, in the main, Labor governments—reserved land for future road development. It seems there has been a temptation in recent years to sell off that reserved land, and then the Government is faced with the dilemma of what to do when it needs to put a road through a residential area. So we are back to the tunnel syndrome and building tunnels everywhere. In that regard there is the associated problem of health risks, such as those associated with the M5 tunnel.

The availability of an adequate water supply is another matter of serious concern for the citizens of New South Wales, especially those who live in Sydney. This is particularly so as we face massive growth in the city's population. The Premier has suggested that growth is progressing at about 1,000 people a week; others have suggested 600. I do not think it matters whether it is 1,000 or 600, there is certainly a dramatic increase in population every week. Sydney has a water shortage now and that will worsen with the increasing population. There is a desperate need for the provision of an alternative supply water for the people of New South Wales and especially Sydney. I commend the Government for its announcement relating to the Goulburn water pipeline, but I believe the need exists for the construction of a major dam in New South Wales to meet the needs of the population of Sydney. Obviously, that must be located in an area with reliable rainfall. Plans must also be put in place to conserve stormwater run-off. On some occasions during the year Sydney experiences heavy rainfall and that rain runs through the gutters and drains and back into the ocean.

There has been talk by Minister Sartor about a desalination plant, but there appears to be no provision in the budget for such a plant. It appears to be a bit of kite flying. I understand such a plant could cost as much as \$1 billion. That raises the question of where such a plant might be located. It would not go down well with the residents of Bondi or Coogee, for example, if they were forced to have this massive structure in public view. On another note, the public is very angry and has been for a number of years about the length of hospital waiting lists. People have been waiting for up to two years to obtain treatment in our public hospitals. As a result of the introduction of the red light plan when hospitals were unable to take any more urgent cases, ambulance drivers were driving around, desperate to find a hospital to which they could deliver their seriously ill patients. As well, ambulances, with their patients still inside, were parked in hospital driveways.

I am pleased at the Government's announcement of 984 new hospital beds but the question has to be asked: When will those beds be opened and, when opened, will they be staffed? A number of hospitals already have wards with available beds, but those wards have been closed and nothing is being done to reopen them. I note also that there will be 51 new beds for psychiatric patients, and they certainly are needed. That is only a drop in the bucket, because it would appear that many psychiatric patients are actually being cared for in our prisons. Mentally ill people should not be incarcerated.

The total budget allocation for Education is a record \$10 billion. The Government must fully control the public school system in this State. I am aware that currently there is underlying tension within the New

South Wales Teachers Federation about a kit that was used in a school during the past week. I believe the material to be homosexual propaganda. Rightly, the Minister directed that the kit be withdrawn. However, The Teachers Federation was in favour of the use of the material. We must ask the question: Who runs our school system—the Teachers Federation or the elected Government? The Government must ensure that it runs our schools, not the Teachers Federation. This also applies to maintaining school uniform policies.

Honourable members may recall the controversy over the young woman who wanted to wear a mantoo as part of her school uniform. The young woman was finally given Government approval to do so, contrary to the school uniform policy adopted and agreed upon by parents, including Muslim parents, who had agreed on the uniform that could be worn, which included the Muslim veil. The Government must do all it can to stop parents voting with their feet to take their children out of the public school system and into the private school system. I support both public and private education systems.

I note that for many years 25 per cent of students have attended non-government schools and that the figure has now increased to 33 per cent, and will continue to increase if parents are dissatisfied with what is happening in public schools with regard to discipline and the quality of education. It also raises the issue whether the Government should—and I believe it should—change the financial allocation to private schools from 25 per cent to 33 per cent, and should simply have a sliding scale based on school numbers, rather than on an artificial figure of 25 per cent, which was correct some years ago. To be accurate, the figure should now be 33 per cent.

I am pleased that the Police budget has been increased by 5.8 per cent. There are still problems in a number of areas with regard to police. Regrettably, it seems that a breakdown has occurred in people's respect for police and their authority, as evidenced by the events that occurred in Redfern, Macquarie Fields and The Rocks. It seems that people no longer have respect for police and the authority, and I believe there should be an education program, in our education system and other places, to rectify that. Publications such as *Streetwise* comics, which depict police as pigs—and which the Government funds—should be scrapped. Such publications encourage a disrespectful attitude towards police officers, so we should not be surprised when no respect is shown for police.

A number of police officers who have left the Police Force have complained to me that the legal department of the Police Force seems to be overofficial in dealing with many of their genuine cases in regard to disability, injuries sustained while on duty, and so on. I ask the Minister for Police to look into the matter, to ensure that there is some justice and compassion when dealing with police officers. The State's consorting laws need to be strengthened to break up organised crime gangs. I was told by Mr Bob Bottom, an expert in organised crime, that he has confidential information from various Federal and State crime task forces that there are now 97 organised crime syndicates in Australia, 10 of which are operating in Sydney. We have seen what has happened in Melbourne with gang wars. There must be more active prosecution against organised crime gangs, which appear to operate almost with immunity. I know they are very clever and there are hands-off leaders of these gangs, but the Government must ensure that action is taken against them.

There has been great concern in the community about the growth of legal and illegal brothels across our city, and also about the increase in the availability of X-rated and unclassified videos in video stores. There is an urgent need to re-form the New South Wales Vice Squad. I had a great deal of contact with the Vice Squad over many years, and Ern Shepherd, the superintendent in charge of the Vice Squad, was one of the most honest police officers I knew. The fact that there have been allegations of police officers being corrupt is no reason not to have a vice squad. The squad should be re-formed with non-corruptible police officers who will carry out their duties. I believe that is very important.

The New South Wales policy of harm minimisation has led to the increase in the use of drugs in our State. The simple reason for that is that the policy concentrates on helping young people understand how to use illegal drugs safely. So anyone who promotes it as a solution has their head in the sand. A policy of promoting needle buses, injecting rooms, how to inject, and how to use heroin safely, is a policy in the wrong direction. I ask the Government to totally review its harm minimisation policy and replace it with harm prevention and harm elimination policies. There is great concern about meeting the State's future power needs. Serious consideration should be given to the establishment of a joint Federal-State government task force to investigate the various options for New South Wales and other States for the use of nuclear power.

I am pleased the Government increased funding for welfare in the Community Services budget by 12.2 per cent to over \$1 billion. We must concentrate on meeting the needs of families and on making families a

priority. Strong families make a strong State. Each family is a building block in the State. We still need to care for single-mother families and broken families. I do not suggest it should be an either/or situation, but the Government must give priority to supporting the traditional family. Every dollar spent in that area is a dollar the Government will save in welfare payments as it meets the cost of breakdowns in society and problems with children. [*Time expired.*]

The DEPUTY-PRESIDENT (The Hon. Amanda Fazio): Order! I acknowledge the presence in the public gallery of a group from the School Leadership Program, who are from government secondary schools in the Western Sydney region. The students have come from areas as far afield as Albury through to the outer western suburbs of Sydney. I welcome them to the Parliament.

The Hon. CATHERINE CUSACK [11.55 a.m.]: This is the eleventh time the people of New South Wales have been subjected to a Carr Government budget. It is the eleventh time we have been told it is every inch a Labor budget. And for the eleventh time, the Opposition agrees. This budget bears all the ugly tattoos and scarring of a traditional Labor government. The Carr Government has certainly scored 11 out of 11 for uncontrolled expenditure growth. In 1994-95 State government spending was \$17.8 billion. For 2005-06 government spending is projected to be \$38 billion—an increase of \$20.16 billion, or 113 per cent. That is quadruple the rate of inflation.

During a golden period of economic growth and low unemployment—which ought to have reduced the pressure on social transfer payments—and the lowest inflation in 30 years, Carr Labor Government spending has more than doubled. To fund this blow-out, Bob the Builder has been hard at work with his revenue silver hammer, which has seen three different property tax regimes in three consecutive years. Bob Carr and his silver hammer are bang-bang-banging payroll tax, property taxes, gambling taxes and user charges. Bob Carr is bang-bang-banging stamp duties, especially on insurance. For every \$500 we pay in insurance, Bob Carr's latest plan is to rip an extra \$20 out of our pockets.

On the spending side, where wages growth is uncontrolled, Bob Carr is bang-bang-banging funding for non-government organisations by welshing on promises to index funding, such as by way of the consumer price index, or by slashing funding altogether. Indeed, the effect has been to kill the property market, kill the revenue source, kill the budget surplus, and kill the morale and spirit of volunteer and professional community-based services across the State, which are the softest targets for the Government's cuts. Public service and non public service providers are groaning under the squeeze, and services in all but a few key areas are actually decreasing. This is very painful because the Government lacks the honesty and the guts to tell people up front what is happening.

What is required is a functional review to achieve targeted savings. But instead we have this across-the-board crush for funds to squeeze out droplets of money to pay the burgeoning public wages bill. After 11 relentless years of crushing, many community-based organisations are squashed flat—not only in terms of finances but also in terms of morale. This year sees a continuing plummet in the Government's commitment to women. The glory days of the former Department for Women, when it was a stand-alone agency with a \$6 million budget and 48 staff, have been reduced to a few lines in program 4.1 Services for Administration of Government, subprogram 4.1.8 Office for Women.

This year the budget for the Department of Women is \$2.3 million and staffing has been reduced from 48 to 14. The \$1.25 million women's grants program has been reduced to \$150,000. Let me put this \$150,000 in context. In 2003 the budget for the Department of Women for upgrades of office equipment was \$188,000. This funding for furniture is more than the total allocation we have today for the Women's Grants Program. How extraordinary! I remind the House that the Women's Grants program was an initiative of the Greiner Government. Its dollar value in the 1980s—around \$200,000—is greater today than the total funding committed by the Carr Government. When the former Government left office in 1995 it was \$1 million, and it has been capped at that level, with no consumer price index growth for 10 years, and it is now slashed to \$150,000.

What we now have in the Office of Women is an empty shell, running a few pet programs of a Minister who failed to show any initiative or fight to defend her patch. This Minister has displayed all the leadership qualities and strategic planning abilities of General George Custer. This budget is the Little Bighorn battlefield of the State Budget. Staff and resources have been massacred in what ranks as the greatest bureaucratic disaster of the entire term of the Carr Government. The only difference is that General Sandra Custer, having suffered the complete destruction of her own department, the axing of all the staff and the annihilation of the budget, has herself escaped unharmed. Does that not really say it all about the Carr Government?

The Department of Juvenile Justice has also had its budget cut, although for different reasons. If Minister Nori lost the Battle of Little Bighorn, then Minister Diane Beamer surely had her Tiannamen Square at Kariong. It was a glorious victory for the Minister. Dozens of powerless casual and full-time employees protesting against the naive and soft policies of the Carr Government—polices that endangered their lives and those of their colleagues—were mowed down like confetti by a panic-stricken Minister with all the money, all of the legal system and all of the head office military on her side. The most notable achievement of this Minister for Juvenile Justice will be her brutal repression of whistleblowers in order to save her own skin. Who will ever forget, during the Tiannamen Square crisis, that dramatic footage of a Beijing student blocking the passage of a Chinese army tank with nothing more than his own body? The difference between the tank driver and the Government, however, is that the Carr Government would have simply run him over.

The Department of Juvenile Justice has a budget of \$130 million which is net of funding transferred to Corrective Services to pay for Kariong. The fundamental problem in the department's budget is on three levels. First, there is an ideological civil war going on between those employees who every minute of every day are putting their bodies on the line, managing a detainee population that the Minister agrees is more hardened and dangerous than ever before. The other side, led by the Minister, is waging a welfare-ist charge against these workers, insisting on an all carrot and no stick approach to routine and discipline in detention centres. The casualties in this war are, of course, the workers, who are subject to assault, and the detainees, who have no prospect of rehabilitation in such an environment.

The second flaw is the management of the department's capital works budget, which has resulted in huge blow-outs in spending on detention centres. For example, Juniperina Detention Centre at Lidcombe, which will replace Yasmar Detention Centre for Girls, has blown out in cost from \$12.4 million to more than \$30 million due to confused and changing ideology and design briefs. The new "campus style" detention centres built by this Government continue to bleed taxpayer funds. The Fish Payne Pattenden Viney report on the department's facilities states:

The design problems at the Baxter, Orana and Acmena Centres and the ongoing impact on recurrent costs cannot be overstated. Repairs, maintenance and alterations at Baxter JJC since its commissioning have been in the order of \$14 million.

Baxter Detention Centre was originally budgeted to cost \$15.2 million, but by the time it was completed in 1999 it cost \$21 million and was hailed by this Government as being "state of the art" when it opened. I have learned that over the past two years these 30 per cent cost blow-outs are a minimum for the Department of Juvenile Justice. Juniperina had a 240 per cent cost blow-out, and it is still not finished. But back to Baxter: a \$21 million detention centre, which in its first five years of operation has cost \$14 million to rectify mistakes. Has the department learned from these disasters? I think not. I have placed on record the appalling litany of design and construction stupidity at Acmena in Grafton that led to detainees taking complete control of the centre in December 2003. Has the department learned? Not according to the Fish Payne Pattenden Viney report. It seems the department finally got around to installing perimeter lights and external cameras to help stem the flow of drugs and contraband into the centre.

This belated initiative is estimated by the Opposition to cost \$700,000. They dug a big trench around Acmena, they laid lines to power the lights and they installed closed circuit television cables. Then they installed lights on big poles at regular intervals around the centre. But they have not installed the cameras. Even though they have the cable, the monitoring screens and the expensive new computers to record footage, they have still not installed the cameras on the poles. The cameras are still sitting in their packing in storage. Why are the cameras not installed? Because the poles they used to mount the lights sway in the wind and are not suitable for cameras. How extraordinary after all this waste and mismanagement to be still making this type of basic mistake! I can only assume yet more money will have to be found, on top of the millions we have already poured into the Acmena black hole, to pull out the poles, throw them away, buy new ones, reinstall the lights and then, hopefully, the new cameras.

The third problem is driven by politics and the pig-headed refusal by the Minister to change her approach to the operation of detention centres. This Minister keeps pouring money into more welfare program in detention and this has gridlocked the department's budget and stopped a badly needed redistribution of funds across to the community sector of the organisation. That is why spending on detainees is at an astonishing \$582 per day. That is an average figure. At centres such as Orana, we estimate spending to be closer to \$1,000 per detainee per day. This compares with just \$30 per juvenile per day for community based orders.

Now in all seriousness, what effective rehabilitation program can be operated at \$30 per juvenile per day? The policies of the Government are premised on the research repeatedly quoted to the Parliament by the

Minister that the recidivism rate amongst juveniles is just 5 per cent. It is suggested that for those who appear in court recidivism is just 30 per cent. These figures are a mantra in the department: I have often been told by managers that, "They offend once and then 95 per cent of them we never see again". The idea is that if someone commits an offence and you just turn a blind eye, they will probably never do it again. This logic says that if you involve the young person in the justice system by punishing them they are far more likely to offend.

I have always believed this to be flawed logic for three reasons. First, just because someone is not caught does not mean they have not committed more offences. Secondly, the research did not track into the adult system. So if a 17-year-old convicted of a first offence becomes an adult and then offends again, he is not counted in the recidivism rate. The third reason is simple logic: we have 300 young people in detention and 9,000 in prison. If most of the 300 in detention never reoffend, then where are the 9,000 in the adult system coming from? The Minister would ask us to believe that all the bad kids turn good and that the prison system is made up of good kids turned bad. There is no evidence to support this, and frankly it makes no sense.

The Bureau of Crime Statistics and Research published a report called, "The Transition from Juvenile to Adult Criminal Careers". This report was published in the Number 86 issue of the bureau's *Crime and Justice Bulletin* dated May 2005. The bureau tracked 5,476 juveniles aged 10 to 18 who appeared in a children's court for the first time in 1995. This research tracked into the adult system, and, given that only 10 years have passed, I hope this cohort will continue to be tracked. The findings include: 68 per cent of those who appeared for the first time in a children's court in 1995 reappeared in a children or adults court—that is not the 30 per cent so often quoted by the Minister; and there was no difference across crime types. This is crucial information because many Carr Government policies try to make excuses for young offenders based on their type of crime. For example, serious crime is regarded as typical of a "one-off" type offender, and this study shows that is simply not true.

For non-indigenous youths, 53 per cent will reappear in court; for indigenous youth it is 90.5 per cent of the total. Given some of these Aboriginal youths will have died or still be in custody, the 90 per cent figure is an understatement of those with the opportunity to reoffend. What a devastating and tragic statistic. The rate of reappearance for indigenous offenders is 187 per cent the rate for non-indigenous. These are the types of statistic that the Carr Government loves to brush under the carpet. But the Government does our indigenous community no service at all by covering up this problem. Indigenous males whose first court appearance is between the ages of 10 and 14 will have, on average, 12 subsequent court appearances over the next eight years. Non-indigenous people from the same cohort will average just four court appearances for the same period. The bureau's report is dramatic, if not devastating news for the Government, because it destroys the very foundations upon which the ideologies and policies of the Carr Government have been built.

My remarks today have touched upon a relatively small part of the Government's \$38 billion budget. Juvenile Justice is just \$130 million and the anorexic Office for Women is \$2.3 million. These are crucial expenditures because these funds spent wisely can do so much good for women and for young offenders. If they are spent poorly, there is potential for wasted opportunity in the case of women and great harm in the juvenile justice system. I have highlighted a few issues and during estimates committee hearings will drill into these matters and others that time does not permit me to touch on today. The Opposition will remind Minister Diane Beamer of her own words when she said of Kariong, "The buck stops with me." It is our job to hold the Government accountable for its promises and performance. We will certainly continue to do this with passion and consistency in these very important justice and social justice portfolios.

The Hon. IAN WEST [12.10 p.m.]: I am pleased to take part in this take-note debate. The 2005 State Budget underlines the fundamental differences between a State Labor budget and a State Coalition budget, and between a State Labor government and a Federal Coalition government. This year the New South Wales Government has once again delivered funding to areas of need, despite the raw deal that it is continually given by the Howard Government. The people of New South Wales are now forced to rely on the Federal budget for 40 per cent of total funding of the State budget, up from 33 per cent in 2000.

New South Wales can only get more money for infrastructure and services from the Federal Government by either of two ways—general purpose payments or special purpose payments. Under general purpose payments, New South Wales gets GST revenue payment of \$13.374 billion, compensation for GST deferrals of \$0.037 billion and national competition policy payments of \$0.265 billion. New South Wales does not receive any budget balancing assistance payments from the Federal Government. Under specific purpose payments New South Wales is currently receiving \$6.121 billion, a total of \$16.796 billion, which represents \$4 in every \$10 spent on New South Wales services and infrastructure.

Every man and woman and child in New South Wales now receives 5 per cent less assistance from the Federal Government's GST pie compared to the first round of GST grants in 2001. Meanwhile, the other States combined have received a 10 per cent increase over the same period—a differential of 15 per cent reduction in returns from GST grants to New South Wales citizens since 2001. People in New South Wales receive less than \$1,400 each from the Howard-Costello Government through general purpose grants whilst, on average, every other person in the country receives nearly \$1,800 from the Federal Government's drip system. It is a complete and utter rip-off. The Federal Government knows that and has been revising our guaranteed minimum amount down every year since 2000.

In respect to the Federal Government's guaranteed minimum amount, in 2003-04 New South Wales received grants that were \$178 million less than were advertised by the Federal Government in 2000. In 2004-05 New South Wales will be worse off by \$445 million and in 2005-06 by \$538 million. New South Wales has a maximum amount of \$265 million due in Federal Government national competition policy payments in 2005-06, the final year it will operate. The Federal Government has previously announced that it will stop national competition policy payments. This will yet again affect the ability of people in New South Wales to purchase services and infrastructure. In 2006-07 New South Wales will be hit by \$271 million and in 2007-08 by a further \$278 million. A total of nearly \$550 million will no longer be available to invest in our public transport, hospitals and schools.

I turn now to the Federal Government's specific purpose payments to New South Wales. Again, the Howard Government is pushing its divisive agenda—a national code of practice for the construction industry and, of course, Australian workplace agreements [AWAs]. In the current financial year specific purpose payments for AusLink, supported accommodation assistance, government schools and vocational education and training were negotiated and at each step the Howard Government imposed more blackmail conditions on handing back the money. It was the case of "No AWAs, no money." This is a clear case of blackmailing the State Government to implement the Federal Government industrial relations policy.

Further negotiations have taken place with the Federal Government on public housing and health care in the coming years. Only a Labor government will resist the unfair conditions that the Federal Government is trying to impose. John Brogden stated in the House and in the media that the New South Wales Government should sign off and give in to these unfair deals for public housing, health care and other national competition policy payments. The Federal Government's unfair distribution of the GST revenue, through the Commonwealth Grants commission—or, effectively, the Federal Treasurer, Peter Costello—judged that in 2005 New South Wales would have greater capacity to raise insurance duty, land tax and public safety user charges. This meant that New South Wales' taxpayers have lost in grant share through this unfair and outdated system.

It is a funny world—if one can afford to laugh—that in this country the Federal Government supports a system that has imposed, and will continue to impose, an unsustainable cost on New South Wales taxpayers. The Carr-Refshauge Government champions the principles of equalisation and redistribution towards other States with genuine needs, such as Tasmania, South Australia and the Northern Territory.

Every year people in New South Wales pay \$13 billion in GST and receive back only \$10 billion. The Federal Treasurer is pocketing the \$3 billion shortfall. One should remember that the Howard Government collects more money from taxpayers than it needs for its own purposes. In fact, it collects more than 80 per cent of all taxes paid in Australia and these are mostly regressive, flat taxes that hit the people who can least afford it. I would have a greater chance of accepting this situation if the money were being invested in services and infrastructure for our community and future generations. Clearly, that is not happening and Australia is being sold a pup with a \$6 a week tax cut.

On top of the Howard Government's tax giveaway, the Coalition's agenda is to reduce our capacity to act as a civilised society, to attack public and private institutions that provide stability and support, to hand decision making from the public good to the private profit sector and to encourage Australians to turn upon each other for a fistful of dollars. Providers of the social safety net—our unions, our churches, our community and public institutions, to name a few—have told us that the Howard Government's ideological and economic attack on pensioners, on Medicare and on the increasing new class of working poor is now starting to tell. They have said we must invest in people's wellbeing, worth and sense of belonging. The Howard Government has merely added to the instability. It has been a con job, which has achieved what it was designed to do: pick away at their self-reliance and take from the majority—those in society who can least afford it—and give to the captains of industry and their cronies.

So it was refreshing to see the eleventh budget of the Carr-Refshauge Labor Government handed down last month. I congratulate the Treasurer, Andrew Refshauge, on this first budget and its most vital settings, as he

has put in place, for the future prosperity of the people of New South Wales. The Treasurer said of his first budget:

This is a budget that builds for the future by investing in our infrastructure ... As a Labor Treasurer in a Labor Government, I have no doubt where our priorities lie:

- securing a person's access to work;
-
- to the best possible education;
-
- to the highest standards of health care;
-
- to the safest streets;
-
- to reliable public transport; and
-
- a sustainable environment.

Labor is prepared to fight for these ideals, and they are goals that require good economic management. That is why members opposite should acknowledge that New South Wales Labor has now paid off the Coalition's debt. When the Coalition left the Government benches in 1995, after seven years, the New South Wales taxpayers were left with a \$12 billion debt. We have now successfully paid off that debt, which involved \$1.6 billion a year just in interest from the Fahey-Greiner debt that was left to us. That is money that Labor should have been able to spend on infrastructure, services and social justice for New South Wales taxpayers.

Having paid the vast bulk of Coalition debt, next year Labor will incur an increase of general government debt of \$1 billion and an increase in public trading enterprise—for example, energy and water, rail and housing—debt of \$2.5 billion. This reinforces Labor's ability to reject the economic rationalist line of balancing the budget at all costs. It also consolidates recognition by the Carr-Refshauge Government of the need to invest even more in services, infrastructure and jobs. The New South Wales Labor Government has accepted the umpire's decision on pay rises for workers in New South Wales, which were negotiated collectively through their representatives. Contrast that with John Brogden's thin-end-of-the-wedge proposal to sack 18,000 public servants! Brogden said:

This budget is irresponsible because the Government refuses to stand up to its union benefactors.

I wonder what that means. I would be grateful if the New South Wales Coalition could provide an up-to-date version of its industrial relations policy. I note that The Nationals web site policy section, including its industrial relations policy, has been under construction since 2004. I simply wonder what they are building there. The New South Wales Liberal Party web site has no policies whatsoever. To fill the void, there is the speech by John Howard on his upcoming "reduced working conditions" laws—laws for which he still has made no case and through which Australia will go whizzing back in time, straight past the 1950s and back to the 1850s.

A peek at the future is afforded by a quick look at some of the recently introduced Federal laws for the construction industry. The Federal Government's Workplace Relations (Codifying Contempt) Act 2004 has no counterpart anywhere else in the world. The Federal Government has equipped its building industry task force with unprecedented resources and powers. Among other things, these laws are retrospective. They provide for government-sponsored, compulsory, secret and wide-ranging interrogation of not only union officials but also ordinary workers, and provide no right to silence to any questions. When the New South Wales Coalition left office in 1995 State liabilities were more than \$1 for every \$5; by 2009 liabilities will be less than .08¢ in every dollar.

In this budget New South Wales Labor invests in the skill base and helps apprentices. Funding for TAFE has increased to \$1.5 billion—an increase of \$57 million on 2004-05. As at March 2005 the total number of apprentices was 20,307—an increase of 2,678 on last year. Apprentices will get a \$100 rebate on car registration. There is additional travel support for 5,000 rural and regional apprentices, with the overnight accommodation allowance doubled from \$14 to \$28 per day. Some 450 apprentices will have their first year of TAFE training fast-tracked to 16 weeks before they start work. Investment is also made in groups training to deliver 800 apprentices for small business in rural, regional and disadvantaged communities. [*Time expired.*]

The Hon. GREG DONNELLY [12.25 p.m.]: It is with pleasure that I speak on the New South Wales budget that was brought down by the Treasurer, the Hon. Dr Andrew Refshauge, on 24 May 2005. I congratulate the Hon. Dr Andrew Refshauge on his first budget as Treasurer. As he acknowledged in his Budget Speech, we on this side of the Chamber owe a great debt to Michael Egan, the longest serving Treasurer

in this State's history, and the Premier, who recently surpassed the record held by Neville Wran as our longest serving Premier. Thanks to their stewardship and leadership, the New South Wales economy is in solid shape. Our economy is fundamentally strong and this budget, particularly through the announcements on infrastructure, will deliver to the people of New South Wales real benefits in a number of areas.

The investment in public infrastructure across the State over the next four years will be almost \$35 billion. This is a significant increase on the \$26.6 billion spent in the four years to 2004-05. This commitment to investment in infrastructure will create and sustain jobs, along with boosting the economic strength of New South Wales. Under the proposed announcements for the coming year, the Treasurer said that \$3.825 billion will be spent in the general government sector covering hospitals, schools, roads and police, and a further \$4.425 billion will be spent by New South Wales public trading enterprises covering water, public transport, energy and housing. This investment of more than \$8.2 billion is 15.2 per cent higher than what was spent in 2004-05. With this announcement, spending on infrastructure will be an all-time high—52.4 per cent higher than the average in the 1990s.

The infrastructure initiative announced by the Treasurer will involve increasing government debt but this must be set in context. Even with the borrowing required to fund the initiatives, general government debt will be just \$3.7 billion. This is 1.1 per cent of the gross State product. This Government is borrowing to build for the future. The 2005-06 budget is carefully considered and financially responsible. After working for years and years to cut debt and liabilities, the Government intends to keep its finances in good shape. And no-one should forget that if New South Wales were getting its fair share of the GST pie each year, we would be \$3 billion better off. Some \$13 billion in GST revenue goes out, and we get \$10 billion back—the numbers do not stack up. Even Alan Wood, the economic editor of the *Australian*, acknowledged that point when he said on the day after the budget:

In fairness, New South Wales has been put in a difficult financial position because of the massive transfer of GST revenue to other States, particularly Queensland, by the Grants Commission.

Even with this pressure that New South Wales is operating under, the international ratings agency Standard and Poors, whilst recognising that operating surpluses are now lower, stated that the new debt did not threaten the State's triple-A credit rating. I would like to focus on a few key areas of the budget. The Government has made and continues to make education and training a major priority. Labor governments have always done this. Why? Because education and training provide people with the opportunity to fully develop their skills and abilities, thus enabling them to fully participate in society. The education and training budget has increased to a record \$10.1 billion in the 2005-06 budget, a 4.5 per cent increase on last year. The ongoing commitment to the class size reduction program will continue to improve educational outcomes for students.

The announcement that more than \$84 million will be spent to upgrade and expand technical and further education [TAFE] colleges to provide more training places in 2005-06 demonstrates the Government's commitment to tackle the skills shortage. This money will help provide an additional 1,400 places this financial year, mostly in areas where skills shortages are most acute. The overall TAFE budget will increase to almost \$1.5 billion in 2005-06.

The extra \$1.6 million to double the rate of travel assistance will be of great benefit to those who have to travel long distances to undergo training and who need to be away for two nights or more. Many apprentices around the State will benefit from this welcome announcement. In the coming year, the Government will invest significant additional funding into health services, with the recurrent health budget totalling \$10.9 billion. The total is an increase of \$901 million—a 9 per cent increase on 2004-05—in recurrent spending. The increase comprises \$472 million for front-line service enhancements, and \$429 million to meet increases in wages for health care professionals and the rising cost of medical technology and hospital treatment.

Families living in rural and regional New South Wales will benefit from an increase of \$222 million in funding for improved health care. The budget also confirms the funding of \$227 million for 800 new hospital beds announced in May. The surgery budget for New South Wales hospitals in the coming year—emergency surgery and elective surgery—has been expanded to \$1.5 billion. Over the next four years, a health capital works program totalling more than \$2.5 billion will be undertaken. It is also pleasing to note that two dedicated operating theatres for patients with severe burns will be commissioned this year, with the allocation of \$3.2 million.

Furthermore, an additional \$6.6 million has been allocated for cancer screening, including an extra \$3.6 million for breast screening. This \$3.6 million has been allocated to a capital works program for breast

screening services that will boost the number of fixed and mobile screening and assessment units available in New South Wales. The challenges posed by the increasing demand for health care services from a growing and ageing population are significant. However, the Government is committed to delivering the highest possible standard of health care.

Commitment to improving public transport continues to be a priority for this Government. The budget announced that a record \$3 billion would be spent in 2005-06 to improve public transport. This large allocation across the transport portfolio will provide major upgrades in infrastructure, technology, vehicles, equipment, and rolling stock. Highlights include the upgrading of 14 train stations, \$97.5 million to be spent on the ongoing clearways program, \$211.6 million to be spent on rolling stock, and State Transit Authority passengers benefiting from 79 high-capacity buses and 45 standard buses for the Sydney and Newcastle networks.

For many years the Government has worked closely with community organisations to provide a range of services to help and support children, young people, and families. That commitment to work with such organisations is reflected in the Government's budget commitment to allocate \$626.5 million to support community organisations. This represents more than half of the New South Wales Department of Community Services [DOCS] budget. DOCS program areas and forecast expenditure in 2005-06 include \$186 million for prevention and early intervention, \$321.7 million for out of home care, \$241.1 million for statutory child protection, and \$265.2 million for the communities division. The Government is proud that spending on community services has almost doubled from \$593 million in 2001-02 to more than \$1 billion in 2005-06. This commitment ensures that the Government continues to promote the safety and wellbeing of children, young people and families.

That said, though, it is a real concern to note that in 2003-04 DOCS received 185,198 child protection reports. Furthermore, the number of children receiving foster care continues to rise, with 10,377 children and young people in care on 30 June 2004 and an estimated 10,600 by 30 June 2005. I am sure honourable members clearly appreciate that behind these statistics are young people who will struggle for many years, if not their whole lives, with the impact associated with their family dislocation and breakdown.

The Government has listened to the people about land tax and acted. A tax-free threshold will be reintroduced from 1 January 2006 for properties with a land value up to \$330,000. Properties currently exempt from land tax will remain exempt. This includes the family home and farm properties. The new threshold means that around 350,000 property owners will not have to pay any land tax under the new arrangement and a further 50,000 will pay much less tax.

The budget was good news for those living in the electorate of Hornsby. Capital expenditure within the electorate during 2005-06 is expected to be \$57.4 million. Highlights include \$8 million for Hornsby Ku-ring-gai hospital's new obstetrics, paediatrics, and emergency departments building, \$3.8 million for mental health services at the hospital, \$1 million for the hospital's transitional care unit and community health service refurbishment, \$840,000 for the hospital's aged care unit, Leighton Lodge, \$4.8 million for the Brooklyn-Dangar Island sewerage scheme, and \$3 million for Ku-ring-gai Chase National Park.

In the Clarence electorate, capital expenditure is expected to total \$68 million. Highlights include \$792,000 for Grafton TAFE multipurpose workshops, classrooms and offices, \$1.42 million to be spent on public housing in Yamba and Evans Head, \$309,000 for new fire appliances in the area, and \$1.82 million to be spent by State Forests in the Grafton region. The following road work allocations for Clarence are worth mentioning: \$6.1 million for the Pacific Highway, New Italy to Woodburn, including Uralba Street, New Italy, Oakey Flat and Turners Road; \$1.8 million for the Pacific Highway, Iluka Road to Woodburn; \$1.8 million for the Pacific Highway, Wells Crossing to Harwood; \$1.78 million for the Pacific Highway, Woodburn to Ballina; and \$1 million for the Pacific Highway, Woolgoolga to Wells Crossing. Furthermore, \$89,000 has been allocated to upgrade the Woolli-Dirty Creek power line to improve voltage and cater for future load growth.

Funding for the Country Towns Water Supply and Sewerage Program is expected to be provided for the Grafton sewerage scheme and the Iluka sewerage scheme in Clarence. That allocation will ensure ongoing assistance to more than 100 projects already under construction as well as about 40 new projects that are expected to commence in 2005-06. Funding is expected to be allocated for the Grafton sewerage scheme, which will provide additional sewerage treatment and effluent reuse facilities for more than 16,500 people in Grafton. Funding is also expected to be allocated for new sewerage services and effluent management systems for 2,000 people in Iluka to replace failing on-site systems and prevent contamination of waterways.

The budget delivers for those living in the Manly electorate also. Capital expenditure within the electorate during 2005-06 is expected to total \$40 million. Along with spending on local transport, major new funding for the area includes \$1.4 million for the Manly Hospital intensive care unit. Ongoing projects include \$23.5 million for the North Head sewerage treatment plan, \$2.4 million for stage two of the Harbord Public School upgrade, \$2.3 million for the Manly wharf refurbishment enhancement, \$521,000 for the Byrnes Trust building at Dalwood, and \$50,000 for court upgrades. Major road projects include \$500,000 for the planning stage of widening the Spit Bridge and approaches to six lanes, \$64,000 for road safety, and \$40,000 to implement the Manly bicycle plan. This budget has been carefully crafted and considered and takes into account the fiscal challenges that lie ahead. It is a fair dinkum Labor budget designed to secure the health of the New South Wales economy and advance the goal of lasting social justice to the people of this State. I commend the budget to the House.

The Hon. MELINDA PAVEY [12.40 p.m.]: The people of New South Wales can breathe a little easier following the release of the Carr Labor Government's tenth budget. They can be safe in the knowledge that this is the second last budget it will deliver, because the election of the Brogden-Stoner government in 2007 will put an end to this rotten mess. This is an incompetent and irresponsible budget from a tired old government that can do nothing more than increase taxes and debt and at the same time drive people away in droves from this great State to Queensland and Victoria.

It is a budget of lost opportunities that provides no answers to the problems created by 10 years of Labor. It provides no answers to our water crisis in regional New South Wales or in Sydney. It provides no answers to our public transport dilemma, for example the Murwillumbah to Casino railway line and the hundreds of thousands of people who every day in Sydney are unable to catch a bus or train on time. It provides no answers to the public hospital crisis in regional New South Wales or in Sydney. It has no solutions, no plans, no vision, no answers—just more debt.

This is not a budget to rebuild New South Wales. It is a typical Labor budget of laziness and cronyism, and it exemplifies the poor management of this State by the Premier. I refer to one of my favourite books, written by Andrew West, called *Bob Carr: A Self Made Man*. I am sure Bob would not autograph this book and give it to friends who come to lunch. It has some amazing revelations. My favourite is from Labor Maroubra branch stalwart Ron Greenstein. I have recounted this story before, but it is worth mentioning it again because it underlines the crisis faced by New South Wales.

Having led the Professional Association for Pharmacists, Ron Greenstein was obviously a good manager of money. Coming from a business background, he would have made a significant contribution to the Labor Party in New South Wales. Ron took over the job of treasurer of the Maroubra branch of the Labor Party in the 1970s. When interviewed by Andrew West he said:

Bob has simply no concept of money or how to manage it. When I came in, I found he had been an excellent secretary—

The Premier knew how to make sure that the numbers were right—

but a very questionable treasurer, in so much as the records had to be put together.

Andrew West wrote:

Greenstein is not suggesting Carr misappropriated money.

Rob Greenstein said:

That wouldn't have interested him at all.

Andrew West continued:

But Carr had simply stuffed several years' worth of receipts and cheque butts into envelopes without properly reconciling them. In the end, of course, everything matched up but it took dozens, if not hundreds, of hours before Greenstein could present a coherent set of account books.

The budget papers resemble the box of receipts and paraphernalia that Ron Greenstein was left with.

The Hon. John Hatzistergos: How come we have a triple-A credit rating?

The Hon. MELINDA PAVEY: Because of the structural work of the Greiner Government from 1988. Members have not interjected during the speeches on the budget. If the Minister for Justice wants to interject and waste my time, I have an extra two minutes. When we get control of government and open up the shoebox in 2007 we will face difficulties because over the past 10 years the budget priorities and spending have been made in response to front-page headlines in the *Daily Telegraph*. That is why the State is in trouble. Insurance duty has increased from 5 to 9 per cent on household, travel, mortgage, and public liability premiums—an increase of \$30 a year on an \$800 a year policy. That is a lot of money for the average family.

The Hon. John Hatzistergos: The same as in Victoria.

The Hon. MELINDA PAVEY: Everything is not the same as in Victoria. They do not have the same land tax, and they certainly do not have vendor tax. They have better managers down there. It is a shame we do not have similar people around your Cabinet table.

The Hon. John Hatzistergos: Why are The Nationals not discussing drought?

The Hon. MELINDA PAVEY: I will discuss drought. There is an allocation of \$16 million in this year's budget for drought relief. Does the Minister think that is a very kind contribution?

The Hon. John Hatzistergos: You are going to Cobar. It is not on the agenda.

The Hon. MELINDA PAVEY: What are you going to do in Cobar?

The PRESIDENT: Order! The Hon. Melinda Pavey need not speak so loudly into the microphone, and I remind the Minister for Justice that interjections are disorderly at all times.

The Hon. MELINDA PAVEY: The \$16 million allocation in this budget for drought relief is pathetic. That is not the end of the story. The rebuilding of this State through job growth and economic development is ignored in this budget. This budget is about taxes. It removes the incentive for people in this State to run a business. So they move elsewhere. The budget forecasts for vendor duty this year were wrong, wrong, wrong. It was expected to bring in \$690 million in the 2004-05 financial year, but it has raised only \$340 million this year, and \$350 million will be collected next year. Access Economics has demonstrated that if the vendor tax were abolished the claw-back would be up to \$280 million.

Some very brave Labor backbenchers told caucus the vendor tax was the world's dumbest tax—and it still is the world's dumbest tax. The Premier did not listen to those smart members in caucus and do something about it. From the smile on his face, I think the Hon. Tony Catanzariti may have been one of the smart members in caucus who said it was the world's dumbest tax.

Real estate agents from Queanbeyan have contacted me about the huge impact the vendor tax has had on the electorate of Monaro. The chairman of the Queanbeyan Development Committee told me they cannot compete against agents in the Australian Capital Territory where stamp duty on an investment property is 100 per cent tax deductible in the first year and there is no vendor tax. Similarly, the non-competitiveness of the New South Wales economy is seriously affecting border communities in the Tweed and Albury.

As a result of the introduction of the vendor tax and the changes to the land tax in the last financial year, stamp duty revenue was \$160 million less than the projected figure. The Government had killed off the property market. It got economic growth wrong too. The projected economic growth for 2004-05 was 3.25 per cent. It is now 2 per cent, having fallen 1.25 per cent short of expectations. That shortfall is a result of the changes to land tax and the introduction of the vendor tax. It is predicted that the economic growth rate in New South Wales will be only 2.75 per cent.

I listened with interest to the contributions of the Hon. Greg Donnelly and the Hon. Ian West, who gave their speeches in good faith because they are honourable members. I feel sympathy for them because the information given to them by government acolytes is different from the truth. The general government debt, the public trading enterprise debt, and the total State sector debt continues to grow at an alarming rate. The State has to borrow to fund infrastructure simply because the Government has not been able to manage the budget process. By way of example, the Opposition expects that general government sector debt will rise to \$3.5 billion by June 2009. On current predictions, public trading enterprise debt will be \$22 billion, and total State sector debt will be \$25 billion. Over the next 10 years New South Wales will be in debt, and that is a typical and traditional Labor cycle.

The Hon. Ian West said that Labor inherited a \$10 billion debt when it came to office in 1995. There was a lot of debt, but since 1988 the Greiner-Murray, Greiner-Armstrong and Fahey governments did an enormous amount of work to reduce general debt in this State. So far as my duty electorates are concerned, I said that infrastructure had been ignored in Port Macquarie and that there is no funding for a new school at Lake Cathie. Nothing has been allocated for the Oxley Highway construction, despite it having been promised before the last State election. No money has been allocated to get the bulldozers out and the work started, and that was a major disappointment for the electorate.

I would like to mention the contradiction in terms of the information available to the public, including the Opposition, in the budget papers. The budget papers indicated that the electorate of Port Macquarie will receive approximately \$15.6 million in funding. I note that the local member, on information provided to him by the Labor Party, claimed that something of the order of \$80 million will be provided. I highlight that I have called for papers, which I will receive on 21 June, and I will then properly analyse the claims that Independent members of Parliament are making across the State, with the support of the Labor party. An ABC journalist asked me the other day, "Why would the Government do that?" Well, it is simple: the Government wants to ensure that Independents retain those seats, thereby denying their communities the opportunity to get rid of the Carr Labor Government. Labor is working closely and strategically with the Independents. As I said, the papers I will receive on 21 June will further illustrate that.

As recorded in *Hansard*, in March 2004 Steve Whan told the lower House that funding of \$30 million had been allocated in the budget for Queanbeyan hospital, that the planning process was on track at that date, and that it would be delivered on time. I am sad to say to the people of Monaro that their Labor member has let them down once again. There is no allocation in this budget for Queanbeyan hospital. In fact, the Government was obliged to increase its contribution to \$44 million because it had left its run so late and inflation has had an impact. But there will be no hospital in Queanbeyan before the next State election, so the people of Queanbeyan will not be conned. The residents of Bombala should be wise to the fact that, even though the Carr Government has promised \$8 million for a hospital there, in the initial stages there will be only token funding.

The Carr Government has had 100 per cent growth in revenue in the past 10 years—that is, its income has doubled. If it had \$20 billion when it came to office, that has now increased to \$40 billion. Revenue has grown at quadruple the rate of inflation and we have had the lowest inflation rate for 30 years. The Government has had money coming from everywhere, but there has been no money for many things. On our calculations, last year electorates held by The Nationals received on average \$130 million, whereas electorates held by the Independents received only \$80 million, so we are certainly achieving very good local representation. Surprisingly enough, at times the money goes where it is needed. It is not about politics; it is about need and The National electorates have certainly received some funding.

It is interesting to note that this year the allocation for the construction and maintenance of roads is only 4.9 per cent of the total budget. When the Coalition was in office it allocated 8 per cent of the State budget to roads. In other words, funding for roads has been halved under this Government. I also make the point that in 1995, 15 per cent of recurrent expenditure in the roads budget was spent on staff, salaries and the like, and 85 per cent went to road construction and maintenance. In the 2005 budget, 30 per cent will all go to wages, salaries and other costs, and only 70 per cent will be spent on road construction and maintenance. I think that sums up the priorities of this Government.

I also make the point that the budget includes funding of \$262 million for the arts in New South Wales—through the arts ministry, the museums, the State Library, the New South Wales Film and Television School, and directly through the control of the Premier. What will regional New South Wales receive as its share by way of direct grants? A pathetic 1.6 per cent! So, 98.4 per cent of arts funding from the New South Wales budget will be spent in Newcastle, Sydney and Wollongong. How will that help to create a vibrant, energetic, culturally exciting diversity in our regions? I am pleased to say that that happens anyway, without the support of this Sydney-centric Government. I would like to see some support for the New England Regional Art Museum in Armidale, a magnificent museum with some of the early works of Streeton and Dobell, which is facing an enormous financial crisis. I could go on, but my time has expired I hope that the people of New South Wales realise that the time of the Labor Government is also expiring and there will be a new dawn in 2007.

The Hon. DON HARWIN [12.55 p.m.]: The Treasurer has presented this budget as one that "builds for the future by investing in our infrastructure". That is how this tired, old Government's spin doctors have tried to sell this budget. Every aspect of this budget's shortcomings deserves examination—from the failure to fund an upgrade of the Princes Highway and the inadequate response to the drought, to the decision to accrue

\$10 billion in debt over the next five years. Today, however, I want to focus on the Government's refusal to implement any long-term solutions to Sydney's water supply crisis. The scope of the problem facing Sydney is alarming. A year ago Sydney's dam levels dropped below 50 per cent. They have now plunged to below 40 per cent. Despite the public's admirable efforts at using water more efficiently, our annual water needs still exceed 700 billion litres. The latest report from Sydney Water for the week ending 2 June shows that the remaining supply in Sydney's water storage system is 933 billion litres.

This means that unless there is significant and sustained rainfall, Sydney will run out of water by the end of next year. There has been no substantial increase in our water storage capacity since the construction of Warragamba Dam. Since then the city's population has doubled and we have begun to experience the impact of climate change with a 20 per cent decline in rainfall over the last five years. This has placed enormous and ever increasing pressure on our supply. Frustratingly, when it comes to our water supply infrastructure, there is certainly no sign in this budget of the Carr Government delivering results any time soon. This State needs bold and innovative solutions to our water supply crisis—certainly that is the case for Sydney as well—but this tired, old Government lacks the vision and the commitment to deliver them. The recently unveiled Metropolitan Water Plan is a faint-hearted effort that the Auditor-General has found to be inadequate and unrealistic. It excludes the kinds of large-scale projects that will be needed to secure Sydney's water supply into the future.

The Government's primary response is to spend \$131.3 million in this budget on a new pumping station at Prospect Reservoir and on accessing deepwater stores at the bottom of Warragamba and Avon-Nepean dams. These bandaid solutions, which are a centrepiece of the Metropolitan Water Plan, will not solve the crisis. The deep storage pumping upgrade at Warragamba will potentially deliver a further 30 billion litres annually. That will satisfy less than 5 per cent of our annual requirement, and there is no guarantee that the project will ultimately deliver even that much water.

The Government's other course of action is to rip water out of the Shoalhaven. Under stage one of the scheme, 65 billion litres per annum will be transferred from the Shoalhaven into Sydney's water storage system at an initial capital cost of \$300 million. Stage two would see a further 45 billion litres removed each year. This is the wrong response. Firstly, pumping billions of litres annually from the Shoalhaven into the Sydney storage system will require massive amounts of electricity. This is because it has to be pumped from Tallowa Dam, on the floor of Kangaroo Valley, 700 metres up the escarpment to the reservoir at Fitzroy Falls. Secondly, the Government's approach contradicts an environmental impact study done on the amount of water flow required to maintain the health of Shoalhaven River.

Despite the Government's attempts to make us think otherwise, taking significant amounts of water out of the Shoalhaven will eventually, and inevitably, lead to a cut in the river's environmental flow to the eightieth percentile. This change in the river's flow pattern will negatively impact the long-term sustainability of the river environment and the associated commercial activities. Significant interference with the water supply in the Shoalhaven will alter the flow rate, temperature, height and salinity level of the system downstream from the Tallowa Dam. Such alterations pose a real threat to the ecology of the river, and the local fishing and oyster farming industries.

Another approach to solving our State's water supply crisis explored by the Government has been the idea of desalination. Earlier this year the possibility of a desalination plant was suggested with great fanfare and media coverage. However, the Government has not taken further action on this option, and the budget remains silent on the matter. To try to obscure his Government's dithering, last weekend the Premier suggested a debate on nuclear power, but by the middle of the week he was already backtracking.

The Metropolitan Water Plan and the 2005-06 budget are also weak on many of the most pressing water supply infrastructure issues that need to be addressed. In this budget, capital expenditure for water businesses, excluding environment protection spending, is estimated at only \$406 million. Given the seriousness of the crisis, this figure is disgracefully inadequate. Furthermore, very little of this expenditure is going to new projects designed to deliver an increase in our water supply. Almost half of the \$406 million water budget will be spent by the Sydney Catchment Authority on 11 pipeline and dam upgrade projects. Nine of those 11 projects were commenced between 1996 and 1998.

Not a single cent of the Sydney Catchment Authority's \$198.7 million capital works program will be spent on new projects. State Water will spend \$33 million on long-overdue maintenance and operational projects, some of which were commenced under the last Coalition Government. A mere \$647,000 of State Water's major works budget is for new projects. The budget allocates \$128 million to the Sydney Water

Corporation for major works. Half of these projects were commenced in 1995, but only \$3.8 million of the body's \$128 million capital works budget is for new projects. That is unbelievable. While Sydney is in crisis, only \$3.8 million is provided for new capital works water projects. Between them, these three bodies will spend \$259.6 million on major capital works in 2005-06. A mere \$4.4 million, or 1.7 per cent of that total allocation, is being spent on new projects. Despite all its rhetoric, this tired, old Government has failed to deliver funding for any new water supply infrastructure projects.

Under this budget, Sydney's existing water supply infrastructure is also further neglected. Last year Sydney Water lost 9.3 per cent of our supply—that is, almost 60 billion litres of water—through leaks in the network's dilapidated water pipes and mains. After sustained criticism by the Opposition, the Government has announced that \$250 million has been allocated over the next four years to renew 300 kilometres of water mains, with 80 kilometres to be repaired or replaced during 2005-06. Given that this initial investment in 80 kilometres of mains and pipes amounts to less than 1 per cent of the network, the Government's approach is woefully inadequate. Furthermore, since Sydney Water has, over the past three years, failed to spend \$97 million in previously allocated funds for this purpose, there is little reason to believe the Government's promise that it will spend \$57 million this year.

Perhaps the greatest shortcoming of this budget's approach to the water crisis, however, is the lack of funding for large-scale recycling and stormwater harvesting schemes. Every day the equivalent of 1,100 Olympic-size swimming pools of water is pumped into the Pacific Ocean through sewer outlets—that is a staggering 400 billion litres every year, or more than half of our annual water needs. Sydney Water is one of only three water utilities in Australia that dumps low-quality wastewater. In other States, wastewater is sent through secondary treatment and used for irrigating dairy farms, golf courses and public reserves. In many cities around the world wastewater is recycled to a standard that is safe for human consumption. Yet, the Government is dragging its feet on this option. According to the Metropolitan Water Plan, Sydney Water recycles just 14 billion litres of water a year. That is just 3 per cent of what we pump into the sea. Furthermore, over the next five years the Government plans to extend that figure by a paltry 8 billion litres.

Recycled water projects—the only new projects listed under Sydney Water's major works schedule in this year's budget—have a budget allocation of just \$3.8 million in 2005-06. This pathetic amount clearly demonstrates the Government's lack of commitment to water recycling. It is heartbreaking for the people of the Shoalhaven to see water quality in the river compromised in order to satisfy Sydney's insatiable needs, given that much stormwater is allowed to escape unused. The Shoalhaven region has a recycling plant that recycles 80 per cent of the area's sewage. That is in sharp contrast to the 3 per cent of sewage recycled in Sydney. Furthermore, when it does rain in Sydney, the city has no capacity to capture, store and harvest the millions of litres of water that pass through the stormwater network. Like our wastewater, this resource is simply channelled into the ocean. Stormwater is a viable supply that we should be tapping more than we are at present.

Transferring water from the Shoalhaven and operating desalination plants are approaches that will require massive amounts of electricity. They are impractical options for the Government to be exploring at a time when we have an electricity generation capacity crisis. As members are aware, the State faces major blackouts by the financial year 2008-09 due to shortfalls in our electricity generation capacity at times of peak consumption rates. The Metropolitan Water Plan seeks to address our water crisis in ways that will place significant further strains on the electricity network. Yet we have heard nothing from the Government about how it will supplement the electricity supply to meet these water-related energy demands. The Metropolitan Water Plan's silence on this point speaks volumes about the Government's lack of a holistic approach to infrastructure planning.

Finally, the most scandalous aspect of this appalling lack of budgeting for water infrastructure is that the Government continues to receive enormous dividends from our public utilities, and continues to finance its bloated bureaucracy by loading it up with debt. This budget increases public trading enterprises borrowings by 82 per cent over the next 10 years, and that represents an additional \$10 billion of debt. This certainly puts the remarks of the Hon. Ian West in this debate in their proper context. Based on a pro rata estimate, the dividends from the water and waste sector will increase by 8 per cent in 2005-06, to approximately \$215 million. It is disgraceful that the Government will receive \$215 million in dividends from our water and waste utilities and yet spent only \$406 million in water infrastructure capital costs.

In order to defend the Sydney Water monopoly that produces these dividends, the Government has acted to frustrate and thwart the kind of innovative and development-oriented investment by the private sector that we should be encouraging. A prime example is the Government's response to Services Sydney, an

Australian company that has been campaigning for the right to recycle all the sewage currently being pumped into the ocean. The National Competition Council declared that the company should have the right to treat the sewage, but the Premier has ignored this recommendation. Desperate to maintain Sydney Water's monopoly, the Government has tried to block the company's moves, and Services Sydney has been forced to go to the Australian Competition Tribunal. The Government needs to stop using utilities to hide its fiscal mismanagement and start reinvesting water and energy sector revenue in infrastructure that it has neglected for the past 10 years.

In conclusion, this budget does not provide new water supplies for New South Wales. There is not a cent in this budget for new dams, large-scale recycling, stormwater harvesting, dam capacity enhancement or desalination, to address Sydney's water crisis. The budget allocates less than 2 per cent of its water sector capital works budget to new projects. All it does is continue to fund projects commenced as long as a decade ago and pursue the bandaid solutions in the metropolitan water plan. The Government is not serious about solving Sydney's water supply problems and this budget proves it.

The Hon. JOHN RYAN [1.10 p.m.]: One of the most astonishing things about this latest budget from the Carr Government is that it has managed to raise new taxes and extend borrowing, but it has produced precious little of any benefit to our social infrastructure. Much has been said about the need to improve our physical infrastructure. In my contribution to this take-note debate I would like to draw attention to the needs of social infrastructure, and in particular disability services. The Labor Party once had a proud history of defending the disadvantaged, but this tired old Government has clearly lost its way. In a \$40 billion budget, it manages only \$12.75 million a year for what are genuinely new and additional services for people with disabilities.

When measured against the total \$1.5 billion worth of spending on disability services, \$12 million worth of additional initiatives represents but a very small drop in a large ocean and is the least the Government could be doing to deal with the chronic level of unmet need in our community for disability services. When we strip the budget documents of all their spin, double counting and rolled-over expenditure in disability services, that is all the Carr Government has been able to find to meet those chronic levels of unmet demand for disability services. It is no wonder that a steady stream of senior executives of the Department of Ageing, Disability and Home Care [DADAHC] has been fleeing the department because they can no longer face the task of disappointing families who struggle against increasing odds to meet the needs of members of their family who have a disability and who need additional support.

To balance the spin of the Carr Government's claims on disability services, I would simply point out that the Productivity Commission of Australia advises that Victoria—the State below us with a very similar population profile—spends twice the level of expenditure on disability services that New South Wales spends. We have a long way to go in New South Wales to simply equal what is being done in Victoria. The level of unmet need for disability services has never been greater and reflects the delinquent level of neglect of disability services that has taken place during the 10 years the Carr Government has been in office.

In our State, at least 400 younger adults are languishing in nursing homes, separated from their communities, unable to access appropriate recreational and social opportunities in the community, and more often than not separated from access to basic personal possessions. Dozens of ageing carers, some 80 years old and older, and many in need of aged care support themselves, are trying to cope and are coming close to the edge of physical and nervous exhaustion as they meet the needs of their middle-aged adult children with disabilities, some with very high support needs. There are still hundreds of people living in large institutions and receiving very ordinary care in large boarding houses in our community. Families are struggling to meet the costs of prosthetic appliances and aids, ranging from wheelchairs to incontinence pads. Young families are facing the arduous and exhausting task of looking after children with disabilities, such as autism, and with high support needs. They are screaming out for respite, early intervention and therapy services.

Seventy-five per cent of people who attempt to access home care services are turned away. There are more than 300 people on the waiting list for attendant care services on the high needs support list. There is virtually nothing in this budget for those people. They are not interested in graphs or the Carr Government making smart claims that it has increased spending on disability services by 115 per cent over 10 years. We all know and we can all see that the Carr Government's manufactured claims about increasing spending on disability services are simply meaningless. These people know and we know that the value of money over the past decade has been reduced by inflation. These people know and we know that the cost of meeting demands, such as increased wages for staff under the Social and Community Services Award, paying higher premiums for public liability insurance and workers compensation, and meeting higher compliance costs for occupational health and safety issues, have eroded the true value of money spent on disability services. What has happened is that it has cost more to provide a lesser amount of services to people who really need them.

We all know that glib graphs claiming record increased expenditure have to be dodgy when the budget documents acknowledge that the DADAHC has this year, for the second time, been propped up with an unspecified payment of \$56 million to make up for expenditure that took place in the previous year maintaining the precious low level of services that already exist—money that the Government has had to provide to the DADAHC just to help it maintain its existing level of desperately low services. The budget documents quickly gloss over the fact that embedded in the budget claims is an amount of \$33 million for home and community care [HACC] expenditure, which was carried over, unspent, from last year. It is utterly criminal that this Government has tens of millions of dollars unspent in the HACC budget given that 75 per cent of people who try to access HACC in this State are turned away. Just what is going on?

I accept that there is a need for better co-ordination between State and Commonwealth governments, but there has been little effort made to address this issue—an issue that did not arrive just last year but has been with us for at least five or six years. It is appalling that two sets of public servants have to approve every item of expenditure in the HACC budget. Believe it or not, before new expenditure can be initiated in home and community care it is held up to ensure both the Federal and the State Ministers have their press releases ready for local announcements. That is appalling. To believe that people are waiting on services in order for Government spin doctors of both sides, the Commonwealth and the State, to get their act together, is just nothing short of criminal.

Then, of course, there is the Adult Training, Learning and Support [ATLAS] Program fiasco, which I hardly need to explain much further to the House. Nevertheless, I cannot believe that this Government has been trying to represent as reform what are effectively cuts in the provision of post school options programs for young people with disabilities leaving school. The Government's endless backflips as a result of coping with community pressure demonstrate beyond any question that this is not about reform, it is about cuts. To be fair, I will examine the new initiatives in this budget that relate to disability services and demonstrate that whilst they are there they nevertheless are unbelievably modest in terms of coping with the phenomenal level of unmet demand. There is \$6.8 million worth of assistance for families to provide them with additional support in coping with children with disabilities. This, of course, was something the Carr Government was shamed into as a result of a very critical report issued from the Ombudsman's office on how many families are giving up children unnecessarily to the care system because they can no longer cope.

That expenditure of \$6.8 million should result in a reduction in expenditure for children coming into care. Frequently, if families are supported in looking after children with disabilities, when they need a rest or therapy services they are more likely to continue to provide that service themselves rather than take the drastic step of relinquishing their children to State care, which, for the taxpayer, is enormously more expensive. The \$6.8 million is the least additional expenditure we should make to prevent that catastrophe, which happens all too frequently in our State. An additional \$2.2 million will target respite services, but it will barely unblock the many beds in respite facilities that are blocked already. It is catching up with a level of demand that is unable to be met. The budget papers acknowledge that it is \$2.2 million the Government has to provide to reduce the incidence of respite beds being blocked, but it will not provide any additional resources to ensure that does not continue.

Believe it or not, in a community that was rocked by the tragic death of Jason Dawes, who was killed by his mother, who had reached the end of her capacity to cope with his autism, the generous-hearted Carr Government has provided all of \$0.8 million for additional locally based behaviour intervention services. Welcome though that funding is, it will only ensure that regions that do not have behaviour intervention services will at last have them. In most instances these behaviour intervention services often consist of one officer trying to meet the needs of an area that can be up to one-third the size of the State. In many instances families will see this person once in the course of the year or the officer might visit the school to speak briefly with schoolteachers to assist the school to cope with difficult behaviour.

In 1999 an all-party committee of this House pointed out that in this State the level of behaviour intervention services is unbelievably low. The committee suggested that the Government needed to make more of an effort, but the Government has managed to provide less than \$1 million, less than one-third of what it spends on monitoring the media, on desperately needed behaviour intervention services. The Government's best effort in desperate circumstances with such a buoyant budget is criminal neglect. The State desperately needs additional supported accommodation services. To strip that term of its jargon, supported accommodation services are group homes. There is an enormous need for group homes. An all-party committee chaired by the Government reported to this House on the need to make up for unmet demand in supported accommodation, that is, to help out ageing carers, to get young people out of nursing homes and to make up for people in boarding

houses. The committee reported that it was necessary to generate 200 additional group home places in this State each year for a five-year period to make up for unmet demands and to provide some scope for future demand.

No effort has been made to meet that demand because the Government, sadly, has been unable to act because it does not know what a group home service looks like. The Government has issued a discussion paper and set up a task force to investigate an appropriate model for a group home service. We need better services. We know that they will look like residential cottages, we know that they will have people living in them, but the program largely has been brought to a halt. No improvement can be expected until the Government finally works out what the service will look like. Honourable members will have heard the Minister answer questions from me in the House. He has said that the process will not be completed until December. To meet that need for supported accommodation this year's budget provides additional funding of \$10 million, but will these extra group home places be given to ageing carers or people in nursing homes? No. They will be used for people transferred out of Corrective Services and young people who are already in the care of the Department of Community Services, people who are already in the Government's care whom it would throw on the street if it had no other option.

The Government is certainly not meeting the unmet demand in the community; it is transferring and rehousing people who are already in the care of the State. That should be done, of course, but the Government is kidding itself if it believes that this paltry effort to provide additional support will do anything to meet the chronic level of unmet demand for group homes in our community. This State needs a significant amount of expenditure on disability services. I make no secret of the fact that I intend to work hard to ensure that my party acknowledges that need as we approach the next State election. I want my party to make generous promises for disability services, and I will waste no time in profiling that need and ensuring that my party responds. I challenge the Government to do the same. To have a disability means leaving almost every important life choice in the hands of a government official. People with disabilities are assessed endlessly and directed endlessly to services. They are told how they can access the service, where they can access the services and, frequently, what form that service will take.

Disability services must be funded similarly to the way they are funded in Western Australia, which provides flexible packages administered by local area co-ordinators. Families, carers and clients have more say in how the money is expended to meet their needs in the community. I start with the Adult, Training, Learning and Support [ATLAS] Program. The Government has changed the way the ATLAS program is funded. They are now providing block grants to services. The least we can do is change that decision to ensure that families have more choice about where they will access these programs in the community. The State must make more of an effort to provide services for people with a disability. It has taken me only seconds to outline the direction that should be taken, but I can promise the community I will make every effort to ensure that the report is better when the Coalition takes office in 2007.

The Hon. RICK COLLESS [1.25 p.m.]: It gives me very little pleasure to speak to the budget. I consider myself to have a reasonably positive nature, and I have had a long hard look at the budget to try to develop some positive spin. However, I was unsuccessful. It is a most depressing document. It is probably the worst budget I have seen in the five years I have been a member of this Chamber. It appears that the previous Treasurer was literally jumping out of a sinking ship when he resigned. An interesting article in the *Australian Financial Review* of 28-29 May 2005 stated:

If Australia were Europe, New South Wales would be Germany. Its sluggish growth is holding back the rest of the country. It has high and rising taxes and rigid labour-market laws and its left-wing Treasurer, Andrew Refshauge, believes in the Magic Pudding notion that business can absorb tax rises without consumers feeling a thing.

Businesses in the Northern Tablelands could employ hundreds of extra staff if given the right operating environment by the Carr Labor Government. Excessive payroll taxes, crippling workers compensation premiums and high stamp duty rates are hobbling regional development in New South Wales. They are all important issues in my duty area of Northern Tablelands and Murray-Darling. Both electorates have enormous cross-border problems with all of those issues. When the Carr Government first came to power it promised to cut payroll tax to 5 per cent in 1999 and 4 per cent in 2000. The Carr Government's high-taxing regime makes it particularly hard for New South Wales businesses, in particular export businesses like Bindaree Beef, a major employer in Inverell, to fight off their competitors in Queensland and other States who are paying lower tax rates.

The Treasurer had a golden opportunity to show he has a broader vision than that of his predecessor and he blew it. This budget is long on self-interest and short on ideas. The budget contained plenty of

disincentives to discourage more private investment, such as the near doubling of stamp duty on insurance, which is supposed to be abolished under the GST deal. That should send insurers to the other States seeking a better deal. The Government learned nothing from Michael Egan's infamous vendor tax, which froze the property market overnight. The Carr Government's indifferent management of government services, including inadequate or misdirected investment in infrastructure, has left a mess in key areas such as transport and health in both cities and regional areas.

Now the Government is playing catch-up by borrowing and pushing the budget into an overall deficit. We are all living on the bankcard, despite living in an era of highest taxation ever in New South Wales! This Labor Government is running down services in the bush. The Outback Explorer train, which runs services between Sydney and Broken Hill, is losing patronage due to Labor running the services down. They should be doing more to promote the service, as tourism is so important to this town. The number of tickets issued from January to October 2003 was 1,128 and in 2004 the number was 943. As we all know, Labor allowed the Casino to Murwillumbah service to run down and, as a result, patronage fell and the service was cut. That is how this Government works. The New South Wales mid-term report card is an assessment by New South Wales businesses of the performance of the Government in relation to business issues at the halfway point of the current term. They stated:

Overall, the performance of the New South Wales Government was rated as patchy. The New South Wales Mid Term Report Card shows that business believes the New South Wales Government has been complacent on issues such as the diminishing competitiveness of New South Wales, the skills crisis and labour market shortages, increasing State taxation and expenditure and the growing compliance burden, especially the OHS regulations. Business is concerned that the failure by New South Wales Government to provide proper attention to these issues is placing the prosperity of business in the State at risk.

The Government needs to actively assist businesses in this State by cutting the growth of government expenditure, cutting payroll tax, investing in infrastructure, simplifying the workplace relations system, addressing the current skills crisis and future needs skills, and reviewing the Occupational Health and Safety Act 2000. However, the New South Wales Government plans to spend up big, putting the State in the red for the first time in almost a decade, despite the massive income it has received from the tax revenue it has ripped out of New South Wales. Labor has embarked on a \$10 billion spending spree. Despite that big spend, Labor has failed to announce any new initiatives to reform its drought or water policies and programs. New South Wales is facing a major water crisis as it battles the worst drought on record. Labor has managed to increase insurance tax, it has failed to take into consideration the pay increases for nurses and police and it has failed to axe the hated vendor tax. New South Wales remains the highest taxed State in Australia.

The Government has directed a measly \$16.2 million towards drought-relief measures, despite more than 90 per cent of New South Wales being drought declared. The Government has pledged \$10 billion for whatever, yet only \$16 million for drought-relief measures. Does the Government believe that the drought will end next month? Labor has delivered nothing more for New South Wales farmers than a continuation of its existing drought support funding. It has failed to deliver security to farmers. There is no excuse for this lack of future planning. There is no new assistance for low-interest loans or initiatives designed to encourage farmers to store feed and water to help them survive future droughts, and no initiatives to introduce water recycling schemes and increased water storage capacities. The Federal Coalition Government has provided our farmers with record drought relief funding.

The Federal Coalition Government's commitment to drought preparedness and assistance measures now totals more than \$2.2 billion. Just last month it announced an extra \$254 million over two years. On the other hand, this miserable New South Wales Labor Government and its mean Premier Carr should hang their heads in shame. There is no comparison between the New South Wales Government's miserable \$16.2 million and the hundreds of millions of dollars the Federal Coalition Government has provided to New South Wales alone on drought. The drought is now recognised as the longest and most severe drought in the State's history, and farmers are at the end of their tether, both economically and emotionally. Tragically, some farmers are going into their fifth year of drought without a break, and others are suffering from three consecutive crop losses. Labor continues an obsession with the city and shows no interest in country New South Wales.

Frankly, people in the bush deserve more. Labor would be jumping up and down if the price of meat, fruit and vegetables skyrocketed in city shops because of the drought. But until that day comes country residents will continue to be treated like second-class citizens by this Government. The Government has also ripped seven staff from the Rural Assistance Authority, which administers assistance schemes, loans and financial support to farmers during the drought. I could not think of a worse time to do that, yet there is no apology and no explanation from the Minister. Despite New South Wales farmers suffering from the worst drought in 100 years,

the New South Wales Labor Government has also ripped the popular joint Federal-State FarmBis program out of the budget. Farmers are in their hour of need and the New South Wales Government is penny pinching from them. FarmBis is a vital program that allows farmers to undertake training in risk management and natural resources management.

Last year the New South Wales Labor Government budgeted to spend \$15 million over three years to fund FarmBis, and the Federal Government would have matched it dollar for dollar. Instead, the funding for this vital program has been ripped out of this year's budget and replaced with a \$5.8 million insignificant State-run scheme. So Labor has not only stolen the money from the budget, it has missed out on matching funds from the Federal Government. This shows the Government's incompetence. Because the Minister for Primary Industries and the Treasurer have given up the FarmBis funding they have lost matching funding from the Federal Government. New South Wales farmers will now be disadvantaged. The New South Wales Labor Government has shown a complete lack of empathy for New South Wales farmers throughout the drought. Labor's heartless response has proved how out of touch with country New South Wales it is.

Labor has failed to reinstate a \$149 million budget cut to the Department of Primary Industries [DPI] over three years. After selling off various assets within the merged departments of Agriculture, Fisheries, Forestry and Mineral Resources, more than \$10.5 million has again been slashed from the DPI budget—a department responsible for providing vital front-line services to our primary producers. The DPI capital expenditure budget has been slashed by 50 per cent, or \$13.2 million, this year. This will mean less infrastructure and fewer major projects and programs within the DPI. That 50 per cent cut in the DPI budget, in a year when the Government announced a \$10 billion borrowing program for infrastructure, shows how much the Government cares about primary industries in this State. The budget shows that Premier Carr and his tired, old Labor Government have no answers, and it continues to show their contempt for the bush and the people who work there.

Of course, these initiatives—or should I say the lack of initiatives—will hit my duty electorates of Northern Tablelands and particularly Murray-Darling. For example, the Carr Labor Government has not provided the much-awaited funding for the Menindee Lakes improvement works, which includes the regulator between the Menindee and Cawndilla lakes and associated works to be constructed, which would result in a minimum average water saving of 200 gigalitres per annum in evaporation loss. As the dry weather really sets in and the lakes are emptied, they should be emptied from the bottom up. At present, because the regulator between Lake Menindee and Lake Cawndilla has not been constructed, the level on these two lakes, if there were water in them, would rise and fall together and there would be double the amount of evaporation occurring compared with what should occur if the lake levels were managed individually.

The funding for the improvement works is vital, not the least because Broken Hill draws its water from Copi Hollow, a small reservoir between Lake Pamamaroo and Lake Menindee. Preserving the top water until the end will also maintain the flexibility with respect to where the water is to be delivered. It needs to be made available to Broken Hill and Menindee township, to high security water for permanent irrigation and to annual crops in Lake Tandow. It also needs to be delivered down the river and the Darling anabranch for Pooncarie township, stock and other domestic users along the way. This tired old Government has been procrastinating over the management of the Darling River for five years. The Government must start working on the infrastructure that surrounds these towns before it is too late. The Bourke to Wanaaring to Tibooburra road is still unsealed. This is a major deterrent to tourism in the region.

Wanaaring is 200 kilometres from Bourke and the road is probably one of the worst roads in the State. I speak from experience, having travelled it earlier this year. If this road were sealed it would open up the outback to tourists, who would add Wanaaring to their route. They could travel from Bourke to Wanaaring up to Tibooburra, down through the Far West, which is shortly to be named "Real Australia" as a tourism promotion, to White Cliffs, Wilcannia, Menindee and Broken Hill. Bourke is an excellent example of how tourism is working for that town and I would recommend that all members take a trip out there. As one of the Wanaaring locals said to me, "If the Government is serious about growing communities in country areas then they have to be serious about basic infrastructure". This budget has not addressed the urgent needs of people of the Far West communities. They need more police, especially in towns such as Wilcannia, to control law and order issues.

Towns such as Wilcannia are really trying to help themselves and could do with a little assistance from the State Government; they cannot do it all on their own. This Government is one of the most city-centric governments in the history of New South Wales—it is ripping the heart out of country towns. What adds insult to injury is that these very same people are paying more for the privilege of getting less. In 2005 New South

Wales' taxpayers pay \$787 more in tax than they did in 1995 because Bob Carr has not kept his promise of no new taxes. As far as health issues are concerned, the latest waiting list figures for Broken Hill Hospital reveal there are 22 per cent more people waiting for elective surgery than in 2003. The Carr Labor Government's promises to bring down waiting lists have come to nothing. The NSW Health figures for March this year show there are 393 people waiting for surgery at Broken Hill hospital, and 219 of those have been waiting for more than 12 months. It is even worse at Bourke District Hospital, where 75 people are waiting for elective surgery, 36 of whom have been waiting for at least a year. That represents an increase of 49 from March last year, or 53 per cent.

The latest waiting list figures for Armidale hospital in the Northern Tablelands electorate reveal that 5 per cent more people are waiting for elective surgery than there were previously. NSW Health figures show that in March 397 people were waiting for surgery at Armidale hospital, with 25 having waited more than 12 months. The position is just as bad at Inverell District Hospital, where there are 148 people on the waiting list, representing an increase of 82 per cent. All this is happening while the Federal budget reveals that New South Wales will receive an additional \$400 million in GST revenues this year and next year. This year New South Wales budgeted to receive \$9.648 billion in GST revenue, but the Federal budget papers now show that New South Wales can expect \$9.937 billion—an extra \$289.5 million!

In conclusion I must say that the Premier, Bob Carr, is condemned by his failure to meet his own commitments on public transport, education, taxes, hospitals, policing and infrastructure, particularly water resources infrastructure in regional towns where the Country Towns Water Supply and Sewerage Program has been reduced to \$32 million from approximately \$50 million. When the Coalition was in government funding for the program amounted to \$80 million. Current funding is less than half that which the previous Coalition Government allocated in 1994-95. The Premier, Bob Carr, is leading a tired old Government whose legacy will be one of lost opportunity, one whose plans are wrong and frail and one that is failing to plan. Of course, that means that the Carr Government is a Government that is planning to fail. As the Leader of the Opposition in another place recently stated, "There is no doubt that a decade of Bob Carr and Labor is more than enough and they are on notice that time is up."

Mr IAN COHEN [1.40 p.m.]: The Government's creation of super departments has created a seemingly endless array of problems. Far from achieving the greater efficiencies sought, super departments such as the Department of Infrastructure, Planning and Natural Resources [DIPNR] and the Department of Primary Industries [DPI] are struggling to cover their responsibilities, choosing instead a selective focus at the expense of the community they serve. Only the current Minister for Roads could ignore the outrage that the Minister for Infrastructure and Planning, and Minister for Natural Resources, Craig Knowles, has caused through changes to the Environmental Planning and Assessment Act. The Natural Resources part of DIPNR's title should be dropped to reflect the disinterest of the Government in managing it.

Although the department is less than two years old, DIPNR and Craig Knowles have managed to send environmental management backwards to resemble the heady days of Joh Bjelke-Petersen's reign as Queensland Premier. Long recognised as the bulldozing State, Queensland outpaced New South Wales in recent years, achieving significantly better environmental outcomes, such as a moratorium on broadscale land clearing. The Department of Primary Industries has yet to completely abandon its environmental responsibilities, but it has certainly laid the groundwork. The DPI has core responsibilities to protect aquatic habitat under the Fisheries Management Act 1994 but the specialised staff who can achieve this hang on by their fingertips to any sort of certainty about their future.

As part of its total budget the department will continue to receive consolidated revenue next financial year and beyond to support its involvement in the New South Wales water reforms. However, the department's technical experts, who have been funded from this money since 1998, have been given only 12-month contracts. The work done by these experts is not done at the whim of government; it is a legal requirement. These staff members are specialists in the area of aquatic habitat ecology and their roles and expertise are not duplicated elsewhere within the department. Aquatic habitat protection is critical to the sustainability of commercial and recreational fisheries in New South Wales. In particular, habitat provides the spawning sites and nursery grounds for future fish stocks. What could possibly be left of the Government's environmental credentials if it abandons the most important fisheries conservation work its agencies do?

The sum of \$4.4 million has been allocated in the budget to buy out commercial fishery licences in the Cape Byron Marine Park. This is pleasing, and I congratulate the Government on its focus on marine parks. Of that amount, \$2 million will go towards maintaining the marine park program that is administered by the DPI.

There is a problem with having the amount of sanctuary areas in marine parks determined by the amount of funding in the budget. The department said the money will go towards public education, marine research, staff training and general maintenance. While that is welcomed, there is no mention of marine park monitoring, which is vital to assess the impact of these parks. There is not enough money to determine whether the parks are effective and to ascertain the benefits of the different types of zoning. Last year's allocation for a new marine park from Port Stephens to Forster seems to have disappeared and the marine protection program appears to have stalled. Significant consultation needs to be undertaken on the proposed Manning Shelf marine park within the next year.

The Government recently announced its new tactic to save the grey nurse shark from extinction by focusing on captive breeding. It is ludicrous that despite all scientific evidence recommending 1,500-metre sanctuary zones around all critical habitat areas the New South Wales Government has chosen to focus its efforts on captive breeding. Furthermore, the budget sees a slight increase in funding for beach netting, which poses a further threat to the grey nurse shark. I have thrashed this matter out with the Minister on previous occasions. I support the captive breeding program but I warn that it has to be done in conjunction with proper maintenance of the environment. Time and again it has been proved that the preservation of threatened aquatic or terrestrial species depends on a properly maintained environment.

It is quite clear that the Government intends to embark upon a captive breeding program, and the Greens support that provided adequate protection does not involve archaic beach netting. It seems that beach netting is a practice that has been forced upon governments by the print media, which habitually generates fear to boost sales of newspapers over holiday periods. So much fear of sharks has been created that numerous beaches are netted. It is quite widely accepted that beach netting is ineffectual because each net covers only 50 metres of the beach. Sharks are mostly caught when they are swimming out to sea, and unfortunately the nets also kill many threatened species, such as the grey nurse shark.

The estimated expenses for 2005-06 for the Department of Environment and Conservation are \$506.6 million, compared with \$463.7 million in 2004-05. It is reassuring that last year's \$20 million cut to funding for the Department of Environment and Conservation, including the National Parks and Wildlife Service, has now been largely reversed with new funding. But the increase in the budget is somewhat misleading. The Waste Fund, which has been raided over the past two years, has now been restored, but that has been shown as new spending of \$28 million. Core spending on the natural environment remained static, although there were new national park initiatives.

There continues to be a funding shortfall of close to \$15 million each year to safeguard threatened species. Last year threatened species legislation was weakened to remove the need to prepare a species recovery plan on the basis that \$100,000 per species was too expensive. New South Wales has one of the worst extinction rates in the world—that is shameful—yet the Government cannot ensure that adequate funding is provided to protect our threatened species. In the legislation passed last night there is even less recognition than previously of threatened species and the need for checks and balances in the system to protect them.

Expenditure on research and mitigation of the environmental impact of climate change—our greatest future threat to biodiversity—is essentially non-existent. The rhetoric of the Premier, Bob Carr, about his concerns over climate change begins to sound pretty hollow when it is not backed up by action. The sum of \$80 million in new funding has been allocated to support the Brigalow Belt South bioregion decision to create new conservation areas, such as the Pilliga and Goonoo in north-western New South Wales. On behalf of the Greens, I personally welcome this decision and funding. It is a step in the right direction. The Government's decisive action in relation to this matter deserves credit.

Another significant element has been a new \$37 million capital works program for national parks around Sydney. While that will help to manage the increasing numbers of visitors in popular urban parks, the Greens seek to ensure that it will not lead to increased development in our national parks. For example, a \$3 million makeover of Bonnie Vale in Royal National Park will see new cabins, camping and barbeque areas installed. New accommodation should be provided outside parks, not inside parks. There seems to be a continuing commitment to a significant land acquisitions program to expand the national park estate, especially in the poorly protected central and far western areas of New South Wales. This is welcomed by the Greens. However, the fate of the general acquisitions fund is uncertain.

The Crown lease fire sale, which was announced in last year's budget, is being mismanaged by the Department of Lands. Initially promoted as a \$30 million asset sale, the Government now realises that most of

the three million hectares of leases it plans to sell off have conservation value, and it has been forced to ask for new funds to manage the process. If sold off, it will cost the Government over \$50 million to achieve the same level of protection that Crown leases have been providing for the environment and the people of New South Wales.

The Greens welcomed the introduction earlier this year of legislation setting up the Water Savings Fund, which was to be valued at \$30 million, and the Energy Savings Fund, which will be valued at \$40 million. This is a good start. However, if Bob Carr is serious about addressing climate change the Energy Savings Fund needs to be doubled and extended by five years to address demand growth and to avoid the need for a new power station. The Government's energy white paper is imminent. Choosing to expand coal-fired power in New South Wales will blacken not only the Premier's environmental achievements but also the State's greenhouse commitments. The Premier risks becoming part of the global warming problem, not the cure. He has the ability, and the options available, not to expand the coal-fired power sector. Instead, he appears to be throwing his hands in the air as if it is all too hard.

The drive towards more power production—and more dirty power production—ignores the many opportunities in the community to look at alternatives and demand management. Also, the planning department seems to be unable to design effective solar-passive housing and to change the landscape, so to speak, to a more appropriate one. Farmers in New South Wales understand that airconditioning has not always been the only way to deal with the summer heat. Proper passive design, with wide verandas and windows and so on pointing in the right direction, and passive cooling methods can and do work. Yet Planning NSW pays little attention to this. This means that houses being constructed, particularly in Western Sydney, are simply boxes set up for airconditioning. Of course, that is a rush towards a greenhouse gas disaster.

Given the urgency of dealing with climate change, it was disappointing to see no major initiatives for the renewable energy industry in New South Wales. New South Wales is lagging behind the rest of the world on renewable energy. Solar thermal electricity has been successfully demonstrated on a large scale in California over the past 20 years. Essentially, this technology uses conventional steam turbines but substitutes a solar boiler for a conventionally fuelled one. It is much cheaper than other direct solar methods of electricity generation, such as photovoltaics, and has an exciting potential for reducing greenhouse gas emissions from electricity generation. The Government should be funding that sort of innovation, instead of trying to open up a debate about nuclear power stations or, for that matter, its much-vaunted clean coal, which is not yet a reality. And I suggest that it is a long way off.

The Government should have the courage to undertake a proper study of the costs of supplying energy efficient equipment to people in the Sydney Basin, perhaps at reduced rates, similar to the support provided for installing water tanks. That should be given much greater emphasis, and would decentralise electricity production. Someone from Country Energy told me that it is not difficult to set up systems on individual houses and feed back into the grid, and therefore reduce power bills and help with the greenhouse gas issue at the same time. The opportunity and the technology exist, and I am sure that the people of New South Wales will have the will if there is government support. Why is the Government not taking a more creative and imaginative approach, rather than considering a coal-fired power station once again?

Sydney Water's capital expenditure for 2005-06 is \$502 million. Sydney Water continues its culture of ignoring water recycling and opting for end-of-pipe solutions. Permanent low-level water restrictions on outdoor water use, greater financial incentives for rainwater tanks and grey water, and effluent recycling in all homes are all vital if Sydney is to have a sustainable water supply in the future. We do not need a desalination plant adding massively to our greenhouse emissions. We do not need a new dam. We need creative solutions, demand management and a change of attitude to water recycling. Certainly, the pumping of water from the Shoalhaven and across catchments shows that we are still in the grip of the culture of end-of-pipe solutions, with Sydney Water leading the Minister for Energy and Utilities, the Hon. Frank Sartor, by the nose. The Minister simply cannot move away from the old-fashioned way of dealing with problems, although the opportunity to consider alternatives exists. I say again, as I often say in this House: We have the opportunity effectively to harvest as a major resource the stormwater and effluent that is entering our oceans as waste at present.

The Government stands condemned for the three-kilometre outfalls into the ocean off Sydney, Malabar, Bondi and North Head. Back in the 1980s, when Bob Carr was the Minister for Planning and Environment, Labor had ample opportunities to reuse and recycle that resource. The Government has repeated that attitude up and down the coast for many years. It has been dollar-for-dollar support on public works funding to build sewer outfalls in the most pristine areas of the New South Wales coastline, and the Government stands condemned for

that. It has refused, and is still refusing, to move on that. It is shameful that the Government has not acknowledged these issues and dealt with water use according to world's best practice. We do not have a shortage of water; we simply have a shortage of proper usage and accumulation of water. Massive quantities—indeed, megalitres—of water flow into the ocean as waste rather than being used as a resource. The Government should wake up to that.

The budget allocates \$416,000 to assist people to access records for the Aboriginal Trust Fund repayment scheme. But the budget does not include the missing \$65 million owed to Aboriginal families for wages stolen from them over many decades. Late last year the New South Wales Government announced that it would repay only \$15 million to families and descendants who had wages stolen from them as early as the 1920s and up until the late 1960s, despite leaked documents showing that close to \$80 million was possibly owed. Where is the money, Mr Carr? This is not the State's money to bestow or withhold within budget comfort. This is Aboriginal earnings and entitlements that the State as trustee was legally bound to safeguard. There is massive highway expansion on the North Coast, with the eleventh consecutive record road budget.

Roads and Traffic Authority capital expenditure in 2005-06 is \$1,191 million, compared to \$587 million for Railcorp. Highway expansion at the expense of public transport funding seems to be the direction the Government is taking. The Government is creating absolute disruption and distress and psychological, emotional and physical pain in terms of financial loss to the people of New South Wales. It is being narrow-minded when it does not consider the people in country areas in northern New South Wales who will be impacted by projections of a mega-motorway running along the coast when it should go via New England.

The Hon. KAYEE GRIFFIN [1.55 p.m.]: It gives me great pleasure to speak on the 2005 budget today—the eleventh of the Carr Labor Government. I take this opportunity to congratulate the Treasurer, Andrew Refshauge, on the delivery of his first budget. The budget handed down on 24 May 2005 in the other place was a fair one. This year's budget varied slightly from those in the past as the Carr Government takes measures to effectively manage the diverse challenges New South Wales will face in the years to come. I commend Treasurer Refshauge for delivering a budget that provides for growth and security, looks towards the future with major investment in infrastructure and puts in place detailed plans for the long-term needs of New South Wales as we face the pressures of increased population growth and ageing.

The New South Wales economy is now in excellent shape because of the sound economic management of the Carr Labor Government over the past 10 years. As Treasurer Refshauge said when he delivered his budget speech, "Employment is growing, business investment is rising and the triple A credit rating of New South Wales remains secure." After retiring the \$12 billion Liberal-National Government debt, the Carr Labor Government is now in a position to ensure that investments in our State's future are realised. This budget is the cornerstone of a broad building and infrastructure plan to ensure that New South Wales meets the challenges in years to come and is fully prepared. The Carr Labor Government's priorities are fully recognised in this budget, with an emphasis on building and infrastructure, education, health, transport, policing, and environmental sustainability.

I have chosen several areas of the budget to discuss today—areas that I believe will benefit substantially from this realistic State budget, in particular the areas of health, education, policing, transport and infrastructure. Health services in rural and regional areas benefit from this budget with an increase of \$222 million in funding. This increase in recurrent spending means that the Government can further increase bed numbers, from the 126 new beds announced in May, bringing the total to 290 new beds for hospitals in regional and rural areas. Combined with \$215 million capital works funding for rebuilding facilities and supporting new technology, rural and regional hospitals will be able to deliver more superior front-line services.

New projects to benefit from the funding increase include \$3.5 million to begin construction on the redevelopment of Queanbeyan Hospital, \$840,000 to construct a new Ambulance Station at Gunnedah and \$6 million to begin construction on the Bathurst, Orange and Bloomfield redevelopments. Projects to benefit from the capital works funding include \$1.35 million to develop a new ambulance station at Port Macquarie, \$13.2 million for the North Coast dual-site radiotherapy development at Port Macquarie and Coffs Harbour and \$3 million to commence the 15-bed mental health unit for elderly patients in the Illawarra. In a major boost for public hospitals in the State, a feature of this year's budget includes \$227 million to open 800 new hospital beds in the coming year. This announcement forms part of the Carr Labor Government's plan to increase the capacity of the New South Wales public hospital system to deal with the increase in demand. The plan includes 57 neonatal, paediatric and adult intensive care beds and special care cots funded through a \$25 million critical care package.

The \$227 million in recurrent funding for 800 new hospital beds also provides 200 winter beds opened in 2004 now permanently funded, funding for an additional 221 permanent beds effective immediately, and funding for 322 additional permanent beds from 1 July 2005. Along with this, the budget for surgery sees an increase of \$25 million over the current year. This record funding includes an additional \$15 million to reduce waiting times and a further \$10 million to be spent on elective surgery from July 2005. This funding for elective surgery gives more certainty to patients and staff by looking at improvements in the way surgery is scheduled and managed. Health professionals outside our hospitals also benefit from this year's budget. The New South Wales Ambulance Service will receive increased funding of \$10 million to recruit more than 100 new staff and lease 22 new vehicles. An amount of \$1.9 million has been designated for workforce development programs including support services to universities for mental health nursing development.

As Treasurer Refshauge stated when he delivered the budget, the Carr Government takes special pride in its contribution to the fight against cancer. We are all aware of the devastating effect cancer has on its sufferers and their loved ones. It is pleasing to note the spending on cancer research, screening and preventative programs in the 2005-06 State budget. The budget provides for an additional \$30 million for the Cancer Institute of New South Wales, as well as another \$6.6 million for cancer screening, including an extra \$3.6 million for breast cancer screening. Funding allocated for the establishment of Cancer Screening NSW run by the Cancer Institute of New South Wales means that from 1 July this year breast screening, cervical screening and potentially bowel screening could be offered collectively at centralised locations.

Planned works for 2005-06 include new fixed screening and assessment units at Gosford, Tweed Heads, Albury and Wagga Wagga, new radiological equipment for breast screening at Royal Prince Alfred Hospital, and the refurbishment and expansion of facilities at Royal North Shore Hospital. With cancer, particularly breast and cervical cancers, early detection is vital, and I am pleased to see that this budget has provided a boost to the number of fixed and mobile screening and assessment units and improve access to mammogram and testing services for the people of New South Wales. Education and Training highlights in the budget include major upgrades for rural, regional and metropolitan schools and TAFEs. With more than \$4 billion designated for spending on rural and regional facilities alone, education and training facilities around the State will be greatly enhanced.

The 570,000 students who attend rural and regional schools and TAFE colleges in New South Wales will benefit from improvements to their current facilities. New capital works projects will be taking place at TAFE campuses across the state, including Newcastle, Cooma, Griffith, Maitland, Tamworth and Port Macquarie. As well, schools in rural and regional areas will benefit from \$62 million in literacy and numeracy programs, including "Reading Recovery" and "Count me in". This year's budget will provide also \$250 million over the next four years to increase the quality of teaching in government schools, enhance teacher development and ensure an adequate supply of teachers in key learning areas. Measures have also been taken to ensure funding is provided to deal with the challenges facing teachers in our schools with regard to discipline and behavioural issues.

Over the next four years \$73.6 million will be spent on 20 new suspension centres, eight new behavioural schools and seven new tutorial centres with access to appropriately trained teaching and support staff. I note with interest that one of the new behavioural schools announced in this budget will be in Lakemba, my local area, and I will personally take great interest in the establishment of that school. This budget also looks towards keeping New South Wales safe and improving the facilities and equipment our police use when carrying out their duties. We all acknowledge what a difficult job policing can be, and it is fitting that this Government continues to support our police with increased funding.

With the Government now exceeding its pledge to raise authorised police strength to 14,454, the maintenance of record police strength, new counter-terrorism surveillance equipment and a new police helicopter are some of the areas in which money will be spent under the record \$2.1 billion NSW Police budget this year. Highlights of police spending for 2005-06 include \$8.3 million for in-car video cameras for the State's highway patrol fleet; \$4.7 million to establish the new Forensic Science Centre in Western Sydney, an investment in forensic science as a vital investigating tool; \$2.8 million to replace Polair One with a new helicopter. With the Aviation Support Branch relying on access to the helicopter fleet 24 hours a day to be deployed around the State at short notice, this will be a welcome upgrade to ensure the Aviation Support Branch maintains capabilities.

Police funding includes \$12.2 million to start work on six new police stations at Campsie, Dubbo, Fairfield, Lismore, Orange and Wagga Wagga, the beginning of a \$72 million package for new police stations.

This funding reinforces the Carr Labor Government's commitment to supporting NSW Police by providing appropriate facilities and accommodation for them to work from effectively. Living in the Campsie Local Area Command, I can attest to how pleased local police officers, staff and residents are at the announcement of a new police station for Campsie. I look forward to seeing construction on the new police station begin and I know this commitment to policing in the Campsie Local Area Command has been warmly welcomed by the local community. The budget provides also a further \$18.5 million in funding to continue upgrades to other police facilities around the State including five new stations already under construction at Armidale, Griffith, Muswellbrook, St Marys and Thirroul.

When Treasurer Refshauge delivered his budget last month he acknowledged the Carr Government's recognition that a safe and reliable public transport system is vital to New South Wales. This year's budget reflects this Government's commitment to improving the State's transport systems with a record \$3 billion to be spent on trains, buses and ferries. Funding has been set aside for existing transport projects throughout the state, and what is more, the Government will invest in new transport projects to help improve current systems. Allocation of funds for existing rail projects include more than \$20 million for easy access upgrades at railway stations, \$434 million towards continuing work on the Epping to Chatswood rail link, \$21 million on Hunter fleet rail cars, and \$97.5 million as part of the \$1 billion rail clearways program of reducing 14 CityRail lines into five independent lines to reduce congestion and delays.

Budget spending on new rail projects includes \$1.5 billion to replace 498 older carriages with airconditioned carriages, \$268 million over the next three years to buy 81 new outer suburban rail cars, and \$15.5 million for re-signalling on the Illawarra line. As well as the investment in rail, those who use the bus system will also benefit from this budget. This year, more than \$83 million will be spent on upgrading the State's bus fleet and bus depots. More than \$7 million will be spent on the installation of closed-circuit television cameras in buses to ensure passenger safety. In addition, \$15.3 million will be spent on upgrades to depot facilities and workshop modifications to make operations more efficient and to ensure facilities are safer for staff. Also, \$60.1 million will be spent on 45 new standard buses and 79 new high capacity buses for the Sydney and Newcastle networks.

In addition to the funding for buses and trains, the 2005-06 budget provides funding for Sydney Ferries to embark on a \$5.8 million capital works program. This program will include security upgrades on vessels, wharf refurbishment at the Balmain Shipyard, passenger facility upgrades and the installation of a vessel management system on all 31 vessels. The Government continues to support the School Student Transport Scheme, and the provision of \$498 million in funding towards that scheme will ensure that eligible students still get free travel to and from school using government and private trains, buses and ferries. The allocation of more than \$3 billion for the transport budget will help to improve the experience of commuters who rely on our public transport system. I commend the efforts taken by the Carr Government in combating some of the difficulties with such an extensive public transport system on which millions of commuters rely every day.

As honourable members know, a key feature of this budget is the massive investment in infrastructure. With \$34.7 billion allocated for infrastructure over the next four years, the Carr Government is securing our State's facilities and strengthening and extending them to manage future pressures. Infrastructure spending on roads will increase by \$2.4 billion in 2005-06 with funds provided for maintenance and capital works on the Camden to Narellan road, the north-west transit way, the Pacific Highway and the Princes Highway.

Water and energy infrastructure spending increases by 18 per cent, with spending designated for upgrades to the city north, Newcastle central business district, and Coffs Harbour substations, the building of the Bella Vista zone substation, a new pumping station at the Prospect Reservoir, and funding to access deepwater storages at Warragamba and Nepean dams. Infrastructure spending on courts and corrective services will rise to \$467 million in 2005-06 as the Government responds to pressure on our legal system. Also, \$45 million has been designated to begin construction on the new 500-bed gaol at Wellington. A further \$2 million will be spent on providing 1,000 more beds in correctional centres in country New South Wales, and \$70 million in funding will provide for the rebuilding of courthouses around the State, including new courtrooms at Parramatta, Bankstown, Nowra, Blacktown and Mount Druitt.

It is clear from this budget that the Government is building for the future and preparing for the challenges that lay ahead. The Government's commitment to meeting these challenges is reflected in funding for new projects and maintenance of existing facilities all over the State in health, education, transport, law and justice and infrastructure. I applaud the Carr Labor Government's continued investment in New South Wales and I congratulate Treasurer Refshauge on his first budget. This is a budget I am proud to support and I commend it to the House.

The Hon. GREG PEARCE [2.10 p.m.]: Last night during debate on the Appropriation bills I said I thought this budget deserves a nought out of 10 rating. Having listened to contributions from honourable members throughout the day I am not sure that that was correct. It might well be a minus-one rating out of 10. As the Treasurer's first effort, I think the sooner Mr Refshauge is not the Treasurer, the better it will be for everyone, including him.

This budget comes at a time when this tired old Government with no ideas has had 10 years with massive revenues. In spite of \$7.2 billion of unbudgeted revenues, primarily from property taxes, if the budget were reported in the normal manner—as it has been under the former Treasurer, the Hon. Michael Egan—it would have revealed a deficit of \$979 million. At a time of record revenues and record funding from the Commonwealth, this Government, the highest-taxing Government in Australia, has resorted to its usual position of introducing new taxes: the increased insurance tax and the new mortgage tax. Instead of encouraging and continuing growth of the New South Wales economy, and instead of encouraging employment in the State, the budget, through the tax regime, is locking in a lack of competitiveness. While the vendor tax remains we will continue to see a spillage of business and residents to Queensland in particular, and to other States.

The budget continues the Government's appalling record of waste and mismanagement. As chair of the Opposition's waste watch committee I have been working since the last election on identifying items of waste and mismanagement by the Government. According to the last table I put out, we identified \$5.2 billion of waste and mismanagement. Immediately after the budget, John Brogden, the Leader of the Opposition, released a list of another 171 projects in this budget that were either time blow-outs or cost blow-outs, amounting to \$515 million. When one listens to the Premier, the Treasurer or other members of the Carr Labor Government talking about their record capital expenditure, one cannot believe it. Taking into account the delays, the cost overruns and the double, triple, and quadruple counting that is inherent in all of that, the Government is simply not spending anything like it claims to be spending.

The budget was immediately blown out of the water by the revelation by the shadow Treasurer, the honourable member for Southern Highlands, Peta Seaton, that the Treasurer had not fully taken into account the cost of wage increases for a number of sectors. We see the continued growth of the bloated bureaucracy and the continued growth of the cost of employment this State is forced to bear for that bloated bureaucracy. I do have to give the budget a tick, unusually, for its level of transparency. That is not something we have come to expect from the Carr Labor Government, the spin Government. Last night I put on the record a few of the headlines about this budget in various New South Wales media. The spin did not occur the way the Government wanted it to this year. Budget Paper No. 2 reflects a refreshing level of transparency about salary costs. On page *iv* it states:

A major risk to the Budget is the public sector wage agreements to be negotiated with major employee groups in coming months, including public hospital nurses, police and public school and TAFE teachers. The sustainability of the fiscal position will depend critically on the outcomes achieved.

The budget papers reflect the additional taxes and revenues that have been raised from the new taxes. Budget Paper No. 2 says that the taxation measures announced in the budget will raise an additional \$180 million in 2005-06. It goes on to reveal the extent of borrowing and the fact that the Government has loaded the public trading enterprise sector with increased borrowings at a time when it is claiming that borrowings by the State are reducing.

The Government cannot be proud of this budget. It has locked in cost overruns and a failure to deliver on infrastructure. In effect, it is in deficit. It is blown out of the water by the Treasurer's failure to take account of public service pay increases. It locks in the bloated bureaucracy and it locks in the lack of competitiveness of New South Wales. It is a disgrace and the Government should be ashamed of it.

Debate adjourned on motion by the Hon. Charlie Lynn.

LOCAL GOVERNMENT AMENDMENT BILL

PAWNBROKERS AND SECOND-HAND DEALERS AMENDMENT BILL

CROWN LANDS LEGISLATION AMENDMENT BILL

STATUTE LAW (MISCELLANEOUS PROVISIONS) BILL

TERRORISM LEGISLATION AMENDMENT (WARRANTS) BILL

Bills received.

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

Motion by the Hon. Tony Kelly agreed to:

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

Bills read a first time and ordered to be printed.

OCCUPATIONAL HEALTH AND SAFETY AMENDMENT (WORKPLACE DEATHS) BILL

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

SYDNEY UNIVERSITY SETTLEMENT INCORPORATION AMENDMENT BILL

Message received from the Legislative Assembly returning the bill without amendment.

SPECIAL ADJOURNMENT

Motion by the Hon. Tony Kelly agreed to:

That this House at its rising today do adjourn until Tuesday 21 June 2005 at 2.00 p.m.

CLERK ASSISTANT CORPORATE SUPPORT, MR MIKE WILKINSON

The Hon. TONY KELLY (Minister for Rural Affairs, Minister for Local Government, Minister for Emergency Services, and Minister for Lands) [2.21 p.m.]: I would like to say a few words about the retirement of Mike Wilkinson. Mike has been with us since 1991. We have some funny names in Australia—Aboriginal and other names in various parts of Australia. However, I think Mike Wilkinson takes the cake. He was born in Moosejaw, Saskatchewan, Canada, on 9 October 1946. He obtained his Bachelor of Science honours degree at the University of British Columbia in 1971 and undertook post-graduate studies at Sydney University in 1972 and 1973.

Prior to joining the Legislative Council Mike had vast experience in various positions in the Commonwealth public service, including the Department of Defence, where he was head of the Joint Intelligence Liaison Secretariat in 1975, the Strategic and International Policy Division, where he was the senior executive officer in 1982, and the Strategic Guidance Policy Section in 1984. He was director of the legislation section in the Department of Special Minister of State in 1986, so he had a good background in politics before he came here. He then transferred to the Attorney General's Department in 1989 and held the position of secretary to the Australian Police Ministers Council, which I am sure was an interesting position.

On 24 June 1991, almost 14 years ago, Mike was appointed as Clerk-Assistant, Committees in the Legislative Council and commenced duty on 1 July 1991. He was appointed Clerk-Assistant, Procedure and Administration on 21 December 1988. On 14 December 2004, following a restructure of Council staff, Mike was appointed to the position of Clerk Assistant, Corporate Support. After almost 14 years as Clerk Assistant with the Legislative Council Mike will be missed by all members and staff of the Legislative Council. Last night we put on a bit of a show for Mike so he would not forget what this place was like and so he would be really happy to be going. The day dragged on and some unusual things happened.

Mike, we will miss you very much. We will miss your placid nature. You sit in the Chamber while things are going on and appear to be placid but I believe you are a bit like a duck: You appear to be gliding across the water but you are paddling flat out underneath. Thank you very much for all your hard work. From time to time when we sit late we make it difficult not only for you but for all other Legislative Council staff. You then have to work for an hour or so after we have gone home. We think we have been hard done by when we have to return early the next morning, but you have to be here before we are. I thank you and all the other staff for your hard work. On behalf of the Parliament and my wife, I wish you and Fiona a long and happy retirement. I envy you if you still plan to do what you told me you were going to do some months ago, that is, spend time travelling around the world.

The Hon DUNCAN GAY (Deputy Leader of the Opposition) [2.25 p.m.]: On behalf of the Opposition I reiterate the comments by the Leader of Government Business about Mike Wilkinson. Mike having been born in Moosejaw, Saskatchewan, I do not think that coming to the upper House would have been any great surprise. It might have been a surprise for anyone else but you brought a degree of sanity to this place. I was recalling the long sittings that we have had in this place.

The Hon. Tony Kelly: Until 6.30 a.m.

The Hon. DUNCAN GAY: Until 6.30 a.m., and later. When we rolled out of this Chamber we were extremely tired but people like Mike had to continue working to tidy up the mess that we left behind and he then had to be ready to kick in again the next morning. During all those late-night sittings Mike was never angry. We noticed that he has a wicked smile and a wicked sense of humour, and he has told me some very wicked stories. I suspect he is a very wicked man. I wish him and Fiona all the best. This wicked man will now be at home with a great deal of time on his hands.

The Hon. Tony Kelly: Let us hope he does not write a book.

The Hon. DUNCAN GAY: We do not want a book from him. It has been marvellous, Mike. Thank you for your time with us; we have enjoyed it. As the Leader of Government Business said, there is a sense of *deja vu*. After looking at the date when Mike first started working here I watched him yesterday during debate in this place. On a couple of occasions I saw a wry smile on his face. Close to the day that he commenced working here the Leader of the Democrats contributed in debate on a condolence motion and referred to Ken Enderbury. The unfortunate thing was that the condolence motion we were debating related to our former colleague Keith Enderbury. I think those dates almost coincided. Mike, I wish you all the best. I hope that sanity prevails. Do not lose your wicked ways.

The Hon. HENRY TSANG (Parliamentary Secretary) [2.27 p.m.]: I also wish to acknowledge Mike Wilkinson and his service to the Parliament over the past 14 years. I distinctly remember when I arrived here six or seven years ago that I had no idea about how the Council worked. I and many other members would seek assistance from Mike and he was always very courteous. I thank him for his contribution.

Mike has served New South Wales and Australia well. He is a great Australian. From 1972 until 1991 he worked and served in the Commonwealth Government. Australia is lucky to have been able to attract such a wicked man from Canada. Mike said he grew up in Canada and that his father was in the Army and was stationed all around Canada and Europe. During the Cold War Mike was in Berlin when the Berlin wall was up. He had great fun when he was only 14 years old; he travelled all around the world. But he still talks like a Canadian; we could never make him an Australian.

The Hon. Rick Colless: A bit like you.

The Hon. HENRY TSANG: He is a bit like me. In the 1960s he went to the University of British Columbia. I cannot imagine Mike with long hair, big glasses and flowers in his hair. I asked him to tell me some wicked stories about his time at university. He did not tell me, or at least I cannot repeat them here. He then went travelling and ended up in Australia. We are very lucky to have him. He worked in pubs and enjoyed a pub crawl, and for that reason he stayed. Mike undertook postgraduate studies at the University of Sydney. He has many wicked stories to tell about those years. Since joining the Commonwealth Government he became a changed man. He is quiet and courteous. We are grateful for the man he is. Like the previous former Leader of the House, Mike will travel to France where he will undertake a Phd in languages. He has assured me that Sydney is his home. We will wait for him to come back and tell us more wicked stories.

The Hon. AMANDA FAZIO [2.30 p.m.]: As the Chair of Committees and a Deputy-President I wanted to come into the Chamber on this very special occasion and say a few words about Mike Wilkinson, the work he has done and the assistance he has given me since I became a member in this place. There is often chaos during the Committee stage of bills. Members do not know which amendments they have handed up, which ones they will speak to or what they are doing. Late amendments appear mysteriously out of thin air. It has been reassuring for me to have a nice, quiet, calm person, seemingly unflappable, sitting next to me who leans over and says, "What on earth is going on?", to which I reply, "It will all work out." Mike can put the chaos into perspective and has helped me to work through the undisciplined proceedings that sometimes happen when there are a lot of amendments to a contentious bill. I have appreciated his quiet and calming manner. I have also appreciated his entertaining turn of phrase, which many members have not shared because it is often a whisper at the front table while everyone else is talking about the bill.

The Hon. Charlie Lynn: We get the drift.

The Hon. AMANDA FAZIO: Charlie, one day you might get to be Chair of Committees. You do not know what you have missed. I am sure all honourable members wish Mike well in his retirement. We hope he

enjoys his retirement doing whatever he feels like, with no late nights in here and no chaos. He can be satisfied in the knowledge that he is a person who is hard to come by these days—a professional public servant. Having worked for the Commonwealth Government, I know that well-trained, professional, independent and impartial public servants are a dying breed in the current climate. I think Mike has set an excellent example for anyone who works as a clerk in this place. Mike, I wish you very well in your retirement. I hope you enjoy it. I hope in the future you think of us when we are sitting late at night and say, "I'm glad I'm not there any more." I wish you well.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS [2.33 p.m.]: Mike Wilkinson is the ultimate, quiet professional and a nice bloke. His Canadian twang and quiet sense of humour are refreshing.

The Hon. Charlie Lynn: It is a farewell, not an obituary.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: I can say nice things about him. Mike has a wonderful sense of the absurd, which is a great asset around this place and, I believe, correlates positively with continuing sanity. Those of us who have a sense of the absurd keep our feet on the ground. Others drift off to God knows where. Mike gives sensible advice with the studied neutrality of impeccable public service tradition—a tradition that is dying due to the politicisation of the public service. He is always available and always knows what is going on. Having worked very hard for the Legislative Council, Mike is quitting while he is ahead. That is a wise move. He is quitting while he is young and healthy enough to do whatever interesting thing he fancies. We wish him well in his retirement. Thanks a lot, Mike.

Reverend the Hon. FRED NILE [2.35 p.m.]: I join with other members in paying tribute to Mike Wilkinson as he concludes his 14-year service to the upper House. After 18 years in the Commonwealth public service he joined the procedure office of the Legislative Council in 1991 as a Clerk Assistant Committees. He has worked in the Department of Defence, the Department of the Special Minister of State and the Attorney-General's Department and brought to the Legislative Council a great deal of experience in public sector policy, organisation and development. In November 1995 Mike was appointed to the position of Clerk Assistant Procedure and in April 1998 he was appointed to the combined position of Clerk Assistant Procedure and Administration.

During his 14 years of service to the Legislative Council I have found him to be a true gentleman and a most suitable person to hold the position of Clerk of this House. He has always been helpful and co-operative. Mike, I thank you very much on behalf of the Christian Democratic Party and wish you God's blessing and happiness in the future. I understand that you plan to go back to Canada. I hope you have a great time there. You now have the opportunity to do all the things you have been waiting to do. God bless you.

The PRESIDENT: As others have noted, Mike Wilkinson was born in Moosejaw, Saskatchewan, Canada, on 9 October 1946. In 1996 as part of a study tour by the Standing Committee on Parliamentary Privilege and Ethics on the code of conduct and Legislative Council member Jenny Gardiner, Deputy Clerk Lynn Lovelock and I visited the Saskatchewan Legislative Assembly. It was the middle of the Canadian winter and we were taken on a tour to Moosejaw where the temperature was minus 40 degrees Celsius. It was so cold that the local radio station gave regular updates on the time it would take for unprotected skin to freeze in the open air. Moosejaw is an interesting town where the local history is depicted on the walls of the buildings. We even managed a visit to the Big Moose just outside of town. We featured in the local paper as minor celebrities and were almost adopted as locals when we told people that we worked with a genuine son of Moosejaw.

Mike is the son of an army officer and spent much of his childhood in foreign parts of the world, depending on his father's postings. He has lived in Japan and China and the family eventually settled in Vancouver. Mike graduated from the University of British Columbia in 1971 with a Bachelor of Arts (Honours) degree. He left Canada shortly after on a round-the-world trip. Australia was his second stop and quickly became his last stop as he developed a fondness for the beaches and weather that Sydney has to offer. It was obviously very different to Moosejaw. Mike undertook postgraduate studies at the University of Sydney from 1972 to 1974. He also studied at the Australian National University in 1975 and the Canberra College of Advanced Education, as it was then known, in 1976 where he studied Chinese language.

Mike joined the Department of Defence in Canberra in September 1974. While working there he met his wife, Fiona, whom he married in 1979. During his career in the Commonwealth public service Mike held the following positions: 1974, Assistant Research Officer with the Joint Intelligence Organisation in the Department of Defence; 1975, promoted to head of the Joint Intelligence Organisation Liaison Secretariat; 1982, promoted

to Senior Executive Officer in the Strategic and International Policy Division; 1984, transferred to the Strategic Guidance Policy Section; 1986, promoted to Director of the Legislation Section in the Department of the Special Minister of State; and 1989, transferred to the Attorney General's Department and held the position of Secretary to the Australian Police Ministers' Council. I am sure that would have been a very interesting position.

On 24 June 1991 Mike was appointed to the position of Clerk Assistant Committees in the Legislative Council, and commenced duties on 1 July 1991. He became Clerk Assistant Procedure and Administration on 21 December 1998 and, following a restructure of the Legislative Council staff, was appointed Clerk Assistant Corporate Support on 14 September 2004. After almost 14 years as a Clerk Assistant in the Legislative Council, Mike will be missed by all members of the Legislative Council and staff. I add my comments to those of the members who have remarked upon Mike's ability to look amused at all times. I wish Mike and his wife, Fiona, a long and happy retirement.

ADJOURNMENT

The Hon. TONY KELLY (Minister for Rural Affairs, Minister for Local Government, Minister for Emergency Services, and Minister for Lands) [2.40 p.m.]: I move:

That this House do now adjourn.

HASTINGS FAMILIES FIRST

The Hon. KAYEE GRIFFIN [2.40 p.m.]: Last week it was my pleasure to represent the Minister for Community Services, the Hon. Reba Meagher, at the Hastings Families First "Celebration of Community Partners" function in Port Macquarie. The occasion was a great opportunity for the local agencies involved in delivering Families First programs on the mid North Coast of New South Wales to showcase their work. A combination of government and non-government organisations and associate partners were present, along with members of the wider community. Families First is a State Government initiative that focuses on prevention and early intervention services for families with children aged 0 to 8 years that are designed to improve children's health, development, education and social outcomes.

Families First was introduced in 1998, based on international research showing that support provided for children in their early years has a lasting influence on the child's health, education and wellbeing. Families First provides an accessible support network for families, with the recognition that the family unit has changed dramatically over past decades. Families now face different social and economic pressures, and many can no longer rely on a stable extended family network. The philosophy of Families First involves supporting parents, carers and communities in raising healthy children while helping parents to give their kids a good start in life.

The research that underpins the prevention and early intervention approach is widely publicised. The research shows that prevention and early intervention programs can benefit children and families in many different ways. For example, nurses visiting homes to help parents make choices about how to care for their baby can improve outcomes for children and their families. Links with other parents and access to counselling services can improve mental health practices. Better relationships within communities make children less vulnerable to child abuse and neglect.

The achievements of Families First in Hastings and on the mid North Coast include increased access to antenatal and early childhood services. Families are offered home visits by nurses, and home visiting is now common in the region. There are antenatal services for young mothers, Aboriginal mothers and mothers with a drug or alcohol problem, and there are better referral systems to link families to other support services. Hastings Families First has improved links between parents for support, the provision of parenting information and child development programs. In the region there are five volunteer home visiting programs, which are constantly training volunteers to visit and assist families; 51 supported playgroups, reaching more than 700 children and parents; and Transition to School programs, with a focus on Aboriginal children.

Hastings Families First has developed cross-agency approaches, with an emphasis on early intervention to support families who need specialised assistance. Family workers currently provide services including co-ordinating services across several agencies to provide parenting support to families, including young mothers, first-time fathers, and Aboriginal parents; improving the referral processes between early childhood health nurses, volunteers, and family workers; and providing an excellent regional and local Families First network that works hard to develop better co-ordination of services for local children and young people. Families First has helped to build supportive environments for children and families in high-need communities.

A Schools as Community Centres Program is operating in Kempsey to focus on the years prior to school entry. Schools as Communities Centres programs are located in primary schools and provide a range of programs such as playgroups, health clinics, transport and parenting skills courses. Isolation can be one of the biggest difficulties facing new parents, so providing a link to the services and informal support that a traditional neighbourhood would offer, such as interaction with other adults, is vital. Increased numbers of Aboriginal staff are working with communities in the Kempsey region to build on relationships and foster leadership in high-need communities. There is an increasing emphasis on family centres and mobile children's services to improve families' access to the network.

Hastings Families First has produced an information booklet that outlines its programs and lists the contact details of local services. This booklet is a great local initiative, and I am advised that funding has been made available to reprint an additional 3,000 booklets. As part of this initiative, new mums will receive a booklet in hospital, which will also be distributed to the division of general practitioners, who can inform parents of what help is located nearby. The Hastings Families First network is working hard to provide vital assistance to local parents and children. I thank Hastings Families First for its valuable contribution to families and communities on the mid North Coast and for helping to inform the wider community about how parents can access, and benefit from, its services. It was a pleasure to attend the "Celebration of Community Partners" function and I wish Hastings Families First continued success with its important programs.

INVESTMENT PROPERTY TAX AND LAND TAX

The Hon. GREG PEARCE [2.45 p.m.]: On Friday 20 May I attended and addressed a public meeting in Port Macquarie about the Carr Government's property taxes. The meeting was organised by several interested local people, including Ken Dodds, the president of the local branch of the Liberal Party, and Liberal Party stalwart Jean Bourne, the branch secretary and a great party supporter for many years. I was pleased the meeting was held at Port Macquarie Golf Club, where Jean still plays golf three days a week—I do not think I could even manage to visit the golf club three days a week! A variety of people attended the meeting. They included self-funded retirees, local business people, and those concerned about the unfair property taxes introduced in last April's mini-budget: the land tax changes and the vendor tax. Similar public meetings were held around the State. There was a gathering in Port Stephens the week before.

The public meetings led, through the media, to an increased understanding of problems with the taxes and to motions such as that which was passed in Port Macquarie. It called on Bob Carr to withdraw the vendor tax and restore the land tax threshold. I am pleased that Bob Carr listened at least to part of the message from concerned citizens around the State who have saved and taken responsibility for funding their retirement. Irene Howard and Neville Whalen were at the meeting. The *Port Macquarie News* interviewed them and they explained their position on these taxes. They are self-funded retirees and self-titled mum and dad investors. Their superannuation funds have been poured into a few long-term residential investment properties to ensure them an income in their non-working years. Mr Whalen said:

We don't depend on taxpayers, in fact we still pay tax ...

The Liberal Party applauds those sorts of independent people, who do not want to be a drain on the rest of the community. Ms Howard and Mr Whalen are being hurt by the vendor tax and the land tax changes. Several other attendees had also made investments for the right reasons. One fellow who had bought a one-acre block on which to keep a couple of horses—a recreational pursuit to which he should have been entitled in his retirement—was forced to sell it because it was deemed an investment property and he was suddenly hit with land tax bills. The Government has made no attempt to address the injustice that is being perpetrated by imposing land tax for a single year and then removing it.

Another issue that a number of participants referred to was the uncertainty and inconsistency of the valuation system in New South Wales. I know that many people have complained about the valuations that came out during the year, in many instances involving huge increases. So far as land tax is concerned, there was a \$143 million variation—10 per cent basically—which the budget papers attributed to higher than expected land values. That issue obviously has to be dealt with as well. Once again I thank Country Liberal Party Vice-President Scot MacDonald, Port Macquarie President Ken Dodds, and Secretary Jean Horne for assisting us in holding this important meeting. It shows that members of the public do get together when they are concerned about unjust matters such as these taxes. The Government has to listen.

FOX STUDIOS DEVELOPMENT APPLICATION

The Hon. Dr ARTHUR CHESTERFIELD-EVANS [2.50 p.m.]: The Auditor-General's performance audit report entitled "Sydney Showground, Moore Park—Lease to Fox Studios Australia" was released in late 1997. At that time the report questioned in whose best interests the Government was acting, and concluded with a damning indictment of a failed government process, questionable probity, and a lack of financial and public accountability. Fast forward to 2005, and nothing has changed. Fox Studios has another development proposal for Building 34 at Fox Studios Moore Park site. It calls for the demolition of the existing building and the construction and use of the replacement building.

Building 34 is classed as a factory-workshop. Works will include such activities as carpentry, metal fabrication, joinery, set finishing, prop and model making, and other associated works. The development application outlining the activities does not include a list of chemicals or materials to be used in each of the activities. It will also be let out to other set builders and hirers, so the landlord will not want to impose conditions that would exclude other uses. The studio is just across the road from Paddington residents who have complained about this matter repeatedly but without any success. One cannot argue that those conditions are not a problem, even if ventilation is adequate. Clearly, ventilation is not sufficient for a workshop that includes the making of sets involving a number of industrial processes, including welding, the use of fillers, and so on.

The list of chemicals that could be used is frightening: ethacure products containing xylene, various polyurethanes, ilicon, foam, shellac, acrylic paints, etch primers, solvent paints, dyes, silastic thixo additives, fibreglass precursors and a number of allergenic things including medium-density fibreboard dust. Fox Studios now has an environment protection licence in relation to these premises. Clause L9 of that licence states:

The licensee must not cause or permit the emission of offensive odour beyond the boundary of the premises.

Clearly, that has been happening for some time, so Fox is in breach of this licence condition, and that will be exacerbated by the proposal for Building 34. Attached to the new development application is a report from Holmes Air Sciences dated October 2004, which states on page 4:

There is the potential for emissions of volatile chemicals with odourous properties to be emitted during operations within the building.

Page 10 of the report states:

On the basis of Conservative modelling of odour emissions from Building 34, some impact in the surrounding residential area has been predicted.

It might be mentioned that Holmes Air Sciences reports have been extravagantly favourable to Fox. Fox states that a 10-foot wall protects residents and that all emissions will be contained within the wall boundaries. That is clearly ridiculous as odours will rise with the air and, in any event, the proposal for Building 34 has four exhaust stacks that protrude over the wall. The Holmes report also states:

It would nevertheless be prudent to consider controlling these emissions further to ensure that there were no impacts on the community.

Unfortunately, the way the workshops undertake their construction often means they work outside the building, or, if not outside, with the doors open. That means that even if carbon scrubbers were fitted to the exhaust fans, odours will escape. The problem with this site from an occupational health and safety viewpoint is that the work force are contractors who work in the film industry. There is no union presence. The contractors want the work and will put up with noxious conditions and dangerous workplaces for the glory of being in the film business. Artistic people and film crews tend to accept risks that less creative people might not. They are putting their health and the health of the surrounding residents at risk.

Some of the residences are less than 20 metres from where work is done. When one-offs are built the fumes cannot be controlled, whereas they might be able to be controlled during an industrial process where a known pollutant is produced in known quantities from a known site. There are some 1,200 dwellings, including flats, townhouses and houses, within a one-kilometre radius of the workshops. There are two primary schools and a child care centre within half a kilometre of the studios. The Bent Street shopping precinct is within the site. Aussie Stadium is adjacent to the studios, as is the Sydney Cricket Ground.

I am informed that three pyrotechnic companies also work out of this site, and that they store explosives on site. This has the potential for a disaster. The most disturbing aspect of all this is that Fox has total

control on the site. They control occupational health and safety. If honourable members would like an indication of that company's occupational health and safety record, it should be noted that as late as October 2001 no-one was in charge of occupational health and safety on the site. That came to light at the Coroner's inquest into the death of a nine-year old boy who was killed when a fence, which was leaning, blew over in the wind and squashed him.

Of further concern is that Fox handles its own fire safety as well, having managed to exclude NSW Fire Brigades. Fox Studios is a highly dangerous, toxic industrial site that should be in an industrial area like other industries that produce noxious emissions. Instead, due to this Government kowtowing to Rupert Murdoch it is in a residential area. It is deadly and dangerous; it is a disaster just waiting to happen. There is also a stockpile of asbestos-contaminated waste stored on site. The Douglas Partners report on Building 34 in September 2004 identified a large stockpile of contaminated waste stored on site. That waste was left following the demolition of the Paddington Pavilion in 2002.

The report also identified three hotspots within the site of Building 34. Douglas Partners stated in conclusion that for the proposed development to proceed, that stockpile and the hotspot material would have to be removed. The nature of the hotspot material was not identified. This development application should not go ahead, and the Government must do the right thing. [*Time expired.*]

RELIGIOUS FREEDOM

Reverend the Hon. FRED NILE [2.55 p.m.]: I wish to speak about an important matter that is creating great concern in Victoria and other States of Australia. I refer to the recent court case in Victoria concerning Pastor Daniel Scot and Pastor Danny Nalliah. In December 2004 Judge Michael Higgins, presiding as the Victorian Civil and Administrative Tribunal, found those two pastors, who are both Asian—Scot is Pakistani and Nalliah is from Sri Lanka—guilty of inciting religious hatred against Victorian muslims. It was an historic case, the first finding of religious vilification under new Victorian legislation. The case is complex. On one side it is said to be about vilification of muslims. On the other, it is said to be about freedom of speech, particularly the freedom to publicly criticise a religious ideology. The case marks a significant translation of concepts of race into the realm of religious identity and belief. As such it deserves to be studied carefully.

One aspect of Judge Higgins' findings that seems especially likely to provoke controversy is his approach to the credibility of the witnesses. Broadly speaking, his Honour found that all seven witnesses for the complainants could be relied upon, but in one way or another he rejected all five witnesses for the respondents, and refused the respondents' request to the court to add additional expert witnesses. His Honour's treatment of Pastor Daniel Scot, one of the respondents in the case, deserves careful scrutiny. Daniel Scot had given a seminar about the Koran, which became a principal focus of the complaint before the tribunal. In considering whether Scot had vilified muslims, the issue of his integrity proved to be critical.

Daniel Scot was born in Pakistan and has a Pakistani name, but he goes under the name of Daniel Scot in Australia. He is also an expert in the Koran. Few non-muslims study the Koran, but because Daniel Scot lived in Pakistan and wished to hold government positions in that country, he had to pass certain Islamic examinations. He passed those exams, which meant he had to study the Koran, and he has become an authority on it. I have had many meetings with him and, when asked a question, he could quote the verse and section of the Koran from memory. His knowledge of the Koran is without question. The judge rejected Daniel Scot's evidence as not credible. He stated:

I have considerable doubt that what he told the seminar was his real beliefs about the Koran.

In other words, he appeared to be lying. His Honour also found Scot to be opportunistic and unbalanced in his method of teaching, and that he selected material because it conveyed a bad impression of muslims. Judge Higgins considered that, because of his lack of credibility, Scot could not be considered to have acted reasonably and in good faith. That meant that Scot had no protection from the religious exception in the Act, which protects conduct that is conducted for a genuine religious purpose, reasonably, and in good faith. Judge Higgins cited two examples of what was, in his opinion, Scot's dishonesty. One was that he had written three books. They were photocopied books. The judge was also suspicious that he had adopted an assumed name when he wrote the publications instead of using his Pakistani name, which is very difficult to pronounce.

In the second example Judge Higgins cited Scot's discussion of the penalty for theft. He would not accept Scot's word that the Koran says a thief's hand is to be cut off and then he is to be shown mercy. The judge could not understand that and said that he found it astounding. The point is that that is what the Koran says, not

what Scot says; Scot was merely quoting from the Koran. Throughout the judge's summing up he twisted the words of Daniel Scot. At one point he said, "Daniel Scot is guilty for saying all Muslims are devils." Daniel Scot quoted a verse in the Koran that says that even some devils have become Muslims. Daniel does not believe that all Muslims are devils. He did not and would not say that. The judge claims he said that. He completely twisted what Daniel Scot said, which was a genuine academic exposition of what the Koran says.

The court case revealed the absolute ignorance of Judge Higgins of the Koran and of the Islamic religion. He thought it was barbaric and criticised Scot for referring to the punishments in the Koran about cutting off a person's hand and then cutting off a foot. But that is a teaching of the Koran. In countries such as Saudi Arabia where the Islamic religion is the basis of law, they cut off the hand or foot of a thief and behead murderers. Scot was only explaining the true teaching of the Koran. [*Time expired.*]

AIRPORTS AND PORTS SECURITY

The Hon. IAN WEST [3.00 p.m.]: The secretary of the New South Wales branch of the Liquor Hospitality and Miscellaneous Workers Union [LHMU], Annie Owens, Assistant Secretary Mark Boyd and LHMU organiser Chad Griffith have raised serious ongoing concerns about security arrangements at Sydney airport that need to be addressed by the Howard Government. Although the Howard Government's long-suffering Minister for Transport and Regional Services, John Anderson, has this week finally asked for a review of airport and port security, the LHMU and other unions have been ignored on security issues for more than five years. That is stupid. The LHMU, the Maritime Union of Australia [MUA], the Transport Workers Union [TWU], and other unions have raised serious concerns with the Federal Government that have not been dealt with and which pose a continuing potential serious threat to Australians.

These issues include subcontracting arrangements; no screening at regional airports; Australian Security Identification Cards [ASIC] including day passes, which provide unrestricted access throughout the airport, including to airside; the Federal Government's deceitful and tired old exercise of scapegoating employees to deflect blame and not deal with the real problems; the searching of only three in every 100 containers through our ports; on any given day 20 per cent of Virgin Airlines baggage handlers at Sydney Airport are on day passes; and as many as 20 per cent of security screeners at Sydney airport may be unlicensed.

Only yesterday Australia learned that the Federal Cabinet had not even costed its security package proposal prior to its release last Monday. It smacks of bad policy made on the run, and it seems that the Federal Government's cost of its shoddy proposal will be recouped by an expensive user pays system. Application of the Federal Government's economic rationalist agenda to Sydney airport is likely to result in the need for more short cuts that will compromise safety and security and greater use of ASIC one-day passes.

As an example of the threat to personal and national security that is posed by the rationalist agenda, the only requirement to gain a day pass, which provides unrestricted access to airside, is to provide a current drivers licence. All you have to do is to go in, hand over your drivers licence, tell them who you are, where you are going, and what you are doing. You do not even have to sign anything. It is a good arrangement to have with a casualised work force; it is also a good arrangement to help a deranged terrorist get access to Sydney airport. The LHMU has informed the Federal Government that up to 20 per cent of security screeners at Sydney airport are casual employees with little experience, who are employed by sub-contractors, who may be unlicensed, and who access the airport using temporary passes.

A spokesman for John Anderson responded just last week to the LHMU calls for tightening up temporary passes by saying, "You've got to wonder what the ulterior motive is here." But the level of bluff, arrogance and contempt shown by the Federal Government on this issue has Australians worried. The Customs Officers Association head, Peter Bennett, said last week that the leaking of a customs report finalised last September would result in nothing more than customs undertaking a "witch-hunt" to find the person who leaked it. He is probably right. The Federal Government's call for renewed background and criminal checks is not only a disturbing admission, but it also characterises the divisive approach adopted by the Howard Government over the past nine years. Just two days ago, in an attempt to appear like he is across port security issues, John Anderson said of waterfront workers, "I think we will find a significant number of people with criminal backgrounds."

To date the Federal Government has been unable to explain exactly what its "fit and proper person" test will entail. Airport and port workers and their families await an explanation of where they stand under this test so they can get on with their lives. This fit and proper test is from a Government that oversees the inspection of

just three containers in every 100 that come through our ports. This is from a Government that removed the Inspector of Transport Security from his job so he could head up the Cornelia Rau Inquiry, an inquiry that was patched together after sustained and damaging revelations about the state of our immigration system. This is from a Government that has given former British Conservative Party Minister John Wheeler six weeks to review airport security.

The Australian people are getting another review, some reissuing of ASIC cards for the second time in 12 months, some rechecking of criminal records and the same wedge politics from a Federal Government that cannot see past its prejudices to the real issues. Nor can it overcome its natural tendency to take a morally corrupt and politically expedient path on any matter requiring action. I commend the LHMU, the TWU, the MUA and the union movement in general on the consistent and principled stand they have taken in defence of standards that protect workers and the way of life of the Australian people. Without these unions and their members, the Australian people will lose an important tool in keeping governments accountable. We await the Federal Government's response to the report.

HELLFIRE PASS DAWN SERVICE

KANCHANABURI MEMORIAL SERVICE

The Hon. RICK COLLESS [3.05 p.m.]: I report to the House on a trip to Thailand during April 2005. I had the approval of the President to represent the Parliament of New South Wales at the Hellfire Pass Dawn Service and the Kanchanaburi Memorial Service on ANZAC Day. Hellfire Pass was one of the most difficult sections of the notorious Siam-Burma Railway, between Bampong in Siam, which is now Thailand, and Thanbyuzayat in Burma, which is now Myanmar. The railway was made famous following the war by the 1957 movie *The Bridge on the River Kwai*, which starred William Holden, Alec Guinness and Jack Hawkins. The bridge on the River Kwai still stands today and I was lucky enough to walk across it during our visit.

The Japanese Government, utilising the labour resources of allied prisoners of war and Asian labourers, constructed the railway between October 1942 and October 1943. Some 60,000 Australian, British, Dutch and American prisoners and 250,000 Asian labourers worked as slaves on the 415-kilometre railway. One of the most horrific sections of the railway involved two deep cuttings at an area known as Konyu in Thailand, and those cuttings were collectively known officially as Konyu Cutting. Ironically, work commenced on Konyu Cutting on 25 April 1943. So began one of the worst cases of human rights abuse anywhere in the world and certainly one of the most severe cases during World War II. One of the cuttings was 460 metres long and nearly 8 metres deep, and the other was 73 metres long and 24 metres deep. The construction was completed by hand drilling holes and blasting the rock in very hot, summer monsoonal conditions.

Prisoners were forced to work from 4.00 a.m. until 11.00 p.m. and in the darkness fires were lit along the length of the work site, and the prisoners of war [POWs] renamed the pass Hellfire Pass as a result of the eerie light shed upon the exhausted, sweating and starving men forced to work non-stop by the Japanese guards. The cost in human life was enormous, with some 12,399 allied POWs dying during the 12 months of construction. It is estimated that between 70,000 and 90,000 civilian labourers also died, and that approximates to one life for every sleeper that was laid on the track. Seven hundred allied POWs lives were lost at Hellfire Pass, including 69 who were beaten to death by the Japanese engineers and their guards. Those lives were taken by tropical diseases such as malaria, beri-beri, cholera and dysentery, workplace injuries, starvation and exhaustion and, of course, as a result of the continual abuse and lashings administered by the Japanese guards.

Many more POWs would have suffered the same fate but for the efforts of a small team of dedicated and committed doctors and volunteer soldiers, the most famous of whom is Sir Edward "Weary" Dunlop, who worked under appalling conditions and undertook some extraordinary operations and medical procedures with virtually no equipment, anaesthetics or drugs, to make life easier for the suffering. I was honoured to lay a wreath during the Dawn Service at the Hellfire Pass Memorial, which is located on the remnants of the railway track at Hellfire Pass, on behalf of the Parliament of New South Wales. I was further honoured to lay a second wreath at the memorial service at the Kanchanaburi War Cemetery, some 180 kilometres south of Hellfire Pass, at 11.00 a.m. on Anzac Day. It was an extremely humbling experience to visit Hellfire Pass. The energy of the place is enormous as one enters the cutting itself. Far more humbling for me, however, was a small task I was asked to perform on behalf of a New South Wales family. The family of Private Richard William Cahill asked me if I would lay a wreath on their behalf in memory of their father and brother.

Private Richard William Cahill, NX49129, enlisted at Paddington on 13 February 1941 and landed in Singapore just two weeks before it fell to the Japanese. He was imprisoned at Changi and later transferred to

work on the Thai-Burma Railway. It was three years later before Private Cahill's family learnt of his fate and that he was still alive. His POW mates spoke very highly of him: he was always helping others and always cheerful, and although he suffered from illness he volunteered to work in what must have been atrocious conditions in the POW cholera hospitals run by Weary Dunlop. Such was the community spirit of Richard Cahill that he volunteered to remain behind after the war ended to make sure all his mates were moved off the Thai-Burma Railway precinct, despite the fact that he was still suffering from beri-beri.

Private Cahill and many other POWs apparently were transferred to India to recuperate prior to coming home, which was probably a wise move given their emaciated state and the effect it may have had on their families and the nation as a whole. Although Private Cahill survived the horrors of the Death Railway, he was one of the thousands of soldiers who had to then live with those war injuries, both physical and psychological, and, of course, the terrible memories after they came home. Richard Cahill married Ona Harlow soon after his discharge on 17 April 1946, and they produced two sons, Richard Jnr and Warren. Of course, Warren is well known to all honourable members of this Parliament.

Private Cahill tragically died in 1959, at the age of 39 years and 11 months, from the effects of his treatment at the hands of the Japanese forces. Ona passed away in 1998, and Richard is now survived by his sisters, Kathleen and Aileen, and sons, Richard Jnr and Warren. Kathleen and Aileen are present in the gallery this afternoon, together with Aileen's husband, Gene, and of course Warren is in the Chamber. On Anzac Day morning, immediately following the official part of the dawn service, as I carried Private Cahill's wreath and the card given to me by his family towards the memorial at Hellfire Pass, a tremendous wave of emotion overcame me. My spine was tingling and the hair was standing up on the back of my neck.

I have laid many wreaths on Anzac Day over the years, but I have never experienced the humbling sensations I felt as I laid a wreath in memory of one brave soldier's effort to help his mates survive one of the most terrible events in the course of history. Kathleen, Aileen, Richard and Warren can feel extremely proud of their brother and father, because it is the efforts of soldiers such as Private Richard William Cahill that gave this nation the freedoms we now enjoy, and we are forever in their debt for the sacrifices they made.

MR LEX STEWART LIBERAL PARTY MEMBERSHIP

The Hon. ERIC ROOZENDAAL (Parliamentary Secretary) [3.10 p.m.]: Firstly I congratulate the Hon. Rick Colless on his excellent speech. There is a fight on for the soul of the Liberal Party, and it appears that John Brogden is missing in action. The Kelyglen branch of the Liberal Party has a new member.

The Hon. Duncan Gay: Point of order: I fail to see the relevance of this contribution to any standing orders of the Parliament. During today's adjournment debate nothing has been raised that pertains to the comments the Parliamentary Secretary is now making. On my understanding of the standing orders, during an adjournment debate a Minister or Parliamentary Secretary may only comment on matters raised during contributions to that debate. Given that no debate along the lines of the Parliamentary Secretary's comments thus far has taken place, I request that you rule his contribution out of order. Indeed, it is in poor taste following the contribution of the Hon. Rick Colless.

The DEPUTY-PRESIDENT (The Hon. Amanda Fazio): Order! It is the general practice in this Chamber that Ministers speaking in reply in the adjournment debate are not restricted to referring to matters raised by members in their contributions to the motion. Accordingly, I rule that the point of order is not valid, and the Hon. Eric Roozendaal may continue.

The Hon. ERIC ROOZENDAAL: One of the most important aspects of Australian society is the protection of freedom of speech and freedom of democracy. I think that was one of the issues the Hon. Rick Colless spoke about in his contribution. I also want to speak about that issue, but from a different perspective. I am disappointed that some members of the House seek to silence those who express an opinion that may not necessarily be analogous to their opinion. As I said, the Kelyglen branch of the Liberal Party has a new member—Lex Stewart, a former New South Wales secretary of the One Nation party. Lex Stewart was once at the very top of the New South Wales One Nation party structure; indeed, he was among the most senior One Nation figures in the country. He was the most powerful official after David Oldfield and David Etteridge. And now the Liberals welcome this accomplished extremist with open arms, and they happily stamp "approved" on his membership application. Well, not all Liberals. A few still have some guts. The secretary of the Hawkesbury branch of the Liberal party, Grahame Utley, was outraged when he heard about Lex Stewart's recruitment. He demanded that Lex Stewart's membership be annulled.

The State director, Grahame Jaesche, was not happy either. Jaesche warned Utley of the "extreme right-wing organisations" infiltrating the party in the north-west, and of the grave danger they posed to the Liberal party. Extracts of an exchange between the two were published in the *Sunday Telegraph* on 15 May. They revealed Lex Stewart's recruitment to be part of an attempt to stack key Liberal branches with right-wing extremists and undermine the party's moderate faction. The *Daily Telegraph* named those responsible as supporters of the Hon. David Clarke. It is a good bet that this article got John Brogden's attention. A bitter factional dispute within his own party, splashed across the pages of a newspaper—

Reverend the Hon. Fred Nile: Point of order: Madam Deputy-President, I seek your clarification. On my understanding of the standing orders, during the adjournment debate a Minister or Parliamentary Secretary may respond to issues raised in the Parliament—not necessarily in the adjournment debate—for the purpose of clarification. The issue to which the Hon. Eric Roozendaal refers has not been raised in the House. It is not the subject of a motion or a bill; it is simply new material, which we were completely unaware of. The issue may be of interest to the Hon. Eric Roozendaal. He can discuss the matter with the Labor Party, but he has no right to raise it in the House as a statement on behalf of the Government.

The DEPUTY-PRESIDENT (The Hon. Amanda Fazio): Order! I refer to my ruling on the point of order taken by the Deputy Leader of the Opposition, which was along similar lines. The point of order is not valid, and the Hon. Eric Roozendaal may continue.

Reverend the Hon. Fred Nile: Further to the point of order: The reason we raise the point of order again is that in your ruling you said that the Hon. Eric Roozendaal was not restricted to matters raised in the adjournment debate. My point is that the issue raised by the Hon. Eric Roozendaal does not relate to matters raised in the House at any time; it is completely new material. He is not explaining to the House an issue already raised, to help us understand it; he is simply presenting new material.

The DEPUTY-PRESIDENT (The Hon. Amanda Fazio): Order! I will seek advice before I rule on the matter.

The Hon. Duncan Gay: To the point of order: Madam Deputy-President, while you are taking advice on the matter, will you also take advice on Standing Order 91 (3), which reads:

A Member may not use offensive words against either House of the Legislature or any member of either House, and all imputations of improper motives and all personal reflections on either House, members or officers will be considered disorderly.

The Hon. Eric Roozendaal's comments immediately prior to the Reverend the Hon. Fred Nile's point of order come under that category.

The DEPUTY-PRESIDENT (The Hon. Amanda Fazio): Order! To clarify the matter for honourable members, I will read from the section of standing orders relating to the adjournment of the House. Standing Order 31 (4) (a) provides:

On any motion for adjournment to terminate a sitting:

- (a) the question will be put no later than 30 minutes after the motion has been moved, or, when a Minister wishes to speak or is then speaking, at the conclusion of the Minister's remarks ...

That section of the standing orders does not make reference to matters to which the Minister, or in this case the Parliamentary Secretary, is restricted. The Deputy Leader of the Opposition referred to Standing Order 91 (3). Though I listened to the Parliamentary Secretary's contribution, I was not aware of anything said about either of the Houses or any member of those Houses that would be considered disorderly. Therefore I rule against that point of order.

The Hon. ERIC ROOZENDAAL: The *Daily Telegraph* named those responsible as supporters of the Hon. David Clarke. It is a good bet this article got John Brogden's attention—a bitter factional dispute within his own party, splashed across the pages of a newspaper! At the very same time the ugly faction of the Liberal Party prepared to take control of the New South Wales State Executive of the Liberal Party—which, of course, is exactly what they did with the help of supporters of other members of this House. If John Brogden read this article he would have known his own officials want an extremist like Stewart kicked out of the party. But, whether or not he knew, at a press conference on 19 May John Brogden bravely defended the recruitment of Lex Stewart. The alleged moderate John Brogden had no objection to a senior One Nation official joining the Liberal Party!

Brogden not only stands by while his own backbenchers recruit extremists into his party; he defends their right to do so. "Everybody's entitled to join the Liberal Party so long as they subscribe to our broad range of views," Brogden said. "Not every former One Nation member is a ridiculous extremist. I just don't know what the guy's views are." That was a statement made by John Brogden, and it was quoted extensively in the media. This is not the statement of a leader in control. It is the statement of a leader in denial, the words of a man with his head in the sand. It is now three weeks later and John Brogden has had every opportunity to make inquiries into Stewart's shady past.

[*Quorum formed.*]

"Not every former One Nation member is a ridiculous extremist. I just don't know what the guy's views are." That is what John Brogden said in relation to Alex Stewart. This is not the statement of a leader in control. It is the statement of a leader in denial, the words of a man with his head in the sand. It is now three weeks later and John Brogden—

The Hon. Duncan Gay: Point of order: Standing Order 91 (3) states quite clearly that a member must not use offensive words against either House of the Legislature, or any member of either House, and all imputations of improper motives and all personal reflections on either House, members or officers will be considered disorderly. Unless the honourable member is speaking to a substantive motion, his remarks are disorderly. He would have done better to go home when we suggested, rather than dragging on with this filth at the end of the day.

The Hon. Amanda Fazio: To the point of order: I have listened very carefully to what has been said. It is unreasonable to suggest that a remark that a man had his head in the sand is offensive, given some comments made regularly by Opposition members about Government members. I submit that the standing order has not been breached.

The Hon. Michael Gallacher: To the point of order: The Hon. Eric Roozendaal is pushing the envelope, and I ask him to refrain from any further comment on the matter.

The PRESIDENT: Order! I and former Presidents have made rulings distinguishing between general comment about political strategy and political parties, which of course is in order, and imputations of improper motives, which of course are out of order. I remind the Hon. Eric Roozendaal that he must not make imputations of improper motives against a member of this or the other House.

The Hon. ERIC ROOZENDAAL: Since I came to this place I have taken a keen interest in some issues that I foreshadowed in my maiden speech. However, after consultation with the Leader and Deputy Leader of the House, I will leave the remainder of this speech for another day.

Motion agreed to.

The House adjourned at 3.30 p.m. until Tuesday 21 June 2005 at 2.00 p.m.
