LEGISLATIVE COUNCIL

Wednesday 7 June 2006

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

The Clerk of the Parliaments offered the Prayers.

COURTS LEGISLATION FURTHER AMENDMENT BILL

CHILDREN AND YOUNG PERSONS (CARE AND PROTECTION) 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 these bills be read a first time and printed, standing orders be suspended on contingent notice for remaining stages, and the second readings of the bills be set down as orders of the day for a later hour of the sitting.

Bills read a first time and ordered to be printed.

BUSINESS OF THE HOUSE

Precedence of Business

Motion by the Hon. Tony Kelly agreed to:

That on Wednesday 7 June 2006 Government Business take precedence of debate on committee reports and on Thursday 8 June 2006 Government Business take precedence of General Business.

BUDGET DOCUMENTS

Production of Documents: Order

Motion by the Hon. Michael Gallacher agreed to:

That, under Standing Order 52 there be laid upon the table of the House within 14 days of the date of the passing of this resolution the following documents in the possession, custody or control of the Treasurer, the Treasury or the Premier's Department:

(a) any documents, excepting any budget papers tabled in Parliament, provided to individual members of Parliament relating to the 2006-2007 budget,

(b) any documents prepared for the 2006-2007 budget in anticipation of the sale of Snowy Hydro Limited that have not previously been provided to the House, and

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

LANE COVE TUNNEL

Production of Documents: Tabling of Documents Reported to be Not Privileged

Motion by the Hon. Duncan Gay agreed to:

1. That, in view of the report of the Independent Legal Arbiter, Sir Laurence Street, dated 22 May 2006, on the disputed claim of privilege on documents relating to the Lane Cove Tunnel further order, this House orders that the documents considered by the Independent Legal Arbiter not to be privileged be laid upon the table of the House by the Clerk.

2. That, on tabling, the documents are authorised to be published.

PRODUCTION OF DOCUMENTS

Dispute of Claim of Privilege and Reports of the Independent Legal Arbiter

Motion by the Hon. Greg Pearce agreed to:

1. That this House notes that independent legal arbiters have been appointed by the President to evaluate and report on disputed claims of privilege on documents lodged with the Clerk relating to:

   (a) Audit of Expenditure and Assets,

   (b) Dioxin levels in Sydney Harbour,

   (c) Luna Park leases and agreements,

   (d) Sale of PowerCoal assets, and

   (e) Snowy Hydro Limited—further order.

2. That, if the House is not sitting when the reports of the independent legal arbiters are lodged with the Clerk, the reports are:

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

   (b) for all purposes deemed to be a document published by order or authority of the House.

3. That any document considered by the independent legal arbiters not to be privileged is authorised to be published by the Clerk by order or under the authority of the House.

4. That the tabling of the reports of the independent legal arbiters and the publication of any documents are to be recorded in the *Minutes of Proceedings* of the House.

CANTERBURY MULTICULTURAL AGED AND DISABILITY SUPPORT SERVICES INC.

Production of Documents: Order

Motion by Ms Sylvia Hale agreed to:

That under Standing Order 52 there be laid upon the table of the House within 14 days of the date of the passing of this resolution the following documents created since 1 January 2004, in the possession, custody or control of the Minister for Disability Services, the Minister for Fair Trading, the Department of Ageing, Disability and Home Care and the Department of Fair Trading:

(a) any document relating to the appointment of consultants, agents, independent auditors, advisers or representatives to investigate complaints relating to the activities or conduct of the Canterbury Multicultural Aged and Disability Support Services Inc.,

(b) any report into the activities or conduct of the Canterbury Multicultural Aged and Disability Support Services Inc., including any drafts of such reports,

(c) any correspondence relating to the activities or conduct of the Canterbury Multicultural Aged and Disability Support Services Inc., or relating to any investigation or report into the activities or conduct of the Canterbury Multicultural Aged and Disability Support Services Inc.,

(d) any minutes or notes of any meetings relating to the activities or conduct of the Canterbury Multicultural Aged and Disability Support Services Inc. or to any investigation or report into such activities or conduct, and

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

TABLING OF PAPERS

The Hon. Eric Roozendaal tabled the following paper:

Annual Report (Statutory Bodies) Act 1984—Report of Wild Dog Destruction Board for the year ended 31 December 2005.

Ordered to be printed.

UNPROCLAIMED LEGISLATION

The Hon. Eric Roozendaal tabled a list detailing all legislation unproclaimed 90 calendar days after assent as at 6 June 2006.

SELECT COMMITTEE ON THE PROPOSED SALE OF SNOWY HYDRO LIMITED

Report: Proposed Sale of Snowy Hydro Limited

Reverend the Hon. Dr Gordon Moyes, as Chair, tabled a report entitled "Proposed Sale of Snowy Hydro Limited", dated June 2006, together with a tabled document, submissions and correspondence.

Report ordered to be printed.

PETITIONS

Snowy Hydro Limited Sale

Petition calling for a plebiscite to be held at the same time as the State election in March 2007 to gauge public opinion on the sale of Snowy Hydro Limited, received from **Ms Sylvia Hale**.

BUSINESS OF THE HOUSE

Postponement of Business

Business of the House Notices of Motions No. 2 postponed on motion by Mr Ian Cohen.

Government Business Orders of the Day Nos 1 and 3 postponed on motion by the Hon. Tony Kelly.

GENERAL PURPOSE STANDING COMMITTEE NO. 3

Membership

The PRESIDENT: I inform the House that the Clerk has received the nomination of Ms Lee Rhiannon as a crossbench member of General Purpose Standing Committee No. 3 in place of the Hon. Peter Breen.

COMMITTEE ON THE OFFICE OF THE OMBUDSMAN AND THE POLICE INTEGRITY COMMISSION

Membership

The PRESIDENT: I inform the House that the Clerk has received the nomination of Ms Lee Rhiannon as a crossbench member of the Committee on the Office of the Ombudsman and the Police Integrity Commission in place of the Hon. Peter Breen.

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

BUSINESS OF THE HOUSE

Suspension of Standing and Sessional Orders

Motion by Mr Ian Cohen agreed to:

That standing and sessional orders be suspended to allow a motion to be moved forthwith that Private Members' Business item No. 5 in the Order of Precedence, relating to the introduction of the Snowy Hydro Corporatisation Amendment (Parliamentary Scrutiny of Sale) Bill 2006, be called on forthwith.

Order of Business

Mr IAN COHEN [11.16 a.m.]: I move:

That Private Members' Business item No. 5 in the Order of Precedence be called on forthwith.

The Hon. DUNCAN GAY (Deputy Leader of the Opposition) [11.16 a.m.]: The Opposition supports the motion to allow Mr Ian Cohen to introduce a bill relating to the Snowy Hydro Limited sale. The Opposition has a similar bill. It would be churlish of the Opposition to deny Mr Ian Cohen the opportunity to introduce his bill, given the similarity between the two bills. However, the Opposition acknowledges that at some stage we will need to look at continuity between an Opposition bill introduced in the lower House and a bill to be introduced in the upper House. At this stage the Opposition is willing to support Mr Ian Cohen's motion and his bill. His bill is similar to a bill introduced in the lower House. The Opposition will support the bill to be introduced by Mr Ian Cohen.

Motion agreed to.

SNOWY HYDRO CORPORATISATION AMENDMENT (PARLIAMENTARY SCRUTINY OF SALE) BILL

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

Mr IAN COHEN [11.19 a.m.]: I seek leave to suspend standing orders to allow the bill to proceed through all stages during this or any one sitting of the House.

Leave not granted.

Second Reading

Mr IAN COHEN [11.21 a.m.]: I move:

That this bill be now read a second time.

The Snowy Mountains scheme commenced in 1949 after the proclamation of the Snowy Mountains Hydro-Electric Authority Act. Construction of the scheme was a mammoth task, spanning from 1949 until its completion in 1974. The construction of the scheme saw a major turning point in the multiculturalism of Australia, with about 100,000 workers from 30 countries working on the project. It remains the largest engineering project in Australia's history. The purpose of the scheme was to collect water from the east of the Great Dividing Range and divert it westward through the Snowy Mountains to the Murray and Murrumbidgee river systems. The scheme constructed gigantic reservoirs, swamped entire valleys and towns, and transformed the face of agriculture in Australia through the water it provided. It also became a major source of electricity. While the negative environmental impacts of such a scheme are well recognised, the fact is that it exists and there is no denying that it is a massive entity.

The scheme has a generating capacity of 3,756 megawatts and it generates an average of 4,500 gigawatt hours of energy per annum. The scheme cost $800 million to build and was financed by the Commonwealth Government from consolidated revenue. The intention was that income from the sale of electricity generated by the scheme was to repay the Commonwealth Government over a period of 70 years. Prior to corporatisation the operation and maintenance of the scheme relating to water management and electricity production were subject to oversight by the Snowy Mountains Council, a tri-State body. The scheme's electricity production was shared 13 per cent Commonwealth, 29 per cent Victoria and 58 per cent New South Wales. The scheme was corporatised in June 2002 and commenced operation as a corporate entity in the national electricity market.

The outstanding debt to the Commonwealth was refinanced and repaid at the time of corporatisation. Shares in Snowy Hydro Limited were issued to the Commonwealth, Victoria and New South Wales governments in the same percentages as their previous share of electricity—namely, 13 per cent Commonwealth, 29 per cent Victoria and 58 per cent New South Wales. These shares were issued at no cost to those governments and the three governments have equal voting rights. It took around nine years to negotiate corporatisation of the scheme. The corporatisation documentation comprises 46 agreements, deeds, orders, leases and other documents. Given the complexity and the length of time it took for corporatisation, it is amazing that this Government attempted a fire sale in such a short space of time. Rushing a process as massive as this was bound to result in mistakes being made. It appears as though legal advice sought by the Greens about the legality of the Commonwealth's sale of shares might have precipitated that Government's withdrawal from the sale.

The object of the Snowy Hydro Corporatisation Amendment (Parliamentary Scrutiny of Sale) Bill is to require the approval of both Houses of Parliament before shares in the Snowy Hydro Company held by New South Wales may be sold or otherwise disposed of. It merely inserts a section into the Act that should have been there in the first place. It is entirely unacceptable that a national icon, a crucial source of water and a vital piece of renewable energy infrastructure should be sold without the approval of Parliament. It does not belong to the Executive Government; it belongs to the people of Australia and, as their representatives, it should be up to the Parliament to have a say if the scheme is to be disposed of. This bill inserts proposed section 5A into the principal Act, which provides:

> Shares in the Snowy Hydro Company held by the State of NSW must not be sold or otherwise disposed of unless the disposal is approved by resolution of each House of Parliament.

That is self-explanatory. A public asset of this nature should not be sold without parliamentary scrutiny. The Minister, after public outcry about the lack of debate on the proposed sale, finally agreed to a debate, but that debate was a sham. Standing orders were used to bring on a debate that did not even end in a vote. Even the Commonwealth Government debated a motion over the sale of its 13 per cent share of the scheme. While in essence it was a farce, because the Commonwealth Government has control of both Houses, at least it had a debate and a vote. The legality of the Commonwealth Government selling its stake was questioned by senior legal advisers and led to the Prime Minister's back down on the sale.

I deal now with the important issue of water. The Snowy Hydro scheme collects an average of 2,500 gigalitres of water annually. The corporatisation document includes a 75-year water licence that grants Snowy Hydro Limited rights over the collection, storage and release of the scheme's water resource. In other words, by privatising Snowy Hydro, governments would be handing control of 2,500 gigalitres of the nation's scarcest natural resource—water—to private enterprise for the next 70 or more years. The terms and conditions of the 75-year water licence favour use of the water for electricity production and electricity market trading over the optimum water resource utilisation. The licence thus falls a long way short of optimising water utilisation.

The licence, for all practical purposes, cannot be varied or revoked. There are provisions to review the licence but any changes that have a potential to impact on Snowy Hydro's profitability are subject to compensation payments that are likely to be hundreds of millions of dollars. Water is the most vital resource that we have. The Snowy Hydro scheme was originally intended to ensure that water would be available for conservation and irrigation purposes, with energy sales a secondary concern that would help to pay for the scheme's maintenance. That situation has now been reversed and the Snowy Hydro Corporation is making a significant profit from both energy sales and its insurance arm.

A privatised entity that is beholden to maximising shareholder returns would be likely to move further into these profitable areas at the expense of the core areas of water quality and environmental flows. These environmental flows have taken years of negotiations to secure and are essential for maintaining the health of our major rivers and its fish population, and for the riparian vegetation habitat. Insufficient flows lead to degradation of vegetation and soil erosion. Precious topsoil is lost, leading to a decrease of native vegetation and loss of habitat for wildlife. Many unknown factors will impact on our water needs and use, such as climate change, population growth and distribution.

Due to the large storage capacity of Lake Eucumbene, many years of above target water can be stored. Currently, Snowy Hydro Limited has access to 1,000 gigalitres of above target water in storage. This kind of water security simply must not be put into private hands. The lack of water flow has had a massive impact on native species. Those species are dependent on water flowing into the Snowy and the rivers flowing to the west. Blackfish were a great part of the diet of Aborigines and helped local people feed themselves during the Great Depression. Today that species is confined to a single tributary of the Snowy—the Delegate River. Teams of scientists have caught only 50 of them.

The Department of Primary Industries, the Premier's Department and the Southern Rivers Catchment Management Authority initiated a captivity breeding program to stop the extinction of this species. Once the habitat is restored blackfish will be released in two parts of the Snowy River where they are now extinct. Privatisation of the scheme would threaten the restoration of environmental flows and jeopardise the project. There is concern among the farming community that private owners would not honour agreements to provide them with irrigation water. As a result, State costs for drought assistance to farmers would be likely to increase.

I emphasise that the sale of the scheme would be more than just a disaster for the environment and local farmers; it would also be a disaster for all New South Wales taxpayers. In the long term the budgetary effects of

the sale of the Snowy would be negative rather than positive. The privatisation of water has been a debacle worldwide, leading to price increases, a slow down in maintenance and infrastructure work, insufficient distribution and a reduction in water quality. These negative effects are leading many countries to abandon their failed and costly privatisation policies. Last March Argentina announced a complete turnaround from the failed public-private partnership model of the last decade, which would have involved progressive public water reforms.

Over the past year water multinationals have been forced to withdraw from concessions in Bolivia, Argentina and Tanzania after failing to deliver promised improvements in water distribution. In El Alto, Bolivia the Government recently terminated concessions to French water giant Suez. This came only after citizens had protested for seven years, during which time many people lost access to the water supply due to exorbitant connection fees. Do we really want to go down the path of privatising one of our greatest water resources?

Debate adjourned on motion by Mr Ian Cohen.

LOCAL GOVERNMENT AMENDMENT (WASTE REMOVAL ORDERS) BILL

Second Reading

The Hon. TONY KELLY (Minister for Justice, Minister for Juvenile Justice, Minister for Emergency Services, Minister for Lands, and Minister for Rural Affairs) [11.30 a.m.]: I move:

That this bill be now read a second time.

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

Leave granted.

The Local Government Amendment (Waste Orders Removal) Bill has been drafted to respond to a need for local councils to be able to react quickly and effectively to a situation that is posing a threat to public health or the health of an individual on private land. The Local Government Act currently allows councils to issue an order to land owners and occupiers in a number of situations to preserve healthy conditions. For example, an owner or occupier can be ordered to restore land to a safe and healthy condition. The current powers to issue orders cannot always allow a council to get a land owner to make their land safe and healthy as quickly as is needed. This is because before serving an order under current arrangements, a council is required to give notice of its intention to serve the order so that the recipient has an opportunity to make representations to the council about the order.

These representations may be both written and oral and legal representation may be used. If, after hearing the representations, the council decides to go ahead and issue the order then the recipient can appeal to the Land and Environment Court. There is an existing order relating to the conduct of an activity on premises that constitutes a life threatening hazard or threat to public health or safety. This order can be given in an emergency, which would mean that the council would not have to give notice of the order or hear representations. However, the recipient can still appeal against the making of the order to the Land and Environment Court. This can mean delays of as many as 18 months or more before the clean up can be achieved. Public health is a very serious matter. Councils should be able to respond promptly to situations where public health or the health of an individual is put at risk. This bill will allow councils to issue a new order on an owner or occupier of residential premises requiring them to remove and dispose of waste that constitutes a threat to public health or the health of an individual.

The new 22A order can be issued to remove or dispose of waste on residential premises where the waste, in the opinion of an environmental health officer, is causing or is likely to cause a threat to public health or the health of an individual. A 22A order can also require the owner or occupier of residential premises to refrain from keeping the waste. A 22A order could remain in effect for up to 5 years. At any time during the period, if there is a failure to comply with the terms of the order, the council may enter and clean up the land or premises without the need to serve a further order. The cost of the clean up work is to be borne by the person upon whom the order was issued. For example, if it is the occupier who is responsible for the accumulation of waste then the order will be issued to the occupier. If the owner is responsible for the accumulation of waste then the owner will be issued with the order. This will avoid a situation where a landlord is forced to bear the cost of clean up orders served as a result of a tenant's conduct and vice versa.

This is consistent with current provisions of the Act. It is up to council to determine whether or not to charge for the cost of clean up work, taking into consideration each case on its own merits. The power to issue a 22A order is different from the usual types of orders because a council will not first have to issue a notice of its intention to issue the order and hear submissions as to why the council should not issue this order. Also, there is no right to appeal to the Land and Environment Court about the council's intention to issue the order. Because of this, a 22A order can only be issued where an environmental health officer, as defined in the Public Health Act 1991, is of the opinion that the waste causes or is likely to cause a threat to public health or the health of any individual. Before issuing a 22A order a council will be required to consider whether the order will make a resident homeless. If the order does have that effect and the resident cannot find alternative satisfactory accommodation then the council will be required to provide the resident with information as to satisfactory alternative accommodation.

This is already a requirement in the Act where other orders are issued. A council will have to give the order in writing. This will make sure that the person to whom the order is issued knows their obligations. The council will also be required to give reasons

for the order being made. These may be provided in the order or provided in a separate document. This is consistent with the current provisions of the Act in relation to other orders in section 124. A council will have to give the person a reasonable period to comply with the order. This is to give the resident or owner the opportunity to clean up the premises themselves at their own cost. However, if the situation is so serious that the council believes the circumstances constitute a serious risk to health or safety, or an emergency, then the council will be able to require the clean up to occur immediately. The effect of the order may involve council officers repeatedly entering onto land or premises over the maximum five year period.

Councils will be required to notify the owner or occupier served of the intention to enter the property on a certain date and at a certain time to clean up. This notice will be required each time the council seeks to enter the property during the period the order is in force. This means that when the work required to give effect to the terms of the order has not been done at any time during the period the order is in force, the council can enter the property and carry out the necessary clean up work. While it is recognised that this type of order may have the potential to deprive the resident of their inherent right to quiet enjoyment of their property and their right to privacy, in such situations it is the right of the public and individuals to have their health protected that must be the paramount consideration. The exception to the requirement to give notice is where the threat to public health or the health of an individual is so serious that the clean up must be done urgently. The bill requires that the paramount consideration in giving this order is the protection of public health.

If the terms of the order are not complied with in the period specified and the council is required to do the clean up work itself then it can resolve to recover the cost of the work from the person issued with the order. The Act already allows this to occur where other orders are issued. The bill removes some appeal rights that relate to the process of issuing clean up orders, but it does not remove the right of a person to bring proceedings in the Land and Environment Court for an order to remedy or restrain a breach of the Act. This means that where a person believes that a council had no grounds to issue an order in terms of order 22A they can ask the Court to review the decision. For example, if the person did not believe the waste on their premises constituted or was likely to constitute a threat to public health they could ask the Court to set aside the order. Where a person has complied with the terms of the order but believes that the order should not have been made, they can seek compensation for expenses incurred.

This can only occur if the Court finds that the giving of the order was unsubstantiated or the terms of the order were unreasonable. The amendments in this bill will significantly improve a council's ability to deal with residents who fill their yards with rubbish collected from the streets, garbage bins and council clean-ups. We are not talking about unsightly conditions or visual amenity. We are talking about a threat to the public health of neighbours and the public. A recent example of where this reform is urgently needed is in Waverley. Waverley Council has tried for around 17 years to get the owner of residential premises in Bondi to rectify the unhealthy condition of the premises that posed a health risk to the public, neighbours and the landowner. The rubbish was attracting rodents and other pests and spilled out from the premises onto the pavement. At one point in time, rubbish had been accumulated up to the eaves of the house. The Council issued an order to clean up the premises under its existing powers but the Council's decision to issue the order was appealed to the Land and Environment Court.

That appeal process took 8 hearings before the Court recognised that the Order could be validly issued and that the clean up was required. The Court then gave a further two months to allow the landowner to clean the land up herself. It was only when she failed to do this that the Court allowed the Council to enter the property and clean it up. That is not the whole of the story. The Council has reportedly spent around $27,000 on its latest clean up of these premises and another $30,000 on legal costs defending its decision to issue the orders in the Land and Environment Court. This is because the owner continues to collect rubbish after the Council cleans it up. The story has not ended yet. There are recent media reports that the owner of the Bondi premises is again filling her yard with rubbish. The Council has indicated that the rubbish again started to accumulate soon after the Council had cleared it away in December last year. The Council has again issued a notice of an intention to issue a clean up order and the landowner has again appealed to the Land and Environment Court.

On the last occasion the Court recognised that there was a threat to public health as a result of the accumulated rubbish. The neighbours were deeply concerned about their health and amenity due to the increase in odours and vermin in the area. The bill will provide Waverley Council with the ability to enter the Bondi premises and clean them up without the current delays. The local residents will not be so affected by one resident's behaviour that is putting her own health and the health of the public at risk. But this is not an isolated instance. There has been an instance in the Fairlight area at Manly where a resident was collecting rubbish and storing it in the yard. This too created an unhealthy situation for the resident and the neighbours. I recognise that sometimes there are underlying mental health issues that contribute to these unfortunate situations. In such circumstances councils are expected to proceed in a sensitive manner when issuing clean up orders. Nevertheless councils must be able to act where public health is threatened.

This is not only for the sake of the person collecting the waste, but also for the sake of other residents of the premises and neighbours and the wider public. It is a requirement of this bill that councils give the protection of public health paramount consideration in issuing this order. Whenever a Court reviews a matter relating to order 22A, the Court will also be bound to give the protection of public health paramount consideration. Copies of the bill and briefing notes have been provided to the LGSA and the Opposition spokesman. The Mayor of Waverley has said that the amendment will quote "save councils large amounts of money in legal costs; it will mean we can act faster to solve the problem" . This bill provides a sensible and timely way for councils to deal with the problem. I commend the bill to the House.

The Hon. DON HARWIN [11.31 a.m.]: I lead for the Opposition on the Local Government Amendment (Waste Removal Orders) Bill. While the Coalition will not oppose the bill, its passage through Parliament demonstrates once again the Government's cavalier approach to the legislative process. While the provisions of the bill will empower local councils to handle more effectively the accumulation of waste on several notorious properties, its primary focus is a resident of Boonara Avenue in Bondi, who has been a significant problem for both her neighbours and Waverley Council for the past two decades. The resident in question hoards vast amounts of waste in and around her home and her actions constitute a threat to public health.

On several occasions the local council has cleared away the accumulated rubbish after obtaining a court order to enforce the terms of a clean-up order. In these operations the council has used both contractors and its own staff. The sheer volume of waste removed last December was staggering. It resulted in 37 truckloads, removing more than 46 tonnes of rubbish from the premises. The material included old furniture, bedding, clothing, rags, general household items, cardboard boxes, plastic bottles and takeaway food containers. The entire exercise has cost the council in the vicinity of $27,000, with a further $40,000 incurred in legal fees. Unfortunately, the resident in question began to accumulate rubbish and waste again within days of this clean up. Waverley Council has commenced the legal action necessary to enable it to undertake further clean-up action but many months will have elapsed by the time it is empowered to proceed.

At present, when the collection of waste material on the property reaches a level of concern, the council issues a notice of intention to serve an order requiring the removal of the rubbish. The Local Government Act requires that the council then allow a period for representations to be made as to why the order should not be served. After giving consideration to these representations, the council issues the order. The Act then allows a further delay of 28 days for an appeal to be made to the Land and Environment Court. The due process can take several months to run its course and during this time more rubbish and waste material is accumulated on the property. Waverley Council has understandably attempted to circumvent the need to go through the same legal process over and again by seeking a court order restraining further accumulation of waste. Such an order, however, has not been granted—probably having regard to the ability of the offending resident to comply, given the state of her mental health.

The bill seeks to amend the principal Act to empower local government to act more quickly and efficiently to address serious cases of rubbish and waste accumulation such as that in Boonara Avenue, Bondi. The bill will empower councils to issue a new order on an owner or occupier of residential premises requiring them to remove and dispose of waste that constitutes a threat to public health or the health of an individual. This new order can be issued only when an environmental health officer, as defined in the Public Health Act 1991, concurs with the assessment that the rubbish causes a health threat. The bill will enable councils to issue the new waste removal order without needing to serve a notice of intention to issue the order, and the owner or occupier in question will have no right of appeal to the Land and Environment Court.

The new waste removal order can remain in place for up to five years. This means that if residents fail to comply with the terms of the order and begin once again to accumulate rubbish on their property, the council may enter the premises and clean up the waste without needing to serve a further order. These measures will significantly reduce the amount of red tape, legal delays and periods of prolonged inaction that have become associated with cases of excessive waste accumulation. Local councils will be better placed to deal quickly and effectively with situations such as the one in Boonara Avenue, Bondi and similar cases in Bridge Street, Homebush and Wyvern Avenue, Chatswood.

The Opposition has some reservations about the removal of an individual's right to be notified of, and heard in relation to, a waste removal order. This would appear to be a negation of a person's access to procedural fairness. Of course, that is always a matter of some concern. However, the bill's requirement that the new waste removal orders be issued only with the concurrence of a public health official appears to ensure that the new arrangements will be brought into effect only in relation to the most serious cases, where there is a legitimate degree of urgency.

I cannot allow this opportunity to pass without making a few observations about the manner in which the bill was suddenly introduced and hurriedly rushed through Parliament. It was introduced in the other place on 23 May and then debated just two days later, after the Government gave the Opposition just 40 minutes notice of that debate. There is no reason at all why the Government should have to rush this legislation through Parliament in the last sitting days before the winter recess. Excessive waste accumulation has been a problem for local councils for decades, and the Government has been aware of the need to take action for many years. In 2000 the Leader of the Opposition wrote to the former Premier about the situation in Boonara Avenue, Bondi on three separate occasions. He continued to write repeatedly to the former Premier in the following six years, stressing the seriousness of the problem and the fact that the matter warranted urgent action. Among the requests in the letter from the Leader of the Opposition of 26 August 2000, he asked the Premier to ensure that:

> Waverley Council has the necessary power and funding to clean the property each week.

But for the past six years the Government has taken no real action. In April last year the former Premier wrote to the Leader of the Opposition advising him that the matter had been brought to the attention of the Minister for Health and that appropriate steps were being taken. However, no action followed. There has been nothing but

delays and inaction from the Government on this issue. It is very disappointing that it has taken the Government such an inordinately long time to introduce this legislation. The rushed manner in which the bill has been handled in Parliament is another example of the Government's mismanagement of the affairs of this place. The Coalition does not oppose the bill.

The Hon. Dr PETER WONG [11.40 a.m.]: I support the Local Government Amendment (Waste Removal Orders) Bill, which amends section 124 of the Local Government Act to allow a council to issue a clean-up order to owners or occupiers of residential premises for the removal or disposal of waste on those premises, or to refrain from keeping waste on those premises where the waste is a threat to public health or to the health of any individual. As raised by the Legislative Review Committee, I am concerned, however, that the exemption granted to councils from complying with certain procedural requirements in giving a waste removal order may deny a person procedural fairness and the right to be heard. The Legislative Review Committee also notes that certain appeal rights, including appeals to the Land and Environment Court, will not apply to waste removal orders. In such a situation I trust that local councils will not use heavy-handed tactics or abuse the powers given to them through this bill.

I have been told that this bill has been drafted as a response to a need to empower local councils to be able to react quickly and efficiently to a situation that poses a threat to public health or to the health of an individual on private property. I would also add that, in so far as the legislation is sensible, it is in itself a product of considerable media attention regarding the garbage and public health crisis in Boonara Avenue, Bondi. I do not believe that this legislation, with its orders or any other threats, will alleviate the problem in Boonara Avenue if mental support is not delivered to the occupant of this property and Waverly Council is not given appropriate funds to clean the property on a regular basis. While I am sure that there would be other problem cases, I would say that most people are conscious of the need to dispose of their waste properly. I commend the bill to the House.

Ms SYLVIA HALE [11.42 a.m.]: The Greens support the Local Government Amendment (Waste Removal Orders) Bill. The collection and accumulation by compulsive hoarders of large quantities of goods to the extent that they become a health risk is a serious problem, though not a common one. It is a problem for neighbours and local councils, who are sometimes forced into lengthy and expensive legal battles, to remove the waste. Against this backdrop, the Greens understand the Government's move to give local government the legislative tools to deal with the problem in a more timely manner. The bill will allow councils to issue clean-up orders and if necessary remove waste within a matter of weeks rather than months or years.

Under this legislation, when a health inspector determines that waste is being kept on the premises to a level that constitutes a health hazard, the council will be empowered to issue a clean-up order and, if the waste is not removed, to enter the property and remove the waste. The new 22A order will be exempt from some of the current legal challenges which may delay waste removal. The bill does ensure that a resident is given a reasonable period of time to comply with the order and remove the waste. Once in place, the new 22A order will remain in force for up to five years. This will ensure that hoarders do not simply replace the material once it has been removed. While this provision is sensible, the Greens are pleased that, on each occasion that waste is removed, the council must notify residents and give them time to remove the material themselves. It is important to give residents the opportunity to make their own arrangements.

While the Greens support the bill, we have two concerns about its implementation. Many hoarders have compulsive behaviour problems resulting from underlying mental health issues—issues that unfortunately in New South Wales are often left untreated or inadequately treated. Sadly, this bill will do nothing to address those underlying problems and/or to support people grappling with mental illness. Many people with compulsive hoarding disorders have little control over their actions because hoarding is often the result of subconscious or involuntary behaviour. The Panic Anxiety Mood guide describes compulsive hoarding:

> Compulsive hoarding is the acquisition of items that the hoarder has difficulty discarding. The hoarder is preoccupied with acquisition, has minimal insight into the purpose behind his (or her) behaviour and undertakes the hoarding in isolation. Hoarders find themselves acquiring items and while considered valuable to them, others see the acquisitions as of no value and are bewildered as to why the acquisitions occur. Hoarders lose the ability to differentiate between collecting for sentimentality, monetary or intrinsic reasons and acquire a greater number of items upon which they place significant value. Difficulty in organising the acquisitions is the norm. Efforts to re-organise the acquisitions are resisted and touching of the objects is viewed as threatening. Compulsive hoarders deny they have a problem, resist intervention and become aggressive if intervention occurs, factors that have led to uncertainty as to the prevalence of compulsive hoarding.

Compulsive hoarding is classed as an obsessive compulsive disorder. Some hoarders, though not all, can become aggressive if their items are threatened. For this reason, councils need to ensure that staff or contractors,

when engaged in any waste removal, are not exposed to severely disturbed and possibly aggressive people. All parties need to be made aware of the complexities of the situation and to respond to it in a sensitive and safe manner. The very fact that a 22A order can be in force for up to five years means that the person may have goods removed repeatedly. Without care and sensitivity this could exacerbate rather than alleviate the situation and aggravate the psychological problems of the hoarder, who may have little or no insight into the nature of his or her behaviour.

The Greens also have concerns that the repeated removal of material, with the hoarder being required to meet removal costs, could lead to financial hardship and further aggravate relations between council staff and the resident. Given that hoarding is often a compulsive disorder, it may not always be justified or reasonable to charge hoarders for the clean up, especially as this could potentially jeopardise their accommodation. If a council on a number of occasions charges a compulsive hoarder for waste removal, and that person cannot meet the costs, the financial burden could result, in the case of renters in particular, in an inability to pay rent and ultimately to homelessness.

The Greens are therefore pleased to see that a council is not necessarily obliged to extract the cost of removal from the hoarder. There may be cases where a council determines that a just course of action is for the council to meet the cost of waste removal. The Greens are pleased that the bill extends to councils a degree of flexibility. It should be noted, however, that where there is waste on premises a landlord is currently empowered to terminate a rental agreement on the grounds of nuisance or damage to the premises. In this context it is important to bear in mind that section 13lA of the Local Government Act 1993, in relation to orders that make or are likely to make residents homeless, provides:

> (1) If an order will or is likely to have the effect of making a resident homeless, the council must consider whether the resident is able to arrange satisfactory alternative accommodation in the locality.
>
> (2) If the person is not able to arrange satisfactory alternative accommodation in the locality, the council must provide the person with:
>
> (a) information as to the availability of satisfactory alternative accommodation in the locality, and
>
> (b) any other assistance that the council considers appropriate.

Councils need to carefully consider, when issuing orders, how council officers or contractors will conduct themselves when the offending resident is clearly mentally ill. The Greens hope that, when appropriate, arrangements will have been made to refer the resident to relevant mental health care services. The Greens are confident that most councils will apply these provisions in a responsible manner and will exercise discretion when considering whether to impose costs on mentally ill persons with limited awareness of the implications of their behaviour and limited capacity to amend their behaviour.

No legislation should result in people, especially vulnerable and ill people, becoming homeless. We trust that most councils will develop a policy, possibly in consultation with the Local Government and Shires Associations, to ensure this legislation is employed in a sensitive and responsible manner. The State Government, however, also must meet its obligations and provide adequate mental health services to ensure that the bill does not have unintended consequences, such as homelessness or the aggravation of mental illness.

Reverend the Hon. FRED NILE [11.49 a.m.]: The Christian Democratic Party supports the Local Government Amendment (Waste Removal Orders) Bill 2006. The object of the bill is to amend the Local Government Act 1993 to allow local councils to give orders, known as waste removal orders, to owners or occupiers of residential premises for the removal or disposal of waste on those premises, or to refrain from keeping waste on those premises, where the waste is a threat to public health or the health of an individual.

As honourable members know, in some serious cases councils have been frustrated in their attempts to clean up properties. Some of those cases have resulted in lengthy proceedings in the Land and Environment Court. One of those cases involved the Waverley Council, which had tried for 17 years to get the owner of residential premises in Bondi to address the unhealthy condition of the premises, a condition that posed a health risk to neighbours, the public and landowners. Of course, piles of rubbish attract rats and other vermin. In the Waverley case the rubbish built up to the eaves of the building and spilt out onto the pavement.

The council issued an order under its existing powers to clean up the premises, but its decision to issue the order was appealed to the Land and Environment Court. There were eight hearings in that appeal process before the court recognised that the order could be validly issued and that the clean up was required. The court

then gave the landowner a further two months to clean up the land herself. It was only when she failed to do so that the court allowed the council to enter the property and clean it up. The problem was the length of time, and the expense, involved in the court proceedings. I understand the council spent about $27,000 on its latest clean up of the premises and another $30,000 of ratepayers' money on legal costs in the Land and Environment Court defending its decision to issue the orders. Personally, I would find it difficult to support the decisions of the court in that case. Other similar examples have occurred at Manly.

This is a very practical bill. Every effort should be made to ensure property owners are given every opportunity to clean up their own premises. Obviously, some individuals with certain mental conditions may require counselling. I had the experience of cleaning up an elderly person's house and being surprised to find that so many items had been stored away. Some people may have a compulsive disorder that prevents them from throwing anything out. This person had carefully folded, flattened and kept every paper bag used to carry purchases, and had neatly stacked those bags and other sheets of paper on shelves and in cupboards, apparently thinking they might be required at some future date. In such cases care must be taken in dealing with the individual.

Perhaps something could be done through regulations to ensure that the powers conferred by the bill are not abused by any council. I do not think they will be. However, regulatory provisions could require councils that use the powers to report annually to the Department of Local Government as a means of ensuring that councils are not abusing these powers or using them excessively. This would enable the Government to review the operation of these powers annually to ensure they are not being abused.

The legislation will allow a council to exercise its primary role in the protection of public health. The order must set out the reasons it is being made and provide a reasonable period of time for compliance with its terms. The order can remain in force for up to five years, so that if waste again accumulates within that period after the premises have been cleaned up, the council can require further notifications to comply with the order without having to issue another order. No notice of the intention to issue an order will be required, although before a council actually enters the premises reasonable notice is required to be given setting out when the entry is to occur, unless there is an emergency.

The legislation also provides that persons served with an order will be given an opportunity to do the clean-up work themselves. If they fail to do so within a reasonable period, the council can do the work and charge them for it. This is consistent with the current provisions of the Act. The right to seek compensation for the cost of carrying out clean-up work applies where a council has issued an order with unreasonable terms or where an order should not have been issued, for example, where a person is able to show there was no risk to public health or the health of an individual. The council's decision can be reviewed by a court if the council has breached the Act or it can be shown there were no grounds for making the order. We support the bill.

The Hon. PATRICIA FORSYTHE [11.55 a.m.]: I do not see in the bill a definition of waste, though I have referred to the principal legislation, the Local Government Act, in that regard. I ask the Minister to address this query because what is waste to one person is not necessarily waste to another.

The Hon. Tony Kelly: That is the problem.

The Hon. PATRICIA FORSYTHE: I recognise that that is the problem. But this House is about to pass a bill that allows waste to be removed from private property. Though some items are clearly waste, some people place household items such as refrigerators in their yards. The bill seems to be deficient in that regard. The lack of a precise definition might make it easier for the council and the Government, and perhaps I am making it harder by asking the question. But, in the long-term interests of the operation of the bill and of councils, I think it would be better if we were guided by a definition.

The Hon. TONY KELLY (Minister for Justice, Minister for Juvenile Justice, Minister for Emergency Services, Minister for Lands, and Minister for Rural Affairs) [11.56 a.m.], in reply: I thank all honourable members for their participation in the debate. The Minister in the other place has advised that the Local Government and Shires Associations have been consulted on the bill and that the associations have commended the Government amendment of the Local Government Act. The associations have reviewed the bill in consultation with Waverley Council and have stated that the proposal strikes an appropriate balance between the rights of individuals and community amenity.

The bill aims to provide councils with a new tool to deal with a very specific problem. This is an age-old problem in local government. Orange council, in common with quite a number of other councils, including

my local council, has encountered the same problem over the years. Communities have been frustrated by delays caused by red tape and court action. The new section 22A order will allow councils to deal with risks very quickly if the situation warrants. The new 22A order will require removal of waste on residential premises where the waste, in the opinion of the environmental health officer, and as defined under the Public Health Act 1991, is likely to cause a threat to public health or the health of an individual. That may answer the question asked by the Hon. Patricia Forsythe.

The order can remain in effect for five years. If at any time during that period there is a failure to comply with the terms of the order, the council may enter and clean up the land or premises without the need to serve a further order. It is up to the council to determine whether or not to charge for the cost of the clean-up work, taking into consideration the circumstances of each case on its own merits. The 22A order streamlines the process by removing the need to issue a notice of its intention to issue the order and hear submissions as to why the council should not issue the order.

Before issuing the order, the council must consider whether the order will make a resident homeless. The council must give persons a reasonable period to comply with the order to clean up at their own cost. The order is flexible enough to allow for emergency situations. If there is an imminent risk to public health or to the health of an individual, the council can require the clean up to occur immediately. The order can remain in place for a maximum of five years. If the council needs to re-enter the property to ensure compliance with the order, it is required to notify the owner or occupier prior to entering the property to clean up. This notice will be required each time the council wants to enter the property while the order is in force. The bill means that paramount consideration must be given to the right of the public and individuals to have their health protected. The right of appeal to the Land and Environment Court for remedy or restraint where a council has breached the Act is preserved by the bill. This bill provides a reasonable way for councils to deal with the problems of hoarded household rubbish that puts health at risk. I commend the bill to the House.

Motion agreed to.

Bill read a second time and passed through remaining stages.

Pursuant to sessional orders business interrupted.

QUESTIONS WITHOUT NOTICE

POLICE BUDGET EMPLOYEE-RELATED EXPENSES

The Hon. MICHAEL GALLACHER: I direct my question without notice to the Treasurer. Can he explain the rationale for providing only $44 million in additional funding for employee-related expenses for NSW Police? How will $44 million fund the training and employment of the Premier's promised additional 750 police, the 6 per cent in pay rises that police will receive in the coming financial year, redundancy packages for at least 330 non-police personnel, and train and employ the base number of new recruits needed to stabilise falling police numbers? How is it possible for NSW Police to fund all of these expenses with just $44 million? If his Government considers it possible, will he give an assurance to the House that there will be no request for additional funding in a future Budget Appropriations Bill to make up any shortfall?

The Hon. MICHAEL COSTA: Obviously the honourable member has not read the budget properly. Clearly, his figures are wrong. If it is required in the future because of any need to seek appropriations, the Government will seek appropriations as it does in the normal course of events. We do not need it for this budget because it is fully funded and it is a record amount.

HOSPITAL PERFORMANCE DATA

The Hon. CHRISTINE ROBERTSON: I address my question to the Minister for Health. What is the latest information on hospital performance data?

The Hon. JOHN HATZISTERGOS: I am pleased to inform the House that as at the end of April this year compared to the same time last year an additional 3,641 surgical procedures were performed in New South Wales public hospitals. And the long wait list has been reduced by 77 per cent in the past 12 months from 9,366

cases to 2,157 cases in April 2006. The overall waiting list has been reduced by 12.3 per cent. The Government's planned approach to the management of waiting lists is working. Unlike the Opposition, particularly the honourable member for North Shore who continues to reassure us that the Coalition is thinking of a plan and will, apparently, one day have something that resembles a policy. Perhaps the policy will make amends for the 44,000 people who were waiting for surgery when the Coalition was ousted in 1995. The Iemma Government is getting on with the job.

In April 2006 New South Wales hospitals continued to treat 100 per cent of the most seriously ill patients within the designated two-minute timeframe, which is another excellent performance by our emergency department staff. Incidentally, when the Coalition last attempted to manage the Health portfolio the percentage of patients in category one triage treated within two minutes was 77 per cent. Triage performance throughout the system continues to improve, despite increasing demand for emergency services throughout New South Wales. In April this year, there were 141,207 attendances at emergency departments in New South Wales, an increase of almost 8,000 patients since April 2005. Some 31,776 of those patients were admitted to hospital from the emergency department, which translates to a 7 per cent increase in admissions compared with April this year. Despite this increased demand for health services, access block has improved significantly since April last year. Currently it is at 21 percentage points. However, more impressive is the sustained improvement in access block since August 2004, when it hovered around 38 per cent.

The system has worked hard to ensure a remarkable reduction of 17 percentage points, which means that sick patients are transferred to the wards as quickly as possible to ensure an improved patient journey. Similarly, off-stretcher time has improved by 10 per cent compared with April last year, which means that patients are receiving emergency care in shorter timeframes and allowing ambulances to get back on the road to treat sick and injured patients in a more timely manner. Ambulance staff and emergency department personnel require a special word of thanks for their terrific performance in the reduction of off-stretcher time. In August 2004 the figure for Sydney metropolitan hospitals was barely 50 per cent. It is now 20 per cent, which is the best result in three years. This is palpable proof that the Government's managed approach to ensuring improved outcomes for patients and staff is working well in an environment where there are now more than 1.5 million inpatient episodes a year in our public emergency departments. The April 2006 performance data is once again an indication of the commitment to patient care by dedicated and hardworking staff in the New South Wales public health system.

RURAL LANDS PROTECTION BOARDS OPERATIONS

The Hon. DUNCAN GAY: I direct my question without notice to the Minister for Primary Industries. Is the Minister aware that rural lands protection boards [RLPBs] were told that amendments to the Public Sector Employment and Management Act would have minimal impact on their operations? Is he further aware that the autonomy of RLPBs is now at risk because individual boards are no longer responsible for the employment of the 400 staff, but instead a division of RLPBs is responsible? Does he realise the enormous administrative burden this places on the boards and, in particular, their autonomy? Given the exemption for local government, will he take urgent action to ensure that RLPBs are exempt from the Act and to overcome the meddling from Minister Della Bosca to play politics with the Federal Government that has reacted against the RLPBs?

The Hon. IAN MACDONALD: The short answer is no, and an emphatic no at that. The State Government has evolved a strategy to deal with these issues, and I think we are affording protection to our 400-member work force. I believe that in the fullness of time the rural lands protection boards [RLPBs]—the few that might have some disagreement with this—will take the same sort of attitude that I do, that it is better that we have a board—

The Hon. Duncan Gay: So you would remove their right to control the staff that they employ.

The Hon. IAN MACDONALD: I do not have any difficulty that their work force can be afforded the great protections that we have from that horrible Howard Government's WorkChoices. The Deputy leader of the Opposition raises this question with me after that terrible incident in Cowra when the entire work force was sacked, then brought back in at half their salary with only half the jobs.

The Hon. Duncan Gay: Why are you playing politics with the boards?

The Hon. IAN MACDONALD: This is a protection for that work force. This is not a great problem.

The Hon. Duncan Gay: It is a problem!

The Hon. IAN MACDONALD: It is a protection for the work force.

The Hon. Duncan Gay: This is your philosophy running amok.

The Hon. IAN MACDONALD: The Deputy leader of the Opposition should come in here and support the hardworking inspectors in the bush so that they have the same sort of standards that are afforded to the rest of our public sector. What a disgrace! As for the independence of the boards, that is a heap of nonsense!

The Hon. Duncan Gay: Why can't they manage with their own group?

The Hon. IAN MACDONALD: I do not interfere with the RLPBs.

The Hon. Duncan Gay: You have.

The Hon. IAN MACDONALD: I act on their advice. I am happy to protect workers. The Deputy Leader of the Opposition can scream about this all over the State.

The Hon. DUNCAN GAY: I ask a supplementary question. Why is the Minister allowing local government to be exempted from this same situation and not the RLPBs?

The Hon. IAN MACDONALD: I will refer that question to the Minister for Local Government. I am responsible for my administration. I am not running around trying to run other administrations. I am not trying to tell the Hon. Michael Costa or the Hon. Tony Kelly what to do. That would be completely out of order.

The Hon. Michael Gallacher: You can't tell him what to do—he's in the right wing.

The Hon. IAN MACDONALD: That is irrelevant. He is a competent Minister. The point is that I will make that decision. We are affording and extending the protections of this State to the maximum for our work force. I do not mind the Deputy Leader of the Opposition's going out there and talking about it all he likes. I will be out there saying that we are protecting the work force.

The Hon. Michael Gallacher: You are already out there on a lot of things—out on a limb.

The Hon. IAN MACDONALD: I am right out there in the bush all the time. The Government is right on this issue. In the near future, I will be meeting with the State Council of the Rural Lands Protection Boards. The rural lands protection boards [RLPBs] will back the Government. Poor old Duncan will have to put up with the fact that the RLPBs will support this Government's policy because it is a good policy. What is wrong with giving a work force of 400 dedicated inspectors in the bush the protections that our Government can afford to them to withstand the Howard-Costello conspiracy against working people in New South Wales and Australia?

The Howard Government's industrial relations policy is the most unpopular policy in years. The RLPBs are praising the New South Wales Government for its policy, and we are giving it to them. Members of the Coalition can take my speech out to the RLPBs. I will give members opposite a signed copy of what I have had to say. I will give them a signed copy of my speech and they can deliver that to the RLPBs. The Government has made a decision on this and it is a great decision—to protect the work force from the Howard-Costello Government.

MINE SAFETY REVIEW

Ms LEE RHIANNON: I direct my question to the Minister for Natural Resources, Minister for Primary Industries, and Minister for Mineral Resources. Considering that a number of the recommendations of the Wran review still have not been implemented, which recommendations will he implement? Which recommendations will the Mine Safety Advisory Council oversee the implementation of? Recommendation 2 of the Wran review states that the regulations proposed under the Coal Mine Health and Safety Act 2002 "should be introduced without delay", and that the Mine Health and Safety Act 2004 "should be expedited". When will the Minister implement that recommendation? A number of the recommendations, including recommendations 3, 25 and 27, set out the need for consultation with the mining work force; what is the Government doing to ensure that consultation occurs?

The Hon. IAN MACDONALD: Ms Lee Rhiannon obviously has not had a report from the first meeting of the advisory board, which was held recently. I attended the meeting and met with the mining industry, mining union representatives and the independent chair of the board, Mr Jennings. They will advise me on the implementation process for all recommendations made by the Wran report. As well, I am in the process of locating a suitable person—I understand a person has agreed, but that is subject to confirmation—to conduct the further review as proposed by the Hon. Neville Wran, a great Labor Premier.

DEPARTMENT OF LANDS BUDGET AND ENCLOSURE PERMIT REFORMS

DEPARTMENT OF JUVENILE JUSTICE LAND AND BUILDINGS ASSETS

The Hon. EDDIE OBEID: My question is addressed to the Minister for Lands. Will he inform the House on the Government's lands budget and reforms to enclosure permits?

The Hon. TONY KELLY: Earlier today I had the pleasure of addressing the Shires Conference. I was pleased to inform the councillors of the Iemma Government's massive rural and regional infrastructure spending. In 2006-07 the Iemma Government will spend approximately $5.8 billion on capital works and on roads maintenance in rural and regional New South Wales, which is a higher level of funding than that allocated by the Federal Government for infrastructure for the whole nation in 2006-07. Yesterday I spoke about this Government's twelfth consecutive record budget for emergency services.

While I am referring to the budget, I take this opportunity to quickly add to my response yesterday to the question asked by the Hon. Catherine Cusack. As I said, the Government is not selling Yasmar. I point out that the reduction in the value of the department's land and buildings reflects the net effect of a $2.5 million increase in the asset value of the Reiby Juvenile Detention Centre following the completion of major construction works, and the effect of the annual depreciation charge of $4.361 million on the department's overall assets. These matters have resulted in a net decrease of $1.861 million from the 2005-06 value of $205.116 million to the new value of $203.255 million. In essence, the change in asset value is purely a reflection of annual depreciation. If the Hon. Catherine Cusack had examined the income from the sale of properties, she would have seen that there was zilch in this year's budget.

Turning to the lands budget of $228 million and the matter of enclosure permits, I point out that $52.2 million has been allocated to the Crown Land division and that $3 million will be spent on upgrading the network of minor ports around the State. A further $500,000 is available for unscheduled works on ports, river entrances and quarries during the year. The Government is out there, listening to landholders' concerns, and is looking at ways of making their lives just a little bit easier. Fortunately, in Country Labor we have a powerful lobbyist for country and coastal communities.

Two weeks ago I extended the concessional deal for perpetual leaseholders who want to convert their property to freehold. Country Labor and the New South Wales Farmers Association said they appreciated the announcement, but wanted the Government to examine the position of 35,000 landholders with enclosed roads on their properties and enclosure permits. We have already slashed red tape and the costs of converting those roads by over 50 per cent and we have simplified rents, at the request a couple of years ago of the New South Wales Farmers Association and Country Labor, to $350 for a three-year permit.

But the concessional rents were due to expire next year. I am pleased to be able to inform honourable members that the Government will extend the concessional rent for enclosure permits for another three years at the same up-front, one-off rate of $350. Thousands of permit holders have already taken up the Government's new deal on enclosure permits. As of today, those who have already applied to convert their roads will not be issued with new invoices until their applications have been finalised. Hopefully the Government will be in a position to hand over title rather than another rental invoice. This is the focus of the reforms. We are refocusing the energies and the resources of the department on what genuinely is public land—our showgrounds, community halls and recreation reserves.

STATE ECONOMIC PERFORMANCE

The Hon. Dr PETER WONG: My question without notice is directed to the Treasurer. Is he aware that yesterday his Labor counterpart in Queensland delivered an unprecedented $2.853 billion budget surplus that is predicted for 2006-07? How does this Government justify its fiscal credibility by delivery of a projected $696 million budget deficit in 2006-07 at a time of sustained high economic growth? How does the Government

intend to finance its $17.4 billion in borrowings without raising taxes if it cannot attract investments, become more competitive internationally, and be seen as open and accountable?

The Hon. Michael Gallacher: The last time I heard a question like that, it was from Peter Breen. Dorothy Wong!

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

The Hon. MICHAEL COSTA: Contrary to the interjections, that question is not a dorothy dixer, but I am happy to answer it. I refer the Hon. Dr Peter Wong to the recent report by Dr Neil Warren, which explains in detail the disconnectedness in our taxation system between the collection of Federal revenues and the expenditure at the State level. That report highlights a structural problem in Australian fiscal arrangements between the State and Federal governments. I commend that objective report to honourable members.

The Hon. Melinda Pavey: We will be able to fix that in March.

The Hon. MICHAEL COSTA: The Hon. Melinda Pavey has no hope in the world of doing that. Dream on! Prior to the last election, she said the very same thing.

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

The Hon. MICHAEL COSTA: Members of the Coalition have much to answer for, such as how they will fund $20 billion worth of promises when their leader has just made a number of promises in the other place that he also cannot fund—and quite pathetic promises. The Government is running a very sound fiscally responsible budget. Yesterday Standard and Poor's stated that this Government's budget position was within the triple-A credit rating. People should remember that previously the Coalition took this State to the point of being on credit watch. Subsequently, year after year, Labor governments had to repair the damage that the Coalition caused to this State's economy.

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

The Hon. MICHAEL COSTA: The Hon. Dr Peter Wong ought to join the Government's campaign to get a fairer share of GST for New South Wales. I am glad that he is on the cart and I look forward to his writing to the Federal Treasurer to ask him to do what he is supposed to do: convene a national tax summit to address the problem of the imbalance of State and Federal fiscal arrangements.

DEPARTMENT OF AGEING, DISABILITY AND HOME CARE ABUSE ALLEGATIONS

The Hon. JOHN RYAN: My question is directed to the Minister for Disability Services. Did the Director General of the Department of Ageing, Disability and Home Care recently write to the New South Wales Commissioner of Police to complain about the length of police investigations into allegations of sexual and physical abuse within the department? Did the director general indicate that those delays were costing his department in the region of $400,000 in additional staff costs? Why are those delays occurring? Why are those delays costing the department so much money? How many staff are being investigated by NSW Police?

The Hon. JOHN DELLA BOSCA: Obviously the question deals with matters that the director general is pursuing with NSW Police. At this time I have not been briefed directly on those matters. I will make it my business to immediately do so, and will inform the member.

RURAL PROPERTY VEGETATION PLANS

The Hon. TONY CATANZARITI: My question is addressed to the Minister for Natural Resources. What is the current state of property vegetation plan applications in rural areas?

The Hon. IAN MACDONALD: I thank the honourable member for his interest in the important issue of native vegetation in the bush. The honourable member is working very effectively with the Government on those issues, as is Peter Black—the most effective rural member of the lower House, from western New South Wales. He is far more effective than any House—

The Hon. Melinda Pavey: Any House?

The Hon. IAN MACDONALD: Either House. He will continue to guide and assist me in dealing with those complex issues. I am pleased to report great interest from farmers in the property vegetation plans [PVP] process. Since the process was first launched under the Native Vegetation Act on 1 December 2005, there has been overwhelming interest from landholders. As of last week, there have been close to 780 inquiries from across the State from farmers keen to do the right thing. Make no mistake; the vast majority of farmers are doing exactly that. Landholders are taking part, because they want to—they want to take part in that voluntary scheme that has been put in place by a policy-driven State Government.

Catchment Management Authority [CMA] staff are visiting properties and advising farmers on what options exist to meet their needs. To date there have been more than 240 site visits, and the legislation is only six months old! As of yesterday, there were 21 completed PVPs; the CMA through the PVP developer has approved 60 more and they are currently with landholders awaiting their final sign off. That means that since December 81 PVPs have been approved by the CMAs across the State. A perfect example of that is Nanya Station in the Lower Murray Darling catchment, an area I visited last week. At Nanya, near Wentworth, 30,000 hectares of native vegetation has been turned into a conservation reserve through a PVP. That reserve will protect five different types of native vegetation for future generations. With stands of east-west dune mallee, belah rosewood, mallee mosaic, herblands chenopod shrubland and chenopod mallee—

The Hon. Rick Colless: Is that right? You don't know what it is.

The Hon. IAN MACDONALD: It is absolutely right; it is chenopod. Nanya Station was always a prime candidate to be part of a dedicated vegetation conservation agreement under the new Native Vegetation Act. The creation of that reserve is a great example of the new direction that the Iemma Government is taking with natural resource management. This is a tremendous result, and testimony to the hard work of CMA officers. The 81 PVPs endorsed include clearing PVPs, incentive PVPs, continued use PVPs and conservation PVPs. Even in areas where there have been perceived problems such as the Central West, seven PVPs are currently with landholders awaiting their approval. Two have been completed: one is for planting and the second is for clearing, which is indicative of the balance the Government is achieving under the new legislation.

The approval of 81 PVPs is a great result for farmers, and for the environment. That is evidence that our goal of ending broadscale clearing, unless it improves or maintains the environment, is realistic and achievable. Three of the 81 PVP approvals are for INS management, giving landholders the ability to manage their woody weed.

The Hon. Rick Colless: What does INS stand for?

The Hon. IAN MACDONALD: Get off it!

The Hon. Rick Colless: What is INS?

The Hon. IAN MACDONALD: Invasive native scrub.

The Hon. Rick Colless: You are not supposed to use acronyms.

The Hon. IAN MACDONALD: I just said woody weed, for the clarification of the Hon. Rick Colless. I point out that not all clearing needs to go through a PVP. Routine agricultural maintenance activities, known as RAMAs, are exempt from requiring clearing consent.

The Hon. Rick Colless: It is management activities, not maintenance.

The Hon. IAN MACDONALD: I said "management".

The Hon. Rick Colless: You said "maintenance".

The Hon. IAN MACDONALD: It is management, and that is good enough.

The Hon. Rick Colless: You said "maintenance", you idiot.

The Hon. IAN MACDONALD: I have been talking for hours this morning. Most farmers do the right thing and make a significant contribution to the environment through conservation farming and other practices. They are to be commended. But make no mistake, this Government takes—[*Time expired.*]

SYDNEY MARKETS SALE FREEDOM OF INFORMATION APPLICATION

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: My question is directed to the Leader of the House, representing the Attorney General. How much has the Government spent in court to stop Robert Cianfrano from getting information regarding the sale of Sydney markets? Why is the Government so determined to hide the information about that sale? What is the total court costs to the Government in defending freedom of information [FOI] requests?

The Hon. JOHN DELLA BOSCA: That particular request?

The Hon. Dr Arthur Chesterfield-Evans: That one in particular, and the genre in general.

The Hon. Michael Costa: That is not true. You waste so much money.

The Hon. Catherine Cusack: FOI stands for freedom of information.

The PRESIDENT: Order! I call the Hon. Catherine Cusack to order for the first time. I remind the Treasurer that interjections are disorderly at all times.

The Hon. JOHN DELLA BOSCA: My understanding is that Mr Cianfrano has lodged an application under freedom of information [FOI] legislation about those costs. At the moment, the Administrative Decisions Tribunal is hearing the application. The member asked me about court costs. In answer to the first part of the question, I do not know. In answer to the second part of the question, I am sure that the Government does not have a view that we do not want to provide information, as alleged in the question. The third part of the question is immediately in the area of the Attorney General's responsibility and I will ask the Attorney to provide me with an answer, which I will make available to the member as soon as practicable.

STATE BUDGET EXPENSES GROWTH

The Hon. CATHERINE CUSACK: My question is directed to the Treasurer. Is the Treasurer aware that credit agencies are already questioning the Government's ability to deliver promised spending cuts, with Standard and Poor's yesterday expressing concern over budget projections and noting the Labor Government has always had "difficulty with cost control"? Given that credit agencies know that the Government cannot keep control of its spending, how can the Treasurer claim general government expenses growth will be only 1.9 per cent in 2007-08, particularly when general government expenses have increased by an average 5.8 per cent over the five years to 2007-08 and the Treasurer has already forecast 4 per cent for the 2008-09 financial year? Will the State's triple-A credit rating be put at risk if the Treasurer cannot keep expenses growth below his predicted 1.9 per cent rate? Will the 2007-08 budget be in deficit if that 1.9 per cent is not achieved?

The Hon. MICHAEL COSTA: I cannot think of anyone more appropriate to ask about putting the triple-A credit rating at risk than someone who was on the staff of the government that did exactly that. What an absurd question. The reality is that this Government is the only government that has had to confront a credit watch and take us to the point where we have $200 billion in assets. By the way, it is interesting that when one compares the position of New South Wales to that of the Commonwealth, it will be found that the Commonwealth has a negative net worth. Over the past five years it raised $38.5 billion—

The Hon. Catherine Cusack: Point of order: My point of order relates to relevance. My question related to Government projections of 1.9 per cent in spending growth. I ask you to ask the Minister to answer my question.

The PRESIDENT: Order! The Minister was making comments about the budget. He is in order.

The Hon. MICHAEL COSTA: It is embarrassing for Opposition members to ask questions about credit watch and triple-A credit ratings because they have a lot of experience in those areas. I could take their advice on how they put this State on credit watch, but I will not do that. This Government will do what it has done throughout its period in office: it will pay down the debt of the former Coalition Government and ensure that this State has sound employment and business investment growth.

When we compare the New South Wales Government with the only conservative government in Australia, that is, the Federal Government, we find that the Federal Government has a negative net worth, and

that is embarrassing. We also find that New South Wales spends $10 billion on infrastructure and the Federal Government spends less than $6 billion nationally on infrastructure. That too is an embarrassment. Talk about windfall gains! It has had $38.5 billion more than its estimates over the past five years and it still has negative net worth.

The PRESIDENT: Order! I call the Hon. John Ryan to order.

The Hon. MICHAEL COSTA: What a record!

The Hon. Melinda Pavey: Point of order: My point of order relates to relevance.

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

The Hon. Melinda Pavey: I will not pursue my point of order, Madam President; the Minister just sat down.

RURAL AND REGIONAL ROADS BUDGET FUNDING

The Hon. PETER BREEN: My question without notice is addressed to the Minister for Roads. Will the Minister provide the House with information from the budget regarding roads funding outside Sydney?

The Hon. ERIC ROOZENDAAL: It is always good to receive a question from the latest member of Country Labor, who obviously is interested in issues relating—

The Hon. Patricia Forsythe: Point of order: I draw attention to the fact that a member is reading a newspaper in the House, and that is in contravention of standing orders.

The PRESIDENT: Order! The Hon. Eddie Obeid knows full well that he cannot read newspapers in the House.

The Hon. ERIC ROOZENDAAL: It is always good to receive questions from members of Country Labor. I note that there are more Country Labor members in this Chamber than there are members of The Nationals.

The Hon. Duncan Gay: Point of order: I ask you to ask the Minister to withdraw that deliberate lie. There are no Country Labor members in the House. All the Labor members were elected on a Labor ticket.

The PRESIDENT: Order! The Deputy Leader of the Opposition will resume his seat. The Deputy Leader of the Opposition knows that the point he makes is not a point of order.

The Hon. ERIC ROOZENDAAL: As the founding secretary of Country Labor I am deeply shocked by that statement. On 30 May I was listening to the Leader of The Nationals on TDU Dubbo—

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

The Hon. ERIC ROOZENDAAL: I was listening to the supposed Leader of The Nationals on TDU Dubbo, when he said:

> If I were based in the city and I chose to become involved in politics I would lean to the Liberal Party side of things.

There we have it. The Leader of The Nationals is a Liberal, and he wants to be a Liberal. This year's total roads budget of $3.3 billion is a record roads budget delivered by the New South Wales Government. The majority of those funds are spent on roads outside Sydney. This Government's commitment to regional New South Wales is evident, with a record of more than $1.84 billion in the 2006-07 budget to be spent on New South Wales roads in rural and regional areas. That means 65 per cent of the capital and maintenance budget of the Roads and Traffic Authority is committed to rural and regional roads.

The Hon. Greg Pearce: Point of order: I simply cannot hear the Minister's answer because the Minister for Primary Industries and a number of other Labor Party members are playing with a newspaper. Members of the Labor Party are not interested in what the princess has to say about country roads. I ask you to give him the time to place it on the record so that we can criticise it later.

The PRESIDENT: Order! The Hon. Greg Pearce has made his point. Members of the Labor Party must stop playing with a newspaper because the Hon. Greg Pearce cannot hear the Minister.

The Hon. ERIC ROOZENDAAL: I have heard the Hon. Greg Pearce referred to in royal terms more than once but I will not go there. More than $141 million is being given to councils across New South Wales under the repair program and the Block Grant Scheme for their regional roads. This budget is about keeping New South Wales moving and improving the State's 20,000-kilometre road network. Overall it is an increase of $415 million, or 14.4 per cent, on last year's budget figures. Just this morning I addressed the Shires Association conference, which really welcomed this big boost in road funding. I was impressed by its reaction. Let us take as an example the Central Coast. Roads funding on the Central Cost will increase by a massive 69 per cent. Several newspaper headlines that I have in this Chamber reflect the praise that is being given to this Government. [*Time expired*]

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

The Hon. ERIC ROOZENDAAL: Let us take as an example the Central Coast. Roads funding on the Central Coast will increase by a massive 69 per cent as part of the State's biggest ever roads budget. Yesterday I mentioned that a total of $73.1 million will be spent on upgrading and maintaining roads on the Central Coast in 2006-07, including another $20 million to upgrade The Entrance Road to four lanes at Erina and Wamberal. The Iemma Government is moving forward with major roads projects on the Central Coast.

I am pleased to advise the House that other key initiatives of the New South Wales budget for the Central Coast are: $1.4 million to reconstruct The Entrance Road at Bateau Bay; $500,000 for intersection improvements at The Entrance Road between Wyong Road and Coral Street, Long Jetty; and $500,000 to plan widening The Entrance Road between Carlton Road and Ocean View Drive. An amount of $5 million will be provided to start widening Avoca Road to four lanes between The Entrance Road and Sun Valley Road. More than $22.6 million has been allocated towards safety improvements on the Pacific Highway, including $10 million to start stage one of the upgrade from Tuggerah to Wyong to a dual carriageway between Anzac and Mildon roads.

These are just a few of the projects that were announced in yesterday's budget—projects that my ministerial colleague the Minister for the Central Coast has worked hard to achieve. The Hon. Grant McBride, unlike one of his neighbours, is a toiler for his electorate. This budget is a major win for rural and regional road users and continues the Iemma Government's investment in improving road safety in regional areas.

The Hunter provides another example of this. The New South Wales Government is investing an extra $70 million in the Hunter region. I have already shown honourable members a number of newspaper headlines. An amount of $6 million has been allocated to continue planning and start preliminary construction for the third crossing of the Hunter River at Maitland; $4.3 million has been allocated to reconstruct Maitland Road at Neath-Abermain; and $2 million has been allocated for an intersection upgrade of the Pacific Highway and Tomago Road. The Iemma Government is expanding and improving the State's rural and regional road network with this record $1.84 billion budgetary allocation.

FLOODPLAIN HARVESTING

Mr IAN COHEN: My question without notice is directed to the Minister for Natural Resources. Given that current departmental policy on floodplain harvesting commits the Government to returning levels of floodplain harvesting to cap levels and a moratorium on new works or expanded floodplain harvesting, and given that the cap agreement has been in place since 1995, why is floodplain harvesting still not being capped? Is the department currently undergoing an audit on all works on floodplains in New South Wales to determine what exists and what should be removed? What environmental assessment has been done as part of the floodplain management process? Will there be a comprehensive environmental assessment?

The Hon. IAN MACDONALD: The answer to the honourable members question is yes. The Government is reviewing floodplain management systems across the State to try to obtain an overall view of them. I am pleased to advise the House that they are being finalised at the moment. The new floodplain harvesting policy represents a significant improvement in the manner in which floodplain harvesting operations are undertaken. The policy is an integral part of this Government's strategy for dealing with issues on the floodplain.

Other new initiatives include a renewed focus on floodplain planning and the review of floodplain development assessment procedures. Floodplain harvesting predominantly occurs on the north-west slopes and plains of New South Wales. It is a feature of irrigation enterprises in the border rivers, the Gwydir, the Namoi, the Barwon-Darling and the lower Macquarie river networks. There are also isolated examples in other river systems. The new policy is being developed in collaboration with a pilot audit study of existing structures in the Gwydir Valley.

It is based on extensive discussions with numerous stakeholders and agencies and will be implemented statewide after further consultation with peak stakeholders. Under the new policy, properties that undertake floodplain-harvesting activities will require a water licence to continue harvesting water off the floodplain. A key feature of the new policy is that it will cover all works that harvest floodplain water. This includes banks that have been constructed on the floodplain for the irrigation of pastures, or so-called wild irrigation schemes, which divert water across the floodplain and, in some cases, off the floodplain.

The unique nature of floodplain harvesting means that there will be no trading of floodplain harvesting licences for at least five years after the policy is implemented. During that time we will work closely with peak stakeholders, scientists and environmentalists to develop a trading system. Another key outcome of the new policy is that it provides a strong compliance pathway for the Department of Natural Resources to deal with people who illegally take high-flow water under the guise of floodplain harvesting. The volume of water that landholders take through floodplain harvesting will be managed closely within the Murray Darling Basin Ministerial Council cap. New South Wales is strongly committed to managing all our inland river networks within the cap as we recognise that water does not respect political boundaries. This policy represents a very positive way forward in the management of the State's water resources. It is also an integral part of the Department of Natural Resources corporate plan.

BERKSHIRE PARK ROADWORKS

The Hon. GREG PEARCE: My question is directed to the Minister for Roads. Is the Minister aware of the concerns of residents that, although Richmond Road at St Marys Road, Berkshire Park and Llandilo Road have been the sites of nearly 50 injuries and one death in the past five years, the necessary traffic lights and safety improvements are not prioritised by the Roads and Traffic Authority because there have not been "enough deaths"? Is it the Minister's policy that essential safety and traffic works are not prioritised until there are "enough deaths"? Why has the Government failed to complete the traffic lights and road safety works at Richmond Road and St Marys and Llandilo roads? When will the works be funded and constructed?

The Hon. ERIC ROOZENDAAL: I have learnt that the Hon. Greg Pearce often gilds the lily so I am always cautious with his advice. The issue of the intersections of Richmond Road with St Marys and Llandilo roads at Berkshire Park was raised with me by the honourable member for Londonderry at a meeting in early May 2006. He is a hardworking toiler for the people of this State. I am inundated with requests from Labor members, Country Labor members and Independents, who lobby me constantly. But I never see any of the ever-shrinking number of members of The Nationals in my office. They are usually down at the bar. As a result of that meeting I asked the Roads and Traffic Authority [RTA] to investigate the matter.

The Hon. Duncan Gay: Point of order: I take offence at the remark of the Minister for Roads and ask him to withdraw it.

The PRESIDENT: Order! I did not hear the point taken by the Deputy Leader of the Opposition.

The Hon. ERIC ROOZENDAAL: I did not say that they were down there drinking.

The PRESIDENT: Order! Is the Minister speaking to the point of order?

The Hon. ERIC ROOZENDAAL: Yes, I am.

The PRESIDENT: I did not hear the point taken by the Deputy Leader of the Opposition. I ask him to restate it so that I may rule on it.

The Hon. Duncan Gay: I take offence at the fact that the Minister for Roads indicated that members of The Nationals were not in his office because they were at the bar. I ask the Minister to withdraw.

The PRESIDENT: Order! I ask the Minister for Roads to withdraw that statement.

The Hon. ERIC ROOZENDAAL: I did not say that members of The Nationals were drinking at the bar.

The Hon. Melinda Pavey: Withdraw!

The Hon. ERIC ROOZENDAAL: But I withdraw that remark in the interests of order in the House. As a result of that meeting with the hardworking member for Londonderry I asked the RTA to investigate the matter. The RTA has subsequently undertaken a preliminary design for the St Marys Road intersection. Property acquisition costs are a significant unknown at this stage. However, I am advised that it is likely to cost in the vicinity of $3 million to $4 million to achieve two lanes on all approaches to the intersection. I am advised that further design and cost examination work is planned for 2006-07.

CHIEF INFORMATION OFFICE

The Hon. KAYEE GRIFFIN: My question is addressed to the Minister for Commerce. What resources has the budget provided for information and communications technology projects being overseen by the Government's Chief Information Office?

The Hon. JOHN DELLA BOSCA: The Iemma Government will continue to prioritise investment in new technology infrastructure. In 2006-07 the Department of Commerce will spend $73 million on projects under the direction of the Government's Chief Information Office. These projects include the State broadband service, the government radio network, a long-term radio strategy, the government licensing system, a mobile data radio strategy, electronic services and the Commonwealth communication infrastructure fund. The Chief Information Office is charged with ensuring that the State's billion-dollar yearly expenditure on information and communications is used in the most efficient way possible. The Government's information and communications technology [ICT] strategic plan will chart the State's new direction in information and communications technology, leading to significant savings in capital and recurrent spending across government. It will reduce spending on back-office systems to enable greater resources to be applied to front-line government services.

In 2006-07 the Chief Information Office will continue to drive the rollout of the government broadband service, as more agencies apply to join the network to deliver services in 24 regional centres. This New South Wales Government initiative is leading the nation in the provision of high-speed data communications to rural and regional areas. The State broadband service commenced last year with Commerce, Education, Health, Police and the Attorney General's Department as the foundation agencies. The NSW Rural Fire Service, the departments of Lands, Corrective Services, Primary Industries, Planning and Local Government, and the Office of State Revenue and the Parliament have now joined the network, with the number of agencies expected to double during 2006-07. Some 750 sites are now part of the new high-speed network, with another 400 sites due to connect during 2006-07. The network carries 80 per cent of government broadband traffic.

The guarantee of business from the Government's major agencies convinced Soul Converge Communications to tender for the work and to build a new high-speed backbone through New South Wales. It has helped the Government to accelerate activities such as online learning and advanced health services, including electronic patient records, telemedicine initiatives, specialist teaching to small or remote schools and assisting the justice system by providing videoconferencing of court and other proceedings. As a direct result of this investment, Austar and Soul Converge Communications are now also planning to provide wireless broadband services to 24 rural communities. The strategy is clearly delivering for the taxpayer and has brought technology and telecommunications competition to residents and businesses in regional New South Wales.

In 2006-07 The Department of Commerce will upgrade and secure important government radio communications. The long-term radio strategy aims to improve the security of government communications through digitisation and encryption and through trialling new data wireless technologies. The Government will pay 6,150 radios at a cost of $10.1 million this year. This will resource agencies such as Fire Brigades, State Rail, Sydney Water, Energy Australia, Health, Waterways, the Premier's Department and the National Parks and Wildlife Service. In 2006-07, $24.9 million will be spent on maintaining, upgrading and enhancing the government radio network, which is one of the largest mobile radio networks in the world, providing radio coverage for emergency services across approximately one-third of New South Wales. It is another example of the Government using its purchasing power to implement a cost-effective solution that meets all government radio communication requirements.

As well as maintaining the existing network, this year we will be expanding sites and improving coverage in sites such as shopping malls and other black spots. The New South Wales Government's 2006-07 budget allocation will allow the Department of Commerce and the Government's Chief Information Office to deliver improved services to New South Wales taxpayers through the efficient use of information and communications technology.

ORAL HEALTH SERVICES BUDGET FUNDING

Ms SYLVIA HALE: My question is directed to the Minister for Health. How will the additional $40 million spread over four years for oral health services that was announced in yesterday's budget be allocated? Given that last year's budget for oral health was $120 million, how much of the $40 million will be soaked up by wage increases and rises in the consumer price index in the coming 2006-07 financial year? How will the Government reduce waiting lists, increase services, improve recruitment and address Aboriginal health needs when real funding for dental services in the coming year will barely keep up with inflation? How many of the 30 additional places in the Rural Dental Scholarship Program will be available in 2006-07?

The Hon. JOHN HATZISTERGOS: I reiterate comments I made previously in answer to questions of this kind, that constitutional responsibility for dental care rests with the Commonwealth. The States have assumed this responsibility through clear neglect from the Commonwealth.

[*Interruption*]

I also indicate for the benefit of the Hon. Robyn Parker, who interjects, that the report to which she put her signature, which was a unanimous report of this Parliament, acknowledged those facts. One of its recommendations also acknowledged that there should be an expansion of the Medicare system in order to be able to provide for the dental health care needs of people. I preface whatever I am going to say with those comments for the edification of the honourable member, who seems to think that the whole responsibility for dental care—that is the implication of her question—ought to rest in whatever funding package the New South Wales Government has.

The Hon. Robyn Parker: Point of order: the Minister is misleading the House. I ask you to ask him to withdraw his statement. The report he refers to—

The PRESIDENT: Order! The member will resume her seat. The member knows perfectly well there is no standing order that relates to members misleading the House. I ask the member not to make debating points while taking a point of order.

The Hon. JOHN HATZISTERGOS: The second important point I make is about the work force. At the moment the number of HECS [Higher Education Contribution Scheme] places that the Commonwealth is funding is approximately 45, and they will not replace the number of dentists who are retiring. As the Ms Sylvia Hale correctly referred to, the budget does include additional funding of $40 million over four years for oral health. As I said, whilst it will not solve all the problems, it is a significant step in the right direction. It is the largest increase in oral health funding for sometime. This funding package balances spending for short-term initiatives that meet the immediate needs for dental services, with longer term strategies to address issues such as work force shortages and improved oral health promotion.

The Hon. Robyn Parker: Children are waiting for years.

The Hon. JOHN HATZISTERGOS: You should tell that to your friends who abolished the Commonwealth dental program and put it into a subsidy for private health insurance for those who can afford it. Seventeen per cent of the people on the public dental waiting lists have private health insurance. The honourable member should tell her colleagues about that. In particular, $2.2 million will be invested in employing an extra 20 dental teams in 2006-07, with an increased commitment in 2007-08 of 27 teams, which will include interns, registrars, dental therapists, hygienists and specialists.

I am advised that this recruitment of dental specialists and allied health dental practitioners is expected to deliver an overall increase in services to the community of more than 25 per cent by 2010. Funds will also be available in 2006-07 for the capital cost of fluoridating water supplies in at least seven council areas in rural and regional New South Wales, with a combined population of more than 170,000. The Government wants to know the Greens attitude to fluoridation because they have committed to a review of it. The Greens want people

treated but they do not want dental decay treated. By the way, why does Ms Sylvia Hale not have the courage to put some of the Greens health policies, such as their drugs policy, back on to the Internet? The Greens deleted them so officiously and exposed their duplicity. I challenge the Greens to put those policies back on the Internet and let the people read them.

POTTSVILLE HEALTH CENTRE

The Hon. RICK COLLESS: My question is directed to the Minister for Health. Will the Minister confirm whether a health centre will be built at Pottsville? What is the estimated completion date for that project? How much money in total has been allocated towards its construction in the coming financial year?

The Hon. JOHN HATZISTERGOS: The honourable member should refer to the budget papers.

CENTRAL WEST CATCHMENT MANAGEMENT AUTHORITY

The Hon. GREG DONNELLY: What is the current state of farm planning incentive projects in the Central West?

The Hon. IAN MACDONALD: I am pleased to announce today the latest round-four funding for the Central West Catchment Management Authority [CMA] incentive payments. An amount of $300,000 of incentive funding for the Central West CMA will go to a farm planning project. The CMA will be targeting 300 properties during the next 12 months to help landholders better manage their lands, natural resources and farming businesses. It is part of the partnership between the Iemma Government and landholders and is indicative of the new direction the Government is taking. This is about respect and responsibility. The Government wants to help farmers preserve their lands and wants to do the right thing—and farmers want the same. This is about empowering farmers to better manage their own resources and be in control of their own futures.

This incentive funding will go directly to landholders and will be used to prepare whole-of-farm plans to help better manage natural resources and farm businesses. About 300 farmers will be advised by the CMA on the best ways to develop a whole-of-farm approach that will preserve their properties for future generations while safeguarding their business. During the process, 11 accredited farm planning consultants will be touring the region meeting with landholders. The training program is flexible. It can be offered on a one-on-one basis or in a group workshop scenario. I am pleased to report about 110 landholders have already expressed interest—mostly in Nyngan and the western part of the catchment.

Today's funding is part of a $7 million incentive package I announced for the Central West in February. That, in its turn, is part of a total $38.9 million investment by the New South Wales and Australian governments in the Central West region. The funding is being used by the CMA to provide funding to landholders and community groups for projects that aim to improve land, water, vegetation and biodiversity in the catchment. This program, of which today's funding is an important part, encourages stakeholders to voluntarily implement on-the-ground projects and become involved in natural resource management activities. That is a key plank of this incentive funding—no-one is being forced to take part. The vast majority of farmers are out there improving their land in a sustainable way for the future, and the Government is happy to help them. Whether it is in the areas of conservation farming, soil health, vegetation biodiversity, water quality or salinity improvement most landholders are more than happy to make improvements and accept a helping hand from the Government. They should be encouraged.

I congratulate the Central West CMA on its hard work in investing in programs that genuinely improve the health of the catchment and support our primary industries. Over the past 12 months, the Central West CMA has delivered nearly $12.5 million in incentives to landholders. This has seen more than 860 projects that are generating production and conservation outcomes across the Central West. And make no mistake, it is not just in the Central West that incentive offers are being taken up and improvements being made. Just last Friday, in Temora I launched the latest round of incentive funding for the Lachlan CMA, which had held two successful funding rounds, distributing some $7 million in incentive funding to more than 700 projects with 490 land managers.

More projects are being targeted in the latest $7 million funding round in Lachlan, including rehabilitating eroding major creek and gully lines, protecting and re-establishing native vegetation, establishing rotational grazing systems and perennial pastures and attending grazing and soil health courses. The Lachlan

CMA is also to be commended for its hard work for the people of rural New South Wales. The CMA and the landholders they represent are working together with the Government to build a better future for the bush. They, along with Country Labor, have taken up the baton from the new Liberals opposite, who dropped it decades ago.

SPIRIT OF TASMANIA FERRY SERVICE

Reverend the Hon. Dr GORDON MOYES: My question is directed to the Minister for Natural Resources, representing the Minister for Tourism and Sport and Recreation. With the proposed closing of the *Spirit of Tasmania III* ferry service between Sydney and Devonport this August, will the Minister provide an estimate of how many Tasmanian visitors and tourism dollars coming into New South Wales will be lost? Given the value of the service to domestic tourism in New South Wales, will the Minister indicate whether the Government has given consideration to funding some of the $25 million per annum shortfall in the service, alongside the commitment already shown by the Tasmanian Government so that the service of bringing Tasmanians to the mainland might be continued? How will the large wharf and ferry terminal in Darling Harbour east remain viable if it loses its biggest and most reliable customer?

The Hon. IAN MACDONALD: I will refer the question to the Minister for Tourism and Sport and Recreation, and resist the temptation to say a few words.

PRINCES HIGHWAY DUAL CARRIAGEWAY

The Hon. DON HARWIN: My question is directed to the Minister for Roads. Why has so little money been allocated to the construction of a dual carriageway on the Princes Highway between Oak Flats and Dunmore in yesterday's State budget? What will the money be spent on? Why has the Minister walked away from Minister Scully's commitments as Minister for Roads to start construction on the missing link between Oak Flats and Dunmore as soon as the North Kiama bypass was completed? Why has the Roads and Traffic Authority failed to spend all the funds allocated to the project in State budgets since 2001? Given that the Minister's budget papers show that less than 15 per cent of the total project cost will have been spent by 30 June 2007, how can residents of the South Coast have any faith in the stated completion date of 2009?

The Hon. ERIC ROOZENDAAL: The failure of the Federal Government to include the Princes Highway south of Wollongong in the new national funding agreement was a massive snub to the people of the Illawarra, Shoalhaven and South Coast.

The Hon. Don Harwin: You have not even spent all the money the Commonwealth has given you in the past three years.

The PRESIDENT: Order! I call the Hon. Don Harwin to order for the first time.

The Hon. ERIC ROOZENDAAL: Despite repeated requests, the Federal Government will not improve the Princes Highway south of Wollongong as part of the national network under the AusLink agreement. The New South Wales Government, on the other hand, considers the Princes Highway a priority, having spent more than $470 million since 1994-95, compared with a measly $36 million by the Federal Government over the same period. This includes $195 million spent since 1998-99 under the announced 12-year, $380 million upgrade program. In the next four years the New South Wales Government will continue to upgrade the highway.

Funding for the Princes Highway will increase 58 per cent to $49.7 million in 2006-07. This funding allocation follows a commitment made in 1998 by the New South Wales Government to spend $380 million over 12 years to upgrade the Princes Highway. This includes $15 million to extend the Northern Distributor from Bellambi on the Princes Highway at Woonara, providing better access to Wollongong's northern suburbs and improved travel times on the Princes Highway, $5 million to start construction of ramps at Kiama to provide better access between Kiama and the Princes Highway, and $12.5 million for safety work along the Princes Highway.

The Hon. Don Harwin: This has got nothing to do with the highway between Oaks Flats and Dunmore.

The Hon. ERIC ROOZENDAAL: You asked about the Princes Highway, and you are going to learn about the Princes Highway.

The Hon. Duncan Gay: Point of order: The Minister is mispronouncing the name of the highway. It is the Princes Highway, not the Princess Highway.

The PRESIDENT: Order! There is no point of order. The Deputy Leader of the Opposition will take his seat.

The Hon. ERIC ROOZENDAAL: Other key funding commitments include $8.2 million for the construction of a four-lane dual carriageway deviation of the Princes Highway between Oak Flats and Dunmore; $9.2 million to repaint and repair Tom Ugly's Bridge; $7.5 million for the construction of a new bridge at Pambula on the Princes Highway; $6 million to reconstruct the Princes Highway between Acacia Road and Tom Ugly's bridge; $2.4 million for the construction of the pedestrian bridge over the Princes Highway at Blakehurst Primary School; $2.2 million to replace Croobyar Creek bridge; $1.5 million to widen the road shoulder on the Princes Highway between Dalmeny Road and Kianga Creek; $1.4 million to widen Termeil Creek bridge, 3.5 kilometres south of Tabourie; $200,000 to improve the Princes Highway and Turnjilah Road intersection; $500,000 for planning an upgrade of the Princes Highway between Gerringong and Bomaderry; and $750,000 for a right turn bay to be extended on the Princes Highway for traffic turning into Anzac Avenue at Engadine and the installation of an exclusive left turn lane into Anzac Avenue.

DEPARTMENT OF AGEING, DISABILITY AND HOME CARE ABUSE ALLEGATIONS

The Hon. JOHN DELLA BOSCA: Earlier in question time the Hon. John Ryan asked a question of me as Minister for Disability Services about matters in respect of the Director General of the Department of Ageing, Disability and Home Care and the Commissioner for Police. The response I have received from the Assistant Commissioner for Police is in the following terms. The investigator in this case was hampered by the fact that the victims were significantly developmentally and physically impaired to the extent that they were unable to provide statements or any traditional evidence of complaint against the alleged offenders. Further, the investigator successfully brought this matter to a conclusion with the placing of offenders before the courts. I advise that two people have now been charged in relation to these matters.

FISH DIOXIN CONTAMINATION

The Hon. TONY KELLY: On 2 May the Hon. Dr Arthur Chesterfield-Evans asked the Minister for Natural Resources a question without notice regarding fish dioxin contamination. The Minister provided the following response:

> Managing dioxin levels in fish involves understanding where the key sources of industrial contamination of dioxin exists, concentrating sampling efforts in those places whilst taking account of the mitigating effects on dioxin levels of 2 things: one, fish growth (as fish put on more tissue, the dioxin concentrations are reduced); and, two, the mixing of contaminated fish with huge numbers of non-contaminated fish as they move outside the contaminated area.
>
> In a technical report by the Australian Government's Department of Environment and Heritage entitled "Dioxins in Aquatic Environments in Australia", a national survey identified Port Jackson as the main location of dioxin in sediments. Other locations in New South Wales showed quite low levels of dioxin contamination.
>
> The Government is undertaking an extensive monitoring program of the levels of dioxin in a host of fish throughout Port Jackson to understand the extent of the contamination in a range of fish species there.
>
> When fish travel outside an estuary and along the coast, they also grow, putting on more flesh which reduces the concentration of dioxin at the level of an individual fish.
>
> More importantly, as these fish move away from the source of the contamination, they join huge numbers of fish that are doing the same thing, moving along the coast. But these huge numbers of other fish come from many other, non-contaminated places. This effectively reduces the concentration of dioxin at the population level because the fish populations away from Port Jackson are made up of so many fish that do not come from Port Jackson. This effectively reduces the chances of catching and consuming only Port Jackson fish to a negligible level.
>
> The commercial catch from Port Jackson constituted a very small proportion of the catch that entered Sydney fish markets alone and much less for the entire New South Wales catch. So for people purchasing their seafood from the market or other retail outlets throughout New South Wales, the consumption of fish that came only from Port Jackson would have been very infrequent.
>
> It is important to remember that the Expert Panel set up to advise me on such matters concluded that in these situations—that is, the very infrequent consumption of seafood from Port Jackson—the level of dietary exposure would not result in people exceeding the reference health level for dioxins and therefore does not present as a safety issue.

The scenario is similar for fish migration from Port Jackson. While it is possible that dioxin contaminated fish will enter the food chain infrequently, the level of dietary exposures through infrequent consumption would not result in people exceeding the reference health level for dioxins and does not present a safety issue.

We are seeing these trends already in some of the early results from our ongoing sampling in Port Jackson where there appears to be a gradient of contamination of fish—highest levels are being found close to Homebush Bay but decline further downstream.

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

Questions without notice concluded.

APPROPRIATION BILL

APPROPRIATION (PARLIAMENT) BILL

APPROPRIATION (SPECIAL OFFICES) BILL

DUTIES AMENDMENT (ABOLITION OF STATE TAXES) BILL

STATE REVENUE AND OTHER LEGISLATION AMENDMENT (BUDGET MEASURES) BILL

SYDNEY CRICKET AND SPORTS GROUND AMENDMENT BILL

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

Bills read a first time and ordered to be printed.

LANE COVE TUNNEL

Production of Documents: Tabling of Documents Reported to be Not Privileged

The Clerk tabled, pursuant to the resolution this day, documents identified as not privileged in the report of the Independent Legal Arbiter dated 22 May 2006 on the disputed claim of privilege on papers relating to the Lane Cove Tunnel further order. The Clerk advised that the documents are available for public inspection in his office.

[*The President left the chair at 1.06 p.m. The House resumed at 2.30 p.m.*]

BUSINESS OF THE HOUSE

Postponement of Business

Government Business Orders of the Day Nos 4 to 10 postponed on motion by the Hon. Tony Kelly.

SYDNEY CRICKET AND SPORTS GROUND AMENDMENT BILL

Second Reading

The Hon. TONY KELLY (Minister for Justice, Minister for Juvenile Justice, Minister for Emergency Services, Minister for Lands, and Minister for Rural Affairs) [2.32 p.m.]: I move:

That this bill be now read a second time.

The objects of the Sydney Cricket and Sports Ground Amendment Bill are to amend the Sydney Cricket and Sports Ground Act 1978, being the principal Act, to enable the lands defined as scheduled lands under the principal Act that are dedicated for public recreation to be used for additional purposes in accordance with State environmental planning policy, to place certain restrictions on the use of the land and to update references in the principal Act to the provisions of the Crown Lands Consolidation Act 1913 that have been repealed and replaced by the Crown Lands Act 1989. The Sydney Cricket and Sports Ground Trust identified in its Strategic Asset Management Plan, Condition Audit Assessment Report and a draft master plan the need to provide new and upgraded public and corporate facilities within trust lands, including the construction of the Sydney Cricket Ground [SCG] hill grandstand.

The trust considers there are two sites within trust lands with potential for redevelopment to fund these new and upgraded facilities: the gold members car park site and the area behind the Sydney Cricket Ground hill. The trust considers that the gold members car park site is underutilised, and that its commercial development has the potential for generating funds to be used on the construction of public infrastructure on its lands, including the proposed SCG hill grandstand. The trust considers that the SCG hill site has become a liability due to its deteriorating condition, inefficient operation and high maintenance costs. I seek leave to have the remainder of the second reading speech incorporated in *Hansard*.

Leave granted.

The trust believes the current state of the Hill area is disadvantaging it in comparison to other venues both within the State and interstate. Construction of the proposed Hill grandstand is considered an urgent priority by the trust. The commercial development of this land has the potential to generate funds for the construction of the grandstand and other projects in the trust draft master plan. The Sydney Cricket and Sports Ground Act came into force in April 1978. The Act established the Sydney Cricket and Sports Ground Trust, known as the trust. The trust is charged with the responsibility of care, control and management of the land and assets of the trust, which are dedicated for public recreation. The trust's powers extend to the ability to carry out works on the trust land which includes the SCG, Aussie Stadium and the surrounding land, including the members' car park. Trust land is described in schedule 2 to the Act.

The Sydney Cricket and Sports Ground Act currently allows the Minister to authorise certain uses on trust land and allows the trust to carry out works or enter into agreements to carry out works for those uses. Section 14 of the Sydney Cricket and Sports Ground Act allows trust land to be used by persons, clubs, associations, leagues or unions as the trust may think fit and proper for cricket, football, athletic sports or public amusement, and any other purpose the Minister may approve consistent with public recreation dedication. Section 16 of the Sydney Cricket and Sports Ground Act allows the trust to carry out any work in connection with the improvement, development and maintenance of trust lands for public recreation purposes. Section 16A (1) of the Sydney Cricket and Sports Ground Act requires the Minister to consult with the Ministers administering the Environmental Planning and Assessment Act and the Public Works Act before approving the carrying out of certain improvements and plans relating to the improvements on trust lands.

Section 168 of the Sydney Cricket and Sports Ground Act allows the Minister to approve the carrying out of certain improvements on scheduled land and assets of the trust for public recreation under 16A of the Act, without reference to the Environmental Planning and Assessment Act 1979 and the Local Government Act 1993 in respect to the approval of the Minister to the carrying out of improvements, the use of those improvements or the designated land on which the improvements are carried out. Section 12 (2) of the Sydney Cricket and Sports Ground Act only permits trust land to be leased in accordance with division 3 of the Crown Lands Consolidation Act 1913 or the equivalent provision in the Crown Lands Act 1989. This bill provides a mechanism for the authorisation of additional land uses on SCG land in the following manner. The Minister for Planning may authorise additional uses on specified sites within the "scheduled lands" through a State environmental planning policy, and the concurrence of the Minister for Sport and Recreation is required before making the policy. Developments on land where additional uses are authorised will be subject to State planning processes. Once additional uses are authorised, section 168 of Sydney Cricket and Sports Ground Act will no longer apply.

Exceptions will apply in relation to approvals granted under section 16A of the Act before a State environmental planning policy or these changes to the Act took effect in response to an application by the trust. Section 168 of the Sydney Cricket and Sports Ground Act does not prevent provision being included in a State environmental planning policy in relation to any part of the scheduled land that is designated land. The trust will also be required to gain the approval of the Minister for Sport and Recreation before submitting a proposal for additional uses. I would like to highlight this last point. The Minister for Sport and Recreation will have a critical role in approving any proposed additional uses that will impact on the most important sporting icon in New South Wales. The Minister will take this responsibility to consider the heritage and sporting history of the venue in the most serious manner. Furthermore, the need to ensure the interests of the broader sporting community in accessing the venues administered by the trust will be foremost in considerations for any changes to the allowable uses.

The bill enables the trust to enter into commercial agreements and other legal arrangements to allow additional uses to be realised in respect of the specific areas of the scheduled lands, including the gold members car park site and the area behind the area of the proposed hill grandstand. The bill also enables the trust to enter into agreements, with the approval of the Minister for Sport and Recreation, with the private sector for the development and funding of projects identified in the trust's draft master plan. These projects could include the development of a new grandstand to replace the Doug Walters Stand and building the proposed hill grandstand, incorporating corporate facilities and commercial facilities. Commercial uses are not currently permitted under section 14 of the Sydney Cricket and Sports Ground Act. A significant aspect of the bill is that allowing trust lands to be used for additional purposes ensures that the land is used for the benefit of the trust and the community. The public and business community will benefit from additional uses.

The bill prohibits residential development over the whole of the scheduled lands other than on the land described in schedule 28, which is currently the site of the gold members car park. The bill also prohibits tourist and visitor accommodation, including hotels and serviced apartments, from any part of the scheduled lands that are not designated lands, which is the southern half of the scheduled land in the environs of the Sydney Cricket Ground, including the Sydney Cricket Ground hill site. The bill amends section 16 of the Sydney Cricket and Sports Ground Act by inserting new sections 16C, 16D and 16E after 168 relating to additional uses on the scheduled lands. Section 16C prescribes additional uses allowed on the scheduled lands. Subject to the restrictions proposed in section 16D, section 16C (1) provides that any part of the scheduled lands may be used for permissible purposes, that is, purposes permitted on that part by a State environmental planning policy. Section 16C (2) provides that, despite any provision under the Environmental Planning and Assessment Act 1979, provision permitting or prohibiting the use of any part of the scheduled land for specified purposes may not be included in a State planning policy without the prior concurrence of the Minister for Sport and Recreation.

Section 16D prescribes certain uses of scheduled lands which are prohibited. Section 16D (1) prescribes that: (a) no part of the scheduled lands (other than the land described in schedule 2B-the members car park site) may be used for residential accommodation; (b) no part of the scheduled lands (other than designated land) may be used for tourist and visitor accommodation. Section 16D (2) clearly defines the terms "residential accommodation" and "tourist and visitor accommodation". Section 16E prescribes ancillary provisions relating to the development and use of scheduled lands for additional purposes, that is, permissible purposes permitted by a State environmental planning policy. Section 16E makes it clear that the dedication of scheduled lands for public recreation does not prevent or otherwise affect the use of any part of the scheduled lands for a permissible purpose, and makes it clear that the dedication of scheduled lands for public recreation does not prevent or otherwise affect the grant of a lease or licence that permits or otherwise provides for its use for a permissible purpose.

The section also extends the provisions of sections 102, 103 and 108 of the Crown Lands Act 1989 to the leasing and licensing of any part of the scheduled lands for a permissible purpose; extends the provisions of section 16 of the Act to enable the use of any part of the scheduled lands for permissible purposes in the same way that they apply to purposes referred to in sections 14 and section 15 of the Sydney Cricket and Sports Ground Act in respect to trust powers to authorise use of schedule lands and powers in respect additional lands; and allows the trust to exercise its functions in a partnership, joint venture or other association with other persons or bodies for the purposes of enabling the use of any part of the scheduled lands for purposes permitted by the State environmental planning policy. The provisions relating to additional uses are similar to existing provisions in the Crown Lands Act 1989 that allow the Minister to authorise additional uses of Crown land. In July 2005 amendments were introduced into the Crown Lands Act 1989 to provide for additional uses on Crown Land and allow for greater flexibility in leasing land.

These provisions provide for additional uses on reserves where the Minister considers it is appropriate and the proposed use has been duly notified. The bill also amends outdated references to the predecessor of the Crown Lands Act 1989 allowing the trust to exercise its functions as if it were a reserve trust established under that Act. The Sydney Cricket Ground was originally dedicated for public recreation under the Crown Lands Consolidation Act 1913, which was repealed by the Crown Lands Act 1989. No order has been made previously in relation to the Sydney Cricket and Sports Ground Act to amend the references to the Crown Lands Consolidation Act 1913 to provide for the application of the Crown Lands Act 1989 on trust land. The bill rectifies this by amending sections 8, 9, 10, 11 and 12 of the Sydney Cricket and Sports Ground Act by replacing references to the Crown Lands Consolidation Act 1913 with appropriate references to the provisions of the Crown Lands Act 1989. Following the enactment of this bill by the Parliament the Minister for Planning will broaden the permissible uses allowed within the site consistent with the provisions of the bill.

This will be done by a suitable planning instrument such as an amendment to the Major Projects State Environmental Planning Policy. The amendment to the instrument will not only allow for a broader range of uses but also introduce appropriate controls to ensure compatibility of any proposed development with the main recreational functions of the Stadium and the Sydney Cricket Ground. Perhaps the most important aspect to note in the proposed amendments to the legislation is that there will be two processes of checks and balances to ensure that the continued operation of this most important sporting venue precinct is protected for future generations. The Minister for Sport and Recreation is required to approve any new uses on the trust lands, and the Minister for Planning will provide an additional level of scrutiny through statutory planning processes. These safeguards are comprehensive to ensure that public interests are protected, yet allow for some flexibility for the trust to further develop the venues under its management to best meet the needs of the State's sporting community. I commend the bill to the House.

The Hon. MELINDA PAVEY [2.34 p.m.]: I lead for the Opposition on the Sydney Cricket and Sports Ground Amendment Bill. I am advised by the shadow Minister for Gaming and Racing, and the shadow Minister for Sport and Recreation, the Hon. George Souris, that the Opposition will not oppose the bill, and for good reason. The bill will enable lands dedicated for public recreation purposes to be used for additional purposes, with restrictions. The Sydney Cricket Ground is in need of refurbishment and ground improvements, including a grandstand rebuilding program. Construction of a new hill grandstand is expected to commence in February 2007 at the conclusion of the forthcoming Ashes and international cricket season. In the past the trust has unsuccessfully explored the possibility of private sector involvement. At this point I acknowledge the solid suggestion from my upper House Leader, the Deputy Leader of the Opposition, that any future stand development or redevelopment should incorporate the name "Doug Walters".

The Hon. Duncan Gay: That's the condition of our support.

The Hon. MELINDA PAVEY: It is a condition of our support.

The Hon. Duncan Gay: Keep the Dougie Walters name.

The Hon. MELINDA PAVEY: Yes, keep the Dougie Walters name. As all honourable members know, Dougie Walters is a fine Australian and a great batsman.

The Hon. Duncan Gay: A bushy.

The Hon. MELINDA PAVEY: A bushy from Dungog, as the Deputy Leader of the Opposition said. It is a pretty good condition, and we ask that the Sydney Cricket and Sports Ground Trust and the Government keep that in mind in any future developments. The proposed amendments will broaden possible uses of specific areas subject to certain restrictions on residential and tourist-visitor accommodation to ensure that the character and amenity of the site are maintained. The hill grandstand is expected to cost $65 million in an overall $180 million strategy. The Act permits the Minister, in consultation with other Ministers, to approve of a wide range of developments for public recreation purposes. However, the amendments will empower the Minister for Planning to authorise additional land uses through a State environmental planning policy, after the concurrence of the Minister for Tourism and Sport and Recreation. Once additional uses are authorised, the proposals will be subject to the State's environmental planning policies, subject to the prior approval of the sports Minister.

The bill permits potential residential development over the gold members car park only and prohibits hotel accommodation in the hill area. The bill also permits the grant of a lease for these permitted uses other than lands dedicated for public recreation. The bill also authorises the use of partnerships and joint ventures. There are also a number of mechanical provisions to update the original Crown Lands Act 1913 and its 1989 successor. The shadow Minister has consulted with the Sydney Cricket and Sports Ground Trust. The trust was represented by its chairman, Rodney Cavalier, Alan Jones, the Hon. Michael Cleary and general manager, Jamie Barkley. The Opposition will not oppose the bill. We wish the Sydney Cricket and Sports Ground Trust all the very best in its future development.

Reverend the Hon. FRED NILE [2.38 p.m.]: The Christian Democratic Party supports the Sydney Cricket and Sports Ground Amendment Bill, which is an important step in improving the accommodation for members of the public at the Sydney Cricket Ground particularly. The trust in charge of the property, the Sydney Cricket and Sports Ground Trust, has determined that the Sydney Cricket Ground hill has become a liability due to its deteriorating condition, its inefficient operation and its high maintenance costs. Therefore, the trust, having decided that the hill area is disadvantaged in comparison to other areas both within and without the State, recommended that the Government give urgent consideration and priority to the construction of a hill grandstand, which is why we are debating the bill today. The commercial development of this land has the potential to generate funds for the construction of the grandstand and other projects on the trust draft master plan. The Sydney Cricket and Sports Ground Act came into force in April 1978. The Act established the Sydney Cricket and Sports Ground Trust to be in charge of that land. The trust is charged with the responsibility, care, control and management of the land and assets of the trust that are dedicated to public recreation.

The trust's powers extend to the ability to carry out works on the trust land that includes the Sydney Cricket Ground, Aussie Stadium and the surrounding land, including the members' car park, which is an important part of this bill. Two sites are to be developed: the hill and what is known as the gold members' car park. The trust is required under its trust conditions to ensure that land is used by persons, clubs or associations, leagues or unions as the trust may think fit and proper for cricket, football, athletics sports or public amusement, and for any other purpose that the Minister may approve that is consistent with a public recreation dedication. The trust also has the power to carry out any work in connection with the improvement, development and maintenance of trust lands for public recreation purposes.

The bill has positive aspects of allowing the Minister for Planning to refer to the Minister for Tourism and Sport and Recreation the approval of parcels of land within the Sydney Cricket and Sports Ground Trust scheduled lands that are compatible with commercial development purposes, but the bill prohibits residential development over the whole of the scheduled lands, other than the land described in schedule 2B, which is the current site of the gold members' car park. The bill also prohibits tourist and visitor accommodation, including hotels and serviced apartments, from any part of the scheduled lands that are not designated land. This part of the bill refers to the southern half of the scheduled lands where the Sydney Cricket Ground is located. The prohibitions have been introduced to ensure that the trust lands are available for use by members of the community at large. Members of the public in Sydney who enjoy cricket look forward to improvements in the facilities, especially on the hill, which is the site for a modern grandstand. I support the bill.

Ms SYLVIA HALE [2.42 p.m.]: The Greens oppose the Sydney Cricket and Sports Ground Amendment Bill. The Minister's second reading speech is one of the most deceptive pieces of spin I have seen since being elected to Parliament. It is couched in warm and reassuring terms about the need to upgrade critical sporting facilities at the Sydney Cricket Ground and the need to improve overall access and amenity for all. Associated with this are supposedly minor changes to minor land use and zoning classifications to enable better use of underutilised areas to help fund upgrades to the hill grandstand. All this is complete guff.

This bill is about flogging off open space that is adjacent to the football stadium for medium-density residential development and the construction of new commercial and retail space, including hotels and tourist development, in and around the football stadium and cricket ground. This bill is not primarily about improving sporting facilities in the Sydney showground precinct. The bill paves the way to significantly increase development in and around the stadiums. It is not a sporting bill; it is a planning bill. This bill will open the doors to new apartment towers on the open space currently known as the gold members' car park. It will be the site of new commercial buildings, office space, shops and hotels, and underground car parks that are jammed in and around the football stadium. New shops and retail development will be built in and around the cricket ground stadium.

I will go into a little of the history of the showground. Almost 200 years ago, in 1811, Governor Lachlan Macquarie made a bequest of 1,000 acres of land, or 405 hectares, for "the benefit of the present, and all succeeding inhabitants, of Sydney". That land was then known as the Sydney Common. It represented common ownership and the provision of a respite from urban living as the foundation of the parklands. It is because of that original dedication that a large portion of the land remains the property of the Crown and is protected from encroaching development. It is protected as long as the government of the day decides not to sell it off. Now the government of the day is deciding to do just that.

The Sydney Common originally encompassed what is now Moore Park, Fox Studios Australia, the cricket and sports grounds, Centennial Park, Queens Park and the Randwick racecourse. That is a list of encroachments that have been made upon what was originally the Sydney Common. Centennial Park and Moore Park and the built environment have played an important role in the cultural and social history of Sydney dating back to the early nineteenth century. The parklands as a whole, not just individual items of heritage, are central to the culture and history of New South Wales. The land belongs to the community—a legacy of a far-sighted Governor Macquarie—but it is a legacy that, over the years, has been decimated and degraded. We have seen the very same exercise with the Sydney Domain, which has been encroached upon by roads being put through it and by bits and pieces of it being alienated. The Domain has been gradually and consistently reduced in size. The Labor Government has decided to alienate more of what was originally known as the Sydney Common.

The history of the former Sydney Common is one of continuous attempted, and often successful, encroachment. Successive governments have not acted in the spirit of the Macquarie bequest. Large slabs have been sold for private use and other areas have been allocated for restricted use. Presently only one-third of the original 405 hectares of the original Sydney Common remains as open public land, with the remainder being vested in sporting interests, leased for commercial development or permanently alienated. There have been a number of noteworthy encroachments on the public open space of the Sydney Common. The Carr and Iemma Labor Governments have been running true to their form in massive depletions of parklands and open public space around Sydney. This bill is another step in that process.

This bill continues the process of alienation under the guise of improved services. It paves the way for new land use on key parts of the site. The Government is specific about wanting to redevelop two sites—the current gold members' car park and an area behind the hill grandstand. However, the bill paves the way for additional development on other land surrounding both the football and cricket stadiums. The Greens are most concerned about the development of the gold members' car park, which could result in a major medium- to high-rise development along Moore Park Road. I believe that the Government intends to dispose of lands within the site to generate $63 million to redevelop the hill grandstand.

The Greens do not support the bill. We believe that it has been introduced with great speed. There has been no opportunity for public debate. The Fox Studio development caused enormous dissension within the community. In relation to the proposal to sell Snowy Hydro and in relation to this proposal, the Government's tactic is, as always, to sneak legislation through, quell public knowledge—let alone debate the issue—and present redevelopment to the community as a fait accompli. To pretend that this is in any way a sporting bill is to misrepresent the Government's real intention: to alienate even more public land and to do favours for the developers of this city.

The Hon. TONY KELLY (Minister for Justice, Minister for Juvenile Justice, Minister for Emergency Services, Minister for Lands, and Minister for Rural Affairs) [2.50 p.m.], in reply: I thank honourable members for their contributions and I commend the bill to the House.

Motion agreed to.

Bill read a second time and passed through remaining stages.

FAIR TRADING AMENDMENT 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.

BUSINESS OF THE HOUSE

Suspension of Standing and Sessional Orders

Motion by Reverend the Hon. Dr Gordon Moyes agreed to:

That standing and sessional orders be suspended to allow a motion to be moved forthwith that Private Members' Business item No. 132 outside the Order of Precedence, relating to the appointment of a select committee to inquire into and report on the continued public ownership of Snowy Hydro Limited, be called on forthwith.

Order of Business

Motion by Reverend the Hon. Dr Gordon Moyes agreed to:

That Private Members' Business item No. 132 outside the Order of Precedence be called on forthwith.

SELECT COMMITTEE ON CONTINUED PUBLIC OWNERSHIP OF SNOWY HYDRO LIMITED

Reverend the Hon. Dr GORDON MOYES [2.53 p.m.]: I move:

(1) That a select committee be appointed to inquire into and report on the continued public ownership of Snowy Hydro Limited, and in particular:

  (a) impacts on the short and long term financial position of the Government including revenue and recurrent costs,

  (b) future capital expenditure requirements of Snowy Hydro Limited in order to remain competitive in the national energy market,

  (c) control of water regulation,

  (d) access to lands controlled by Snowy Hydro Limited,

  (e) removal of disused Hydro infrastructure in National Parks,

  (f) heritage issues,

  (g) any other related matters.

(2) That the committee consist of seven members comprising:

  (a) Government members: Mr Catanzariti, Mr Donnelly and Ms Fazio,

  (b) Opposition members: Mrs Forsythe and Mrs Pavey, and

  (c) Crossbench members: Ms Hale and Revd Dr Moyes.

(3) That, notwithstanding anything contained in the standing orders:

  (a) the Chair of the committee be Revd Dr Moyes, and

  (b) the Deputy Chair be Mrs Pavey.

(4) That the committee report by Friday 27 October 2006.

I do not suggest that the House debate this matter at any length and I do not wish to speak on this issue; it would not be appropriate that I do that.

The Hon. MELINDA PAVEY [2.55 p.m.]: I welcome the motion moved by Reverend the Hon. Dr Gordon Moyes. Last night the committee held a very good meeting at which some constructive proposals were put forward to discuss the future of Snowy Hydro Limited in public ownership. I look forward to the committee's deliberations, and particularly to travelling to Cooma on 6 July to hear evidence from the community. That will be a very useful part of the process.

Ms SYLVIA HALE [2.56 p.m.]: I have great pleasure in supporting the motion, which reflects the new reality that the prospect of Snowy Hydro Limited being sold has evaporated in the face of extraordinary public outcry and unhappiness. The committee will provide the community with an opportunity to discuss and ventilate many issues that the Government was reluctant to discuss in the lead-up to the proposed sale. Insofar as it allows the public to better examine the benefits and potential non-benefits of Snowy Hydro Limited remaining in public ownership, the committee will do a great service. Along with Ms Melinda Pavey I look forward to returning to Cooma and to the hearings in Sydney. That will allow an opportunity to hear what people from varying backgrounds, lifestyles, work and technical experience have to say about Snowy Hydro Limited. To date, many people have given vent to their opinions through letters, petitions and radio talkback sessions. The inquiry will be an opportunity to assemble and expose to public scrutiny many arguments that have been advanced. The terms of reference of the committee are a welcome change.

Reverend the Hon. FRED NILE [2.57 p.m.]: I support the motion moved by Reverend the Hon. Dr Gordon Moyes for the establishment of a select committee to inquire into and report on the continued public ownership of Snowy Hydro Limited, and other matters. One term of reference is the question of capital expenditure requirements for Snowy Hydro Limited, which was one of the main reasons given by the Government as to why it was necessary to sell the scheme. It is important for that issue to be examined. If it is shown that capital is needed, where is it to come from to enable the Snowy Hydro scheme to continue to operate efficiently? Secondly, following debate about the Commonwealth and Victorian governments' shares, the committee should consider whether the ownership of Snowy Hydro Limited should remain in public ownership, instead of being managed by three governments. Obviously, that has created problems. Should it be in the hands of one government? Ideally that should be the Commonwealth Government, and that should be a matter for the committee to consider.

The Hon. ROBERT BROWN [2.59 p.m.]: I support the motion moved by Reverend the Hon. Dr Gordon Moyes and the suggestions made by Reverend the Hon. Fred Nile. This inquiry should look at the appropriateness of three different governments owning such an important piece of national infrastructure. I commend the motion to the House.

Motion agreed to.

SUPERANNUATION LEGISLATION AMENDMENT BILL

Second Reading

The Hon. TONY KELLY (Minister for Justice, Minister for Juvenile Justice, Minister for Emergency Services, Minister for Lands, and Minister for Rural Affairs) [3.00 p.m.], on behalf of the Hon. John Della Bosca: I move:

That this bill be now read a second time.

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

Leave granted.

The Superannuation Legislation Amendment Bill 2006 introduces miscellaneous amendments to various Acts governing superannuation schemes for New South Wales public sector employees and parliamentarians.

None of the proposed changes will increase the Government's costs associated with the public sector or parliamentary superannuation arrangements.

The bill contains several amendments to the *Police Regulation (Superannuation) Act 1906*. This Act governs the Police Superannuation Scheme which was closed to new members from 1 April 1988. The scheme covers around 3,700 serving officers and 5,300 former officers now receiving pensions from the scheme.

The Police Superannuation Scheme also provides workers compensation style benefits for officers who are killed or injured as a result of their occupation. Officers covered by the Police Superannuation Scheme are not eligible for coverage by the New South Wales workers compensation arrangements.

The proposed amendments mainly affect invalidity benefits payable from the Police Superannuation Scheme to officers who cease employment because of injury or ill health. The SAS Trustee Corporation, which is the trustee for the Police Superannuation Scheme, is responsible for determining whether an officer is eligible for an invalidity benefit on the basis of whether he or she is incapable of performing his or her 'duties of office'.

A decision of the Full Bench of the Industrial Relations Commission, in *Derrick Boland versus SAS Trustee Corporation (2 November 1999)* cast doubt on the validity of the interpretation of duties of office that has been applied for this determination over the last 20 years or more. The judgment concluded in respect of the Act governing the Police Superannuation Scheme:

"…The legislation should plainly be revisited by the Legislature in order to ensure that a logical, consistent and readily understood regime applies to the important work which police officers perform in the State, particularly that aspect which regulates their circumstances in the event that they are injured in the performance of their duties."

The bill clarifies the definition of duties of office to ensure that it includes the general duties imposed on all police officer by reference to section 14(1) of the Police Act 1990, which states: "In addition to any other functions, a police officer has the functions conferred or imposed on a constable by or under any law (including the common law) of the State".

The amendment makes clear that the interpretation of duties of office that has applied in practice for many years can continue. The bill also validates any past decisions made by the SAS Trustee Corporation.

The bill also clarifies the circumstances in which a former police officer may claim a hurt on duty invalidity pension subsequent to retirement or resignation. New provisions will ensure that former police officers can only make valid claims for hurt on duty benefits, or increases to such benefits, if they are less than 60 years of age, or five years after retirement, whichever is later. Currently, there is no age or time limit. The proposed limits are supported by NSW Police and the Police Association.

The amendments in the bill require police officers to participate in an injury management program offered by NSW Police similar to that under workers compensation arrangements. Currently there is no legislated obligation on the part of an officer to participate in any such program. The bill makes benefit payments conditional on certification from the Police Commissioner that an officer has participated in such a program. Again, this amendment is supported by NSW Police and the Police Association.

In addition, the commutation provisions applying to the Police Superannuation Scheme are amended to allow members to choose to commute part of a pension entitlement to a lump sum. Currently, they can only commute all or none of their pension. The bill also reduces the age at which an invalidity pension may be commuted from age 60 to 55. These changes are consistent with commutation arrangements in the State Superannuation Scheme which is the other scheme that pays pensions to public sector employees.

I turn now to amendments to the *State Authorities Superannuation Act 1987* which governs the State Authorities Superannuation Scheme, or SASS. This scheme covers around 60,000 public sector employees who had joined prior to its closure to new members in December 1992.

SASS generally provides members with an employer funded lump sum benefit plus an accumulation of members' own compulsory contributions which may be between 1 per cent and 9 per cent of their superable salary each year. These member contributions must currently be paid out of post-tax salary.

The bill proposes to allow SASS members to pay all or part of these compulsory contributions from their pre-tax salary. Salary sacrificing in this way may result in tax advantages for some members, depending on their individual financial circumstances.

The earliest possible implementation date is April 2007. This will allow the scheme's trustee sufficient time to undertake communications with employers and members about the changes, and make operational changes.

The bill contains amendments that provide additional flexibility in the definition of salary for superannuation purposes for members of SASS and the State Superannuation Scheme.

The amendments allow regulations to be made to address agency specific requirements where a new remuneration basis is being proposed for employees, such as an annualised salary.

For example, an agency might propose, with support from employees, that there are operational efficiencies and employee advantages to have an annualised salary replace the payment of a base wage plus overtime and penalty rates. The legislation currently does not allow overtime and some penalty payments to be recognised for superannuation purposes, but an annualised salary may satisfy the current definitions in the legislation. However, the recognition of the full annualised salary for superannuation purposes could generate such significant increase in the cost of increased superannuation benefits that no responsible Government could afford to give unqualified support to a proposed adoption of annualised salary.

The amendments would allow for regulations to prescribe a 'notional' salary for superannuation purposes, thereby encouraging flexibility in negotiating workplace reforms.

The amendments make clear that regulations can only be made with the agreement of the Minister and Treasurer, where the making of a regulation and associated arrangements will not result in a cost to the Government that is greater than if the regulation was not made.

The amendments also make clear that the making of such regulations cannot reduce a member's superannuation salary below that which would have been recognised had the annualised salary not been introduced and regulations made.

The final amendments contained in the bill are to public sector employees' and parliamentarians' superannuation schemes which pay pensions.

Honourable members would be aware that before amendments to the *Parliamentary Contributory Superannuation Act 1971* can be passed in the Legislative Assembly, the Parliamentary Remuneration Tribunal must certify that the amendments are warranted.

I am pleased to advise that, following his assessment, such certification has been provided by the Parliamentary Remuneration Tribunal, His Honour, Judge Boland.

The purpose of the amendments is to supplement existing administrative arrangements. These enable members to ensure that an election to commute a pension entitlement to a lump sum takes effect before a pension entitlement commences to be paid. In these circumstances, the Tax Office will take the lump sum benefit as having been paid before the pension and therefore assess the tax payable against the higher pension Reasonable Benefit Limit (RBL) instead of the lump sum RBL.

It has become apparent that there may be circumstances where these administrative arrangements are not sufficient to enable members to lodge their commutation elections in time. The amendments address this by allowing members to nominate a later start date for their pension payments.

No pension is then payable in respect of any period prior to the member's nominated commencement date. It will be up to individual members to decide, on the basis of independent financial advice, whether it is in their interest to forfeit pensions for, say, a few weeks or months.

Although 2006 Federal Budget proposals include the abolition of RBLs from 1 July 2007, the above amendments may be useful until that date.

I commend the bill to the House.

The Hon. GREG PEARCE [3.00 p.m.]: The Opposition does not oppose the Superannuation Legislation Amendment Bill, which amends the Police Regulations Superannuation Act 1906, the Parliamentary Contribution Superannuation Act 1971, the State Authorities Non-contributory Superannuation Act 1987, the State Authorities Superannuation Act 1987, and the Superannuation Act 1916 No. 28. Primarily, the bill makes changes to police superannuation arrangements in response to the *Berrick Boland v SAS Trustee Corporation* decision, to which I will refer later.

Improved options for current and future beneficiaries under the relevant State superannuation schemes are intended to be actuarially cost neutral. Beneficiaries electing to take the options now being proposed under these amendments might face different after-tax consequences. It is envisaged that the legislative changes will take effect in 2007, allowing time for fund members to weigh up the new options. There are also definitional safeguards in respect of the Government's superannuation liability when employees move to annualised salary arrangements as a consequence of a workplace agreement.

One of the proposed changes appears to be a direct consequence of recent superannuation changes in the Commonwealth budget. Fund managers will need to take that budget's superannuation changes into account when reviewing the additional options available under this legislation. The Police Regulation (Superannuation) Act is the first Act to be amended. Most of the proposed amendments to this Act represent a somewhat belated response to the issues raised in *Berrick Boland v SAS Trustee Corporation*, which was reported in 1999 NSWIRComm at page 488.

The Full Bench, in disallowing a former police officer's claim for a pension after resignation following an injury on duty that caused some degree of ongoing disability, requested that relevant legislation be revisited by the Legislature to ensure a logical, consistent and readily understood regime applied, particularly when police officers were injured on duty. The Government's briefing note suggests that, without these amendments, the police commissioner and the Police Association would strongly oppose a more strict interpretation imposed by the Superannuation Trustee because of the potential adverse impact on operational aspects, particularly in regard to what constitutes ordinary police duty.

The bill restores the status quo to the longstanding interpretation of the legislation that had been put in doubt by the decision of the Industrial Relations Commission, and it introduces a neutral requirement in respect of rehabilitation. Separate amendments propose partial commutation of police pensions, which are allowed only in full at present, and extend the period in which an election to make a commutation can be made. I understand that this scheme has been closed to new members since 1 April 1988 and it is applicable to approximately 3,700 serving police officers and 5,300 former police officers.

The Parliamentary Superannuation Act is also amended. A new section will be inserted allowing members to nominate a date after the current default date on which the pension will commence payment. In effect, that will allow members additional time in which to make a commutation election. I understand from the Government's briefing that the Parliamentary Remuneration Tribunal approves this change. The amendments to

the State Authorities Non-contributory Superannuation Act 1987 deal with resulting changes in superannuation entitlements as a consequence of the change in remuneration arrangements for members, such as an industrial agreement, to establish annual remuneration in lieu of a base wage and penalties.

The Minister and the Treasurer are required to certify that the change to an annualised salary will not lead to a reduction in benefits or to greater cost to the Government. The amendment also deals with member-elected changes in salary sacrifice contributions that will not change the amount constituting the salary of the member. The State Authorities Superannuation Act is also amended. As with the Act to which I just referred, amendments to this Act primarily deal with the superannuation entitlement impact after a change in annual remuneration arrangements. In addition, the amendments deal with members being able to vary superannuation contributions based on a salary sacrifice arrangement.

The change in salary sacrifice does not impact on the amount constituting salary. The salary sacrifice and compulsory contribution components may now be treated as pre-tax income as per the member's preference. Exercising this option gives rise to a different taxation impact on those contributions. I understand that this scheme closed to new members in December 1992 but currently it has approximately 60,000 members. The changes to the Superannuation Act 1916 are consequential amendments flowing from changes to the Acts to which I have referred. As a result of these amendments there will be greater certainty for the police commissioner and police injured on duty in respect of return to duty or retirement.

More options will be available in respect of retirement benefits and contributions for members of the funds. More flexible employment arrangements such as annualised salary should not give rise to a greater superannuation liability for the Government. In those circumstances the Opposition does not oppose the bill.

Reverend the Hon. FRED NILE [3.07 p.m.]: The Christian Democratic Party supports the Superannuation Legislation Amendment Bill, which amends various public sector and parliamentary superannuation Acts with respect to police hurt on duty benefits, police superannuation benefits, the making of salary sacrifice contributions, the determination of salary for superannuation purposes, and the nomination of the commencement of the payment of pensions. One of the main reasons for the legislation concerns the 1999 judicial decision in the case of *Berrick Boland v SAS Trustee Corporation* that determined, for the purposes of the Police Regulation (Superannuation) Act 1906, whether members of the police force hurt on duty were incapable of discharging their duties.

Those duties include the general duties imposed on all police officers and validate previous certificates given on that basis. This legislation will clarify the test of a former officer's eligibility for a hurt-on-duty pension, that is, whether he or she was infirm at the time of ceasing employment as a police officer. Without these amendments the Superannuation Trustee would apply a much less rigorous interpretation that could have significant cost implications for the Government. Two questions arise from this.

The Police Association is concerned that the bill may have an adverse impact on its members who seek a pension as a result of being injured on duty. While the association hopes that those members would have no trouble securing a pension, the Government is obviously concentrating on limiting the cost implications for its budget. Thus there is tension in this area. I ask the Minister for Justice to clarify the meaning of the term "actually infirm" when he replies to the debate. Is that term or the word "infirm" defined in the regulations or in the legislation?

I will illustrate my point to the House. A police officer injures his spine or knee on the job and is unable to perform his duties. However, because he can still stand there could be an argument as to whether he is "actually infirm". That officer is certainly unable to perform general policing duties, such as chasing criminals and other physical activities that are a necessary part of a police officer's role. Is that officer considered to be infirm because he cannot run? "Infirm" implies that a person is bedridden but a police officer does not have to be bedridden to be unable to perform his duties. An officer who is injured on duty should be eligible for a full pension. An injured officer who is pressured to resign will receive only 50 per cent of the full pension. Therefore, it is most important that officers who are physically impaired while serving the community and who can no longer perform general duties as a consequence receive a full pension even though they may not appear to be "infirm". I ask the Minister to clarify that definition. The Christian Democratic Party supports the bill.

The Hon. TONY KELLY (Minister for Justice, Minister for Juvenile Justice, Minister for Emergency Services, Minister for Lands, and Minister for Rural Affairs) [3.12 p.m.], in reply: I thank honourable members for their support of the bill and commend it to the House.

Reverend the Hon. Fred Nile: Will the Minister seek advice from the departmental officers as to the meaning of the word "infirm"? Can he supply a definition at a later time?

The Hon. TONY KELLY: Unfortunately, we cannot provide that definition immediately. I undertake to ensure that Reverend the Hon. Fred Nile receives that information as soon as possible.

Motion agreed to.

Bill read a second time and passed through remaining stages.

CORRECTIONAL SERVICES LEGISLATION AMENDMENT BILL

Second Reading

The Hon. TONY KELLY (Minister for Justice, Minister for Juvenile Justice, Minister for Emergency Services, Minister for Lands, and Minister for Rural Affairs) [3.14 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 introduces amendments to the *Crimes (Administration of Sentences) Act 1999* that were recently foreshadowed by the Premier.

The amendments will prohibit inmates who are serving sentences for serious indictable offences, or who are awaiting sentencing for such offences, from providing their reproductive material for use, or storage, for reproductive purposes at hospitals or other places; and will require inmates who have had their reproductive material stored for reproductive purposes to pay charges for the storage during any period in which they are imprisoned.

The Bill amends the *Crimes (Administration of Sentences) Act 1999* by introducing new section 72B within Division 8 of Part 1 of the Act. Division 8 of Part 1 deals with miscellaneous issues including health related issues affecting inmates.

The Bill also amends the *Children (Detention Centres) Act 1987* to provide that new section 72B of the *Crimes (Administration of Sentences) Act 1999* applies to juveniles subject to control in detention centres.

The Bill therefore applies to males and females, adults and juveniles, who are imprisoned for committing a serious indictable offence.

Application of the amendments to both adult and juvenile offenders is necessary for consistency of operation, particularly in the case of offenders who progress from juvenile detention to adult custody on reaching the statutory age.

Application to both male and female inmates is intended to ensure that the legislation cannot be challenged on the basis of breaching the Commonwealth *Sex Discrimination Act 1984*.

Restricting the prohibition to inmates in full-time custody for committing a strictly indictable offence will ensure that only those inmates convicted of very serious offences will be subject to the ban – inmates whose crimes the community abhors and to whom community concerns apply.

I now turn to the detail of the Bill.

Schedule 1 [1] inserts proposed section 72B into the *Crimes (Administration of Sentences) Act 1999*.

Section 72B (1) defines expressions used in the proposed section.

"Serious indictable offender" is defined to cover inmates serving a sentence of imprisonment for a serious indictable offence, or awaiting sentencing for such an offence.

A "serious indictable offence" is an offence that may only be dealt with on indictment and includes offences committed elsewhere than in New South Wales which, if committed in New South Wales, would be serious indictable offences; and various terrorism offences.

Examples of offences covered by the definition are offences such as murder, sexual assault and kidnapping.

Section 72B (2) prevents the grant of leave of absence to a serious indictable offender for the purpose of the offender providing reproductive material for use, or storage, for reproductive purposes at any hospital or other place.

Section 72B (3) makes it an offence for a serious indictable offender to provide reproductive material for use, or storage, for reproductive purposes at any hospital or other place.

This section imposes a maximum penalty of 100 penalty units or imprisonment for 6 months, or both. 100 penalty units is the maximum penalty applicable under comparable legislation, the *Human Tissue Act 1983*, for obtaining or using a sperm donor's semen for an improper purpose. A custodial sentence is desirable as an alternative or additional penalty for an inmate who may not be deterred by the prospect of facing only a financial penalty.

Section 72B (4) requires prisoners other than serious indictable offenders, who have their reproductive material stored for reproductive purposes at hospitals or other places, to pay a charge for storage of the material.

Section 72B (5) requires serious indictable offenders whose reproductive material was stored for reproductive purposes before the commencement of the proposed section to pay a charge for storage of the material.

Schedule 2 amends section 29 of the *Children (Detention Centres) Act 1987* to apply the new section to be inserted by Schedule 1 to persons subject to control within the meaning of that Act.

I commend the Bill to the House.

The Hon. CHARLIE LYNN [3.14 p.m.]: The Opposition does not oppose the Correctional Services Legislation Amendment Bill. However, we are concerned about the speed with which the bill has been rushed through Parliament. We believe legislation that infringes on people's rights should be subject to serious community consideration and discussion. The Government should not introduce legislation as a knee-jerk reaction to a media story. If the Government took the time to consult the community about legislation and to consider all aspects of it perhaps we would get it right the first time and not have to amend Acts at a later date.

The Correctional Services Legislation Amendment Bill amends the Crimes (Administration of Sentences) Act 1999 with respect to the storage of reproductive material of inmates. The bill prohibits inmates who are serving sentences for serious indictable offences or who are awaiting sentencing for such offences from providing their reproductive material for use or storage. It also requires inmates who have had their reproductive material stored for reproductive purposes to pay storage charges during any period that they are in prison. The bill applies to serious indictable offences, such as murder, sexual assault, kidnapping and various terrorism offences. Although the Coalition does not oppose the bill, we believe it should be discussed more thoroughly with the wider community.

The Government decided to introduce this bill because the media highlighted the fact that a rapist could have his sperm preserved at a cost to the taxpayer while services in the areas of law and order and justice remain unfunded. That is apparent from the budget that the Treasurer delivered just yesterday. The Government's expenditure priorities in this area appear misguided. The Opposition does not oppose the bill. In fact, Opposition members have a wide range of views about it. I support the bill. My daughter was attacked and raped when she was a university student, and both she and I would be outraged if her attacker were able to access that sort of service while in prison. I believe people who are convicted of serious indictable offences forfeit their rights—including their rights to vote and to participate in society—while in prison. If our prison system works correctly and reforms offenders, they should be able to return to society and participate socially in a law-abiding fashion. I support that concept but I do not support the idea of offenders having rights while they are in prison. They do not have rights.

I think there would be general agreement across all parties that prisoners have a right to be fed and be reformed in prison. I am concerned that the bill has been rushed through Parliament in response to a case that highlights the motivation for the bill, but this is not the way the Government should do business. Draft bills should be discussed widely in the community. In this place we represent the community, and the community must have confidence that its views are being expressed here by us.

The Hon. Dr PETER WONG [3.20 p.m.]: From the outset the Unity Party voices its opposition to this bill, the introduction of which is a sad indictment on the two major parties in this State. In their grab for power they are stooping to a level usually witnessed in murderous and morally deprived regimes. The bill will prohibit inmates of prisons and Juvenile Justice facilities who have been convicted of serious indictable offences from providing sperm or ova for use or storage for reproductive purposes. In many respects the introduction of this bill shows the value of the bipartisan approach taken by the major parties to much of what passes in this place. I say that because one of the groups that will be most affected by the intent of this bill, given that its members make up a third of the prison population, is the Aboriginal community.

I must remind my colleagues that the bipartisan approach by the major parties to Aboriginal Affairs is still a process of smoothing the pillow for a dying race. We constantly hear that Aboriginal Affairs is just too hard, too incredibly difficult for our most talented public administrators. It would appear to be easier to introduce coercive State control over reproductive rights of Aboriginal inmates than to address the appalling

state of health care and child death rates among Aboriginal children. Other individuals who will be affected by this bill are those who grew up as children in the care of the State. This group of people has in the past been reproductively controlled through the State's special provisions. The bill carries forward into the twenty-first century an attitude of Australian administrative culture: the desire to stop the breeding of those it hates with acute passion—in particular, Aboriginal people and those who have been through the child welfare systems.

It continues a fine tradition of illegal and forced sterilisations, illegal and forced adoptions and the illegal and hidden use of contraceptives on girls under the care of the State or of special interest to the State. We need only remind ourselves of the use of Depo-Provera on young Aboriginal girls in Queensland, which was shamefully administered under the disguise of public vaccination programs. Also the use of the pill in child welfare institutions, and other institutions for the physically and mentally disabled, to cover up institutional sexual assault by preventing the birth of children who were the product of sexual assault and abuse of inmates of institutions. I voice my strong opposition to this bill. I will not mention the names of other regimes that have used similar control methods against their people. Those regimes, and the types of processes they used, are well documented in the sad history of humanity. I am sure that other honourable members in this place can name at least one such regime that immediately springs to mind, and I draw the attention of honourable members to an article in today's *Sydney Morning Herald* that mentions that nasty regime.

Apart from the provision in the bill that makes prisoners pay for genetic material already in storage at the time of their remand or sentence to custody, the other provisions in the bill are totally unnecessary. That is because Commissioner Woodham has long exercised his considerable administrative powers—powers that exist to maintain the good order and discipline of his institutions—to ensure that no prisoners have ever been able to have this material collected from them and stored while they were imprisoned. Perhaps Corrections Health was not aware of Commissioner Woodham's control over, and interest in, the reproductive rights of prisoners and their free families when a sample was taken from an individual who was to undergo medical treatment that would have likely sterilised him or her. This failure to sterilise by default will now be enshrined in legislation as a matter of State intent. A number of peak organisations have voiced their concerns about this bill. The Australian Medical Association believes that although prisoners may be convicted of serious crimes, their sentences must not preclude them from accessing the same level of health care as that enjoyed by the rest of the population. Its position statement on the health care of prisoners and detainees states:

> Prisoners and detainees have the same right to access, equity and quality of health care as the general population. Because prisoners will return to society after their imprisonment, their health is an issue of concern to the general population.

Justice Health also takes a similar position. The need to ensure equitable access to, and continuity of, quality health care is listed among its core values. The Legislative Review Committee also raises a number of concerns about the bill. In particular, the committee notes that the right to adequate medical care is an internationally recognised human right, and that this right is expressed in section 72A of the Crimes (Administration of Sentences) Act 1999. The committee considers that denying a serious indictable offender the right to provide either sperm or eggs for reproductive purposes that is stored and preserved before cancer therapy is undertaken trespasses on the right of an individual to adequate medical treatment. Whether some people like it or not, the respect for family life and the right to found a family are internationally recognised human rights.

Given that the punishment of a serious indictable offender has already been reflected in a custodial sentence handed down by the judiciary, the denial of reproductive rights can only be regarded as further punishment. I look forward to a United Nations inquiry into this matter. I place my remarks on the record in the hope that such an inquiry is not limited to just this one small area of coercive State control over reproductive rights, but rather, that the inquiry examine the long and continuing abuses that this example shows are still entrenched in the administrative culture of this country. I also bring this bill to the attention of the New South Wales Law Reform Commission, which presently has a term of reference to inquire into the consent of a minor to medical treatment. I request that the commission seriously consider this legislation and include it among its terms of reference, especially having regard to the two groups in society that will be most effected by it: State wards and Aborigines.

Reverend the Hon. Dr GORDON MOYES [3.28 p.m.]: On behalf of the Christian Democratic Party I speak to the Correctional Services Legislation Amendment Bill, the object of which bill is to amend the Crimes (Administration of Sentences) Act and the Children (Detention Centres) Act to prohibit prisoners who are serving sentences for serious indictable offences from providing their reproductive material for use, or storage, for reproductive purposes at hospitals and other places. The bill will ban the collection and storage of reproductive material of any such prisoners at hospitals and other places. Further, the bill will require prisoners who have reproductive material stored to pay storage charges.

It may be said that one of the motives behind this legislation is to send a message to those directly affected by heinous crimes that the Government is doing all it can to uphold justice. It is a fact that law, order and justice must be at the helm of government responsibility because those issues are inherently within the domain and scope of the Government's control. However, in assessing this bill I am reminded of the fact that whenever an election draws close the Government often sees the need to push a tough-on-crime agenda, or law and order agenda as it is usually referred to. This can be clearly evidenced by the recent enactment of the Jury Amendment (Verdicts) Bill, the Crimes (Serious Sex Offenders) Bill and the Crimes (Sentencing Procedure) Bill, to mention but a few. I would add this bill to that category also.

In prefacing my comments on this bill, I implore the Government to consider the dire ramifications and possible precedents that may arise as a result of the passage of this bill. At the outset I must say that I cannot support the intent and spirit of this bill. However, before I explore some of its implications, I make reference to some statistics that may assist to put this proposed legislation into perspective. Of particular interest is the number of people who will potentially be affected by the bill.

The Australian Bureau of Statistics indicates that as at 30 June 2005, there were 20,220 sentenced prisoners in Australian prisons. This represents an imprisonment rate of 163 prisoners per 100,000 in the adult population. Of the total prisoner population, 7 per cent were female and the median age of all prisoners was 32 years—in other words, the period of peak fertility. New South Wales had the largest number; that is 39 per cent of all prisoners. Given the latter fact, it is clear that Corrective Services should be of central concern to this Government.

The instant bill will affect all persons who have been sentenced for the crimes of murder, sexual assault and kidnapping—what are known as offences of an indictable nature. Without a doubt, each of these crimes is a blight on the safety, stability and security of our communities and each has had untold consequences on victims. In relation to these crimes, the Australian Bureau of Statistics, in its publication entitled "New South Wales in Focus", indicated that in 2004 there were 68 murders and 66 attempted murders and more than 4,000 incidents described as sexual assaults, whereas indecent assault or acts of indecency numbered 3,500. In addition, there were 1,700 offences in the "other sexual offences" category; and there were 400 incidents involving abduction and kidnapping.

These statistics do not accurately reflect the numbers of victims involved. In fact, the numbers of victims were higher than the numbers of incidents reported. There is also the phenomenon, particularly in the context of sexual assaults, of under-reporting. I deplore and condemn each and every crime committed and I am aghast at the number of incidents in this category. It is a sad and sorry state of affairs to note the existence of such crimes in our communities and, as was mentioned by the Liberal Party member who spoke first in this debate, we deeply sympathise with victims of such crimes and their families. The bill will affect each and every person found to have perpetrated such a crime and imprisoned or detained in New South Wales gaols or detention centres.

As I previously mentioned, one clear Government objective is to be tough on crime. This philosophy is a mechanism to deter the commission of crimes and also to give a sense of safety and stability to our communities. The Christian Democratic Party supports the Government in its endeavours to keep our communities safe within reason and where the measures have a reasonable outcome of being effective. However, I must on closer reflection of this bill say that there are a number of poignant and very serious issues that render this bill unworthy of support. I do not think that the measures in the bill are reasonable, are merit worthy or will bring about an effective outcome, for the reasons that I will now explain.

Any observer of government will understand that the legislature, judiciary and executive have separate and distinct roles to play within society. For example, it is incumbent on the judiciary to administer justice and thus, in cases where a person is found guilty of a criminal offence, the judiciary must sentence a person in a manner commensurate with the offence committed. Sentencing legislation requires members of the judiciary to consider factors that may aggravate or mitigate the sentence imposed. In most jurisdictions, once a sentence is handed down, the offender will have a definite understanding of how long he or she is required to be detained in prison.

Importantly, members will be aware that the recent enactment of the Crimes (Serious Sex Offenders) Bill changed the state of play in New South Wales on this count. Some members of this House pointed out to the House that it is not just a matter of doing the crime and serving the time: that offenders could actually do the time, and then some! However, the general idea is that once persons have "served their time" in gaol, they

should have by that time gained enough willpower to desist from committing offences in future. Put simply, imprisonment constitutes punishment and this bill endorses the Government to continue to punish offenders for crimes for which they have already been imprisoned.. Thus, it could be said that the Government is joining the judiciary in its punitive role. The bill goes against the principle of rehabilitation, this principle going hand-in-hand with deterrence.

There are vast social and ethical ramifications arising from this bill, and I will mention some of the more salient ones. I acknowledge the contribution made by the Hon. Dr Peter Wong, who addressed some of the ethical issues. It has been said that the genesis of this bill lies in the case of a prisoner who was suffering from cancer and who was having chemotherapy treatment. In fact, it was the Premier, and not the Minister for Corrective Services, who announced that the Government would ban the practice of collection and storage of semen specimens of criminals who had committed serious crimes, following public concern regarding a serial rapist who had sperm collected and stored prior to chemotherapy for cancer. It is not clearly known which concerned individuals or groups constituted the public concern referred to. Was it simply a matter raised on talk-back radio? Or was it some wider, and growing, public concern?

It is a well-known fact that chemotherapy is likely to cause sterility. Given this fact, this prisoner had arranged for his semen to be stored at a facility prior to his chemotherapy treatment in order to safeguard his chance of having children at some point in the future, when he was released from gaol. The bill makes it an offence for such prisoners to safeguard their chance of having children in the future. One social implication arising from the bill is to condone the view that certain prisoners should be completely cut off from participating in society. Further, and coupled with the recently passed serious sex offenders legislation, the bill sends a clear message to offenders that their potential offspring should not be given even a chance to infiltrate society. This somehow or other seems to me to embrace a weird concept of being able to pass on to the next generation acquired characteristics and the social and environmental habits in which we have engaged. Of course, this is biologically quite untrue.

The bill has the potential to effectively castrate serious offenders in certain situations, such as instances where the prisoner develops cancer and is rendered sterile through medical treatment. It is foreseeable that some may think that stopping criminals from reproducing will bring about a safer society. But, as I said, biologically that would be no mean feat. The risk of the "criminal" gene passing from one generation to another is technically and biologically impossible. Commonsense dictates that this idea is based on an erroneous assumption. There is no logic in holding that a criminal will produce children who will be criminals. Many know full well that variables dictating criminality centre on social and experiential factors—above all are the influences of peer groups and the environment in which people grown up.

Vast social and ethical ramifications arise from the bill. I will mention some of the more salient. It has been said that the genesis of the bill lies in the right of a prisoner to reproduce. Serious ethical issues are associated with this matter. Should the Government be given the ability to legislate to effectively remove a person's ability to reproduce? In cases such as that of the prisoner with cancer, that is indeed what is occurring. The ability to procreate is an inherent characteristic of a human being. Removing this ability erodes one of the very basic God-given rights of a human. In fact, Australia ratified the International Covenant on Civil and Political Rights on 13 November 1980, article 23 of which proclaims:

> The right of men and women of marriageable age to marry and to found a family shall be recognized.

One of the worrying implications of the bill is that it creates a precedent for further impingements on the human rights that are reasonably afforded to a prisoner. Honourable members will recall that only a month ago the House debated the issue of whether we should have majority verdicts in New South Wales. One of the central arguments in that debate was that a real risk exists, especially where majority verdicts are allowed, of convicting an innocent person. If this bill does become law, there is also a very real risk that an innocent person, who subsequent to imprisonment has become sterile due to medical or other reasons, will lose the ability to have children. This outcome would have devastating and untold consequences for the persons involved.

We have received many submissions from individuals and organisations that are concerned with this bill. For example, the President of the New South Wales Australian Medical Association, Dr Andrew Keegan, has expressed serious concerns about it, indicating that it infringes the right of prisoners to access the same medical services as those accessed by other members of the community. Apart from mentioning some of the points that I have already addressed, the letter states that the bill may:

> … deter some prisoners who may be less well informed and/or distrustful of authority, from undergoing treatment if diagnosed with a life-threatening illness.

It is pertinent in this context to refer to the following paragraph in a letter to our office from the New South Wales Australian Medical Association, which is dated 31 May 2006:

> Although these prisoners have been convicted of serious crimes, their sentence must not preclude them from accessing the same level of health care as the rest of the population.
>
> AMA's Position Statement on the Health Care of Prisoners and Detainees states:
>
> *Prisoners and detainees have the same right to access, equity and quality of health care as the general population. Because prisoners will return to society after their imprisonment, their health is an issue of concern to the general population.*
>
> Justice Health's own Annual Report lists "Equitable access" to health care among its "Values". Its Corporate Plan ranks as its first of three "Strategic Directions" to: "Ensure equitable access to and continuity of quality health care.

Further, the letter indicates that the Australian Medical Association (New South Wales) Limited is:

> … gravely concerned that the bill has been introduced in haste, without consultation, and with little consideration to its ethical impact.

The bill provides that prisoners, other than serious indictable offenders who have reproductive material stored at hospitals or other places, must pay for storage. This measure will be retrospective, which means that prisoners who have already had their reproductive material collected must pay for storage upon the commencement of the legislation. We agree that prisoners should not be able to store their reproductive material at taxpayers' expense. We support the initiative that, if prisoners wish to store this material, it should not be incumbent on the rest of the taxpayers of New South Wales to foot the bill. Taxpayers, who would include the victims of the crimes perpetrated by these criminals, should not subsidise the collection and storage of reproductive material. The bill amends the Crimes (Administration of Sentences) Act 1999 by proposing a new section 72B within division 8 of part 1 of the Act. Division 8 relates to miscellaneous matters including health-related issues affecting inmates. It is worth noting that the bill will prohibit the collection and storage of reproductive material. The definition of reproductive material is confined to semen and ova and therefore does not include embryos. Had the term "embryo" been included, I am sure the Government would have roused righteous anger in the pro-life world. We do not support this bill.

Ms LEE RHIANNON [3.42 p.m.]: The Greens strongly oppose the Correctional Services Legislation Amendment Bill, which is medically unsound and has clearly been introduced in a rush, without consultation, and with no regard to its ethical implications. The purpose of the bill is to prohibit inmates of both Corrective Services and Juvenile Justice facilities from providing sperm or ova for use or storage for reproductive purposes if such inmates have been convicted of a serious indictable offence. Other inmates will have to meet the cost of storage themselves whilst incarcerated. Both the Australian Medical Association [AMA] and the Royal Australasian College of Physicians have come out strongly against this bill, declaring that it must not be passed in its current form. I have also been inundated with emails from individual senior medical professionals who cannot believe that the Government would even consider the bill. The medical profession has been energised in opposition to this legislation in a way that I have rarely seen during my time in this place.

The AMA's position is that the bill infringes upon the rights of prisoners to access the same medical services as those accessed by other members of the community. This is particularly relevant to cancer treatments, which may render patients sterile. The usual practice in this situation is to store reproductive material ahead of time. If inmates are prevented from doing this, then an additional punishment is effectively added to their sentence; in addition to their period of incarceration, they are also being sentenced to a future without reproduction. It is an additional, life-long punishment. It violates the idea that if you commit the crime, you do the time, free to return to the community, to resume a normal life and get your life back on track. What if an inmate who is being treated for cancer becomes sterile and is later acquitted and released? That damage cannot be undone. The point is even more important when we consider that the bill applies to people in juvenile detention. Many young people go off the rails, make a serious mistake that leads to juvenile detention, and then go on to lead normal, productive adult lives. They get their act together. It is a disgrace that juveniles could lose the ability to reproduce for the rest of their lives as a result of this bill.

The AMA has expressed a concern, which I support, that the bill may lead inmates to refuse or delay potentially life-saving cancer treatments to preserve their reproductive capacity. This could lead to deaths that could be avoided. It is exactly why equivalent medical treatment should be available to all. This is an important

principle because of the precedent that is being created. Once different standards of medical care for inmates are established in one respect, they can more easily be established in other respects. Once the principle of medical equality is discarded, there is no philosophical barrier to, for example, denying life-saving treatment to prisoners on the grounds of cost. That is the point the AMA is trying to make. One doctor who emailed me made an excellent point when she pointed out that the Government is putting its own employees—medical staff employed by New South Wales Health—in a very difficult position. If a doctor fails to provide a patient with usual treatment, consistent with best practice, then that doctor is violating his or her code of ethics and is likely to face deregistration and law suits. Yet the usual treatment, consistent with best practice in the case of a cancer patient undergoing the relevant treatment, is to set aside reproductive material. If a doctor does so, then he or she would be guilty of an offence under the bill.

Doctors—many employed by New South Wales Health—will have to choose between either violating medical ethics and risking their careers, or facing criminal prosecution and risking their careers. It is not much of a choice, and it highlights just how poorly this legislation has been thought through. The Law Society of New South Wales has also come out against the bill. It makes the point that the bill offends Article 10.1 of the United Nations International Covenant on Civil and Political Rights, which requires that all those deprived of liberty must be treated with humanity and with respect for the inherent dignity of the human person. The society also agrees with the arguments I have set out regarding the fairness of the punishment, calling it a form of double jeopardy—sterility on top of incarceration. It is an apt description. Sadly, the legislation is all too typical of the Labor Government when it comes to justice issues. If there is a bad headline, we get a knee-jerk reaction in this place in the form of legislation. I urge honourable members to support greater consideration of the bill. To facilitate that consideration 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. 3 for inquiry and report."

The Hon. PATRICIA FORSYTHE [3.47 p.m.]: Imagine the outcry if we announced that all murderers and rapists were to be sterilised. Then imagine the further outcry if one of those murderers or rapists was subsequently found to be not guilty. That seems be a logical consequence of what we are debating today: an additional sentence—that of sterilisation—being imposed on people who are in prison having been convicted of serious indictable offences or who are in prison awaiting sentence and who then discover that they have potentially another sentence, cancer. In many ways the legislation is morally repugnant. I cannot think of any other words to describe it. My colleague the Hon. Charlie Lynn made a very good point when he said that the Opposition believes that the bill has not been widely discussed. However, it is obvious from correspondence that most of us have received from a number of health groups and others with a broad interest in what is just—all of whom have expressed concern about possible moral conflicts—that the bill is well known.

My colleague the Hon. Charlie Lynn stated that the Opposition's principal concern is that this bill has not been subjected to widespread debate. For that reason, the concept espoused by the Greens—they have moved an amendment referring the bill to General Purpose Standing Committee No. 3 for inquiry and report back to the House—is of great interest to the Opposition. If the amendment is successful, many honourable members who have concerns about this bill will have the opportunity to further investigate its implications. I note the concerns expressed by Reverend the Hon. Dr Gordon Moyes and the Hon. Dr Peter Wong. The Greens suggestion allows the bill to be discussed at length. After all, the bill goes to the heart of fundamental rights and liberties of all people. Its referral to the standing committee is a way forward.

I have discussed this matter with my colleagues. We support the Greens' proposition to refer the bill to the standing committee because it would provide us with an opportunity to have the matter more widely discussed. I commend that course of action to honourable members as a way forward. I suspect that many Government members feel serious disquiet about this bill because it impacts on fundamental issues related to the nature of our liberal, democratic society—a society that is based on the rule of law and the principles of equality before the law. I point out to the Minister that the Greens' suggestion would be regarded by some Government members as an opportunity for proper debate and discussion to take place.

Of grave concern to me is that this bill seems to have arisen out of an individual case. As a lawmaker—which I have been for a number of years—I have been concerned about the impact of legislation upon a wide range of subjects when its origin is inherent in specific issues. It seems to me that this bill has its origins in an individual case. However, the provisions of this bill will be applied widely when it is passed. To my mind, that is a fundamental contradiction of the way in which parliamentarians should make laws. A well-

ordered society is one that has clear sets of rights and obligations. I have little personal regard for the actions of people who are murderers or rapists. Not one of us should defend what they have done, but because they will be dealt with by a legal system that is not the issue. The issue centres on fundamental principles.

As a member of this House I have always tried to uphold principles that underpin a liberal, democratic society. As this bill stands, it offends those principles. In particular, this bill offends the covenants that our society supports. Those principles are set out in United Nations declarations that relate to the rights of prisoners and other fundamental human rights. I have referred to those principles in the context of other debates, such as when this House was dealing with the protection of children. As parliamentarians, we cannot have it both ways: we cannot cherry pick human rights issues when we think it is appropriate to support them as it suits us and then discard them on other occasions. This bill offends against fundamental values and rights.

The Legislation Review Committee conducted a thorough examination of this bill in a short time. It highlighted some of the freedoms that may be impacted upon as a result of this bill being passed. The committee identified Article 17 of the International Covenant on Civil and Political Rights and Article 8 of the European Convention on Human Rights. During my research I noted some earlier work of the United Nations in relation to the treatment of prisoners that was adopted by the First United Nations Congress on the Prevention of Crime and the Treatment of Offenders held at Geneva in 1955, which is probably long before we were thinking about reproductive medicine. The congress decided that medical services should be organised in close relationship to the general health administration of a community or nation. In other words, whatever is available to a community or nation ought to be available to prisoners.

The rights I have outlined are fundamental to a liberal, democratic society. In many ways, this bill offends fundamental principles. Although this bill may pass a political test in regard to populist media appeal, good politics is not always good government. I know that in the lead-up to the election the Government will be focused on politics, but I ask it to lift its approach and to give favourable consideration to principles of good government and good public policy. I hope that the Greens' amendment is given strong support so that the Legislative Council's General Purpose Standing Committee No. 3 may undertake a thorough analysis of this bill before a vote is taken in this House.

[*Debate interrupted*.]

DISTINGUISHED VISITORS

The DEPUTY-PRESIDENT (Reverend the Hon. Fred Nile): Order! I welcome to the President's Gallery Lee Joachim, Chairman of the Yorta Yorta Nations, and Steve Ross, Convener of the Murray and Lower Darling Indigenous Nations.

CORRECTIONAL SERVICES LEGISLATION AMENDMENT BILL

Second Reading

[*Debate resumed*.]

The Hon. Dr ARTHUR CHESTERFIELD-EVANS [4.56 p.m.]: The Correctional Services Legislation Amendment Bill is a most unfortunate bill. The impetus for it emanates from two recent incidences involving prisoners. The first was the case of a sex offender, aged 22, who did not tell authorities that his sperm was to be stored. He was diagnosed with Hodgkin's disease a month after he was gaoled with Bilal Skaf in October 2002 for the gang rapes of young women across Sydney's south-west. The man's sperm was frozen before he began chemotherapy. On 12 May an article in the *Daily Telegraph* stated:

> … the bill for the storage of the semen was picked up by Justice Health, a division of NSW Health, and the sample stored at no cost at a Royal Hospital for Women clinic.
>
> But Mr Iemma said a commercial rate, which is about $250 a year, would now be set and the rapist told to pay up.

Mr Iemma also stated:

> I find the notion of serious criminal offenders being afforded this type of privilege totally repugnant and it will be stopped immediately …

The second incident involved a high-profile prisoner, a convicted drug trafficker, Les Kalache, who recently asked permission to have a sample taken but was refused by Corrective Services Commissioner Ron Woodham. Although this bill has been introduced, I believe the opposition to it grows by the day. I have received an absolute flurry of emails related to this bill from almost all my contacts in the human rights area, including the Law Society, the Bar Association, the Australian Medical Association, Justice Action and the International Commission of Jurists. I understand that the Human Rights and Equal Opportunity Commission has written to the Premier.

I note the comments of the Hon. Charlie Lynn that reveal the passion of a father who feels that his daughter has been violated. I feel great sympathy for them. I always wonder about discussing crimes in general terms. It is a different matter when the crime involves your child, your daughter, your house that has been invaded or your son who has been shot. In such cases the discussion takes on a different angle. I take the point made by the Hon. Patricia Forsythe, who said that it is bad to make legislation arising out of the circumstances of an individual. I recall legislation that was passed by this House to keep some people in gaol because they are so dangerous. I remember honourable members stalking the corridors of this Parliament with videotaped interviews by John Laws with one of the offenders. Subsequently 14 other people were affected by the legislation.

When a Parliament addresses a case that seems to be horrendous there is perhaps a visceral reaction to an anecdote, but then we pass laws related to a general class. I always wonder whether the legislation that results from such a process will be applicable to the wider community. I also wonder about the facts with which we as parliamentarians are armed and the mechanisms available to us. Laws that are based on the circumstances of individuals are bad laws. I cite some letters from people within the medical profession who have been most articulate and most vehement in their comments on this bill. Dr John Rasko is a haematologist at the Sydney Cancer Centre at the Royal Prince Alfred Hospital, head of the gene and stem cell therapy program at the Centenary Institute of Cancer Medicine and Cell Biology, and Professor at the Faculty of Medicine, University of Sydney. He stated that the bill:

> creates a precedent for discrimination toward prisoners in the quality of health care and the treatment alternatives provided,
>
> may well contravene the Commonwealth Disability Discrimination Act,
>
> in causing a "sentence" beyond incarceration, constitutes "cruel and unusual punishment" commensurate with torture,
>
> will result in patients declining treatment of life-threatening conditions, where such treatment will result in infertility—which may, in the end, be more costly to health services and thus, to the community,
>
> may result in health services being sued for failure to provide treatment equivalent to that available to other community members,
>
> fails to take into account circumstances where a conviction is overturned on appeal, following the individual having undergone treatment for cancer, without storage of sperm having taken place,
>
> contravenes the AMA position statement on "Health Care for Prisoners and Detainees", and
>
> means that doctors could be prosecuted for providing "standard care".

Presumably that is the basis of newspaper articles stating that doctors could be prosecuted despite the Government's assurances that it is not the doctor committing the crime. The prisoner would be unable to accept the service that the doctor would be entitled to offer. From a prisoner's point of view, Brett Collins from Justice Action says:

> The announcement by Premier Iemma of a ban on semen storage is the clearest example yet of politicians prepared to do anything to be seen to be tough on crime. The law and order machine is running over the rights of motherhood. The unborn child of a prisoner is regarded as being of no worth, the right of the wife in the community to extend her family beyond a single child, or to have a family at all, have all been disregarded in this expression of political opportunism.
>
> Family planning and parental concerns are personal issues, and human rights over which no state has a legitimate right of control, or of punishment.

The Australian Medical Association [AMA], through its President, Dr Andrew Keeghan, objects to the bill on a number of points. Dr Keeghan wrote:

> The AMA says the bill infringes prisoners' rights to access the same medical services as other members of the community.
>
> The AMA notes that Justice Health's own Annual Report lists "equitable access" to health care among its values. Its corporate plan ranks as its first of three strategic directions to "Ensure equitable access to and continuity of quality health care".

The AMA says that this bill is in complete contradiction of these goals. It wrote:

> Our justice system is based on the concept that a person convicted of a crime must serve a sentence as prescribed by a court of law, but is then free to resume a normal life. The bill effectively adds another, lifelong dimension to the punishment.
>
> We are also concerned that the bill may deter some prisoners … from undergoing treatment if diagnosed with a life threatening illness.

The letter concluded:

> I ask that you put clinical priorities before politics, and vote against the bill when it is debated in the Legislative Council.

One of the most respected doctors in Wollongong is Dr Pauline Warburton. She wrote:

> I am writing to express my grave concerns about this proposed piece of legislation. I am a haematologist employed at a public hospital in NSW. As such, I treat young people with malignant disease. Treatment of these malignant diseases with chemotherapy not infrequently renders the recipient infertile. It is routine practice to offer young patients the opportunity to store reproductive material for future use to cover the possibility that he/she is rendered infertile. This is such a standard practice that not to discuss this issue with a young patient could be considered negligent. The reproductive material is often stored in public hospitals at no expense for these cancer sufferers.
>
> I am appalled to think that this bill could be passed into legislation. I find it abhorrent that the legislation will also apply to those who have committed crimes as a juvenile. While the reaction of the public to the recent news that a young man sentenced for a serious offence had sperm cryopreserved at public expense prior to chemotherapy is understandable, that of our politicians is not.
>
> What is the purpose of this legislation? Is it perceived as some form of natural justice to add to the punishment of a prisoner who has had the misfortune of being diagnosed with cancer? If the answer is yes, what will be next? Will we decide to ensure that all those convicted of serious offences can never have children by castrating them on imprisonment? Alternatively perhaps we will decide not to deny them other forms of medical treatment (e.g. treating their cancer, HIV infection or heart disease).
>
> Are we practicing a form of eugenics? Is it felt that we are preventing the inheritance of a genetic trait? If this is the case, what is the supporting evidence for this belief?
>
> I fear that the only motivation for proposing this legislation is to appeal to public opinion in the 12 months prior to an election and that both the government and opposition are supporting the bill for this reason only.
>
> This legislation is unethical and immoral. It contravenes basic human rights, principally the rights of prisoners to appropriate medical care as routinely available within their society. These rights are delineated in various UN articles and the AMA position statement on "Health Care for Prisoners and Detainees". It punishes members of the prisoner's family by denying them the possibility of children, grandchildren or siblings. It gives no credence to the possibility of rehabilitation. Indeed I suspect, if anything, that the chance of rehabilitating a person is decreased by denying them standard medical care. It does not allow for the possibility that a conviction may be overturned on appeal. Many of the problems associated with this legislation have already been highlighted by the Legislative Review Committee of the NSW parliament.
>
> Furthermore, as a medical practitioner, I and the health service that employs me may be held accountable by the legal system for not providing "standard care".
>
> I would urge you to consider doing what is morally and ethically correct and not what is politically expedient. I would also like you to consider that the path to "cleansing" certain groups in a population starts with what are felt to be minor and defensible erosions of human rights. That first step allows each subsequent step to be more easily accepted as appropriate and defensible. Please do not put NSW on this path.
>
> Lastly, I need to state that my position on this issue is such that I may be forced into a position where I assist a person subject to this legislation to break the law.
>
> Yours sincerely,
> Pauline Warburton

That is very strong stuff from one of the most highly respected physicians in the Illawarra area. In fact, she treated my father. I note Dr Warburton's comments about the Legislation Review Committee. It is worth noting the committee's comments on this subject. The committee stated:

> The Committee notes that the right to adequate medical care is an internationally recognised human right. The Committee also notes that this right is expressed in section 72A of the Crimes (Administration of Sentences) Act 1999. The Committee notes that it is common medical practice for a post-pubertal male who has been diagnosed with cancer to be offered the option of having semen stored in case the treatment renders that person sterile, thereby preserving a person's reproductive health as much as possible. The Committee also understands the ongoing cost of storing sperm is usually a private expense.
>
> The Committee considers the provision of the bill denying a "serious indictable offender" the right to have his or her reproductive material stored prior to treatment likely to render him or her infertile when otherwise medically advised is a trespass upon the right to adequate medical treatment.
>
> The Committee has written to the Minister to seek his advice as the justification for this trespass. The Committee refers to Parliament the question as to whether this constitutes an undue trespass on personal rights of serious indictable offenders.

Of course, that is exactly what we are being asked to decide. It would be bad to make a hasty decision on this issue. It is not good to take one emotive case and use it to decide whether more punishment is needed and, if so, to punish everyone in that category. The individual's circumstances will, of course, not be considered in that the legislation is prescriptive as to what a judge might find or as to the practices that a person from Justice Health or the prisons would have to put into practice. The bill should be opposed. The Greens have moved an amendment referring the bill to a committee so that it can consider the ethical aspects more thoroughly. That proposal is a better option than passing the bill at this stage. I oppose the bill.

The Hon. ROBERT BROWN [4.08 p.m.]: The Shooters Party cannot support the Correctional Services Legislation Amendment Bill in its current form. I applaud the amendment moved by Ms Lee Rhiannon. The effect of that amendment would give the bill, which is fraught with moral and ethical convergences and divergences, time to be properly considered by the community and by members of this House. It is just too much, too soon, to decide today. I support the amendment moved by Ms Lee Rhiannon.

The Hon. TONY KELLY (Minister for Justice, Minister for Juvenile Justice, Minister for Emergency Services, Minister for Lands, and Minister for Rural Affairs) [4.09 p.m.], in reply: I thank all honourable members who contributed to debate on the Correctional Services Legislation Amendment Bill. Concerns were raised by members of the medical profession that this bill would have a widespread effect on a large number of inmates. It will not. The bill was prompted by one case. Earlier this week a *Sydney Morning Herald* health reporter claimed it would be an offence for a doctor to conduct the procedure of collecting reproductive material. It will not. Let me make it clear: the bill creates an offence for an inmate. An "inmate" is defined as a person serving a sentence of imprisonment or awaiting sentence for a serious indictable offence such as murder, sexual assault, kidnapping and various terrorism offences. It does not create an offence for a medical practitioner or anyone else, not even for somebody storing the reproductive material. I commend the bill to the House.

Question—That the amendment be agreed to—put.

The House divided.

Ayes, 21

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

Noes, 17

Ms Burnswoods	Ms Griffin	Mr Roozendaal
Mr Catanzariti	Mr Hatzistergos	Ms Sharpe
Mr Costa	Mr Kelly	Mr Tsang
Mr Della Bosca	Mr Macdonald	*Tellers,*
Mr Donnelly	Mr Obeid	Mr Primrose
Ms Fazio	Ms Robertson	Mr West

Question resolved in the affirmative.

Amendment agreed to.

Motion as amended agreed to.

Bill referred to General Purpose Standing Committee No. 3 for inquiry and report.

BUSINESS OF THE HOUSE

Suspension of Standing and Sessional Orders and Order of Business

Motion, by leave, by Mr Ian Cohen agreed to:

1. That standing and sessional orders be suspended to allow the passing of the Snowy Hydro Corporatisation Amendment (Parliamentary Scrutiny of Sale) Bill through all its remaining stages during the present or any one sitting of the House.

2. That Private Members' Business Item No. 5 in the Order of Precedence be called on forthwith.

SNOWY HYDRO CORPORATISATION AMENDMENT (PARLIAMENTARY SCRUTINY OF SALE) BILL

Second Reading

Debate resumed from an earlier hour.

Mr IAN COHEN [4.20 p.m.]: I will continue my remarks on the Snowy Hydro Corporatisation Amendment (Parliamentary Scrutiny of Sale) Bill from this morning. Under government control, Snowy Hydro is ultimately answerable to the people. A privatised Snowy Hydro would be answerable to no-one but its shareholders. The whole sorry history of privatisation in this country is littered with government promises that the public interest would not be compromised. Such promises generally crumble when the public interest is forced to compete with corporate interest. It is simply too great a risk to contemplate such a scenario involving our water supply.

Last month I co-hosted with my colleague Ms Sylvia Hale a forum in Parliament House that revealed the diversity of people in opposition to the sale. Public forums in Cooma and Griffith and a rally in Penrith showed that people were willing to mobilise to defend the Snowy staying in public hands. Further rallies in Jindabyne and Cooma had an impressive turnout, and a rally planned for Sydney before the sale was called off promised to be a massive event. I acknowledge Max Talbot, who worked as an engineer for Snowy Hydro for 25 years, for the information that he has given my office. I commend the tireless work of countless people who have helped to organise opposition to the sale. People power does work! I commend the bill to the House.

The Hon. MELINDA PAVEY [4.22 p.m.]: The Nationals and the Liberal Party support the Snowy Hydro Corporatisation Amendment (Parliamentary Scrutiny of Sale) Bill. In many respects it is similar to the bill that the Coalition devised after the Federal Government decided to pull out of the sale of Snowy Hydro Limited. The object of this bill is to require the approval of both Houses of the New South Wales Parliament before shares in the Snowy Hydro company held by the State of New South Wales may be sold or otherwise disposed of. This is important legislation. Although the Coalition does not oppose the bill, I point out that members of The Nationals and the Liberal Party introduced a similar bill in the lower House. I suggest that the Greens, The Nationals and the Liberal Party approach the retention of the Snowy Hydro scheme in public ownership from different viewpoints. If the Greens had been in charge of Snowy Hydro and New South Wales from the beginning I doubt whether we would have a Snowy Hydro scheme.

The Hon. Duncan Gay: It is a delicious irony.

The Hon. MELINDA PAVEY: As the Deputy Leader of the Opposition points out, it is a delicious irony that the Coalition and the Greens support Snowy Hydro. However, I doubt that the scheme would exist now if the Greens had been in charge in the 1950s—and I believe they never will be in charge . We believe the public ownership of Snowy Hydro is most important. We understand that Snowy Hydro is an important iconic institution for New South Wales not only from an infrastructure point of view and because it brings communities together but because it has allowed development to occur in the Murray-Darling Basin. As I said in an earlier speech in this place, my family made a start on the land on a very small dairy farm in country Victoria when the Snowy Hydro scheme made irrigation water available in that area.

The Hon. John Della Bosca: You're very confused.

The Hon. MELINDA PAVEY: I am not confused. The Minister for Finance has got me focused. He is a lightning rod; he brings people together. The charming John Della Bosca smoothed out all the difficulties initially but it took only a couple of weeks for things to unravel to the point where the community's voice was heard loud and clear. The community was listened to mainly because of the hard work of the Federal Member for Eden-Monaro, Gary Nairn, who was supported by The Nationals candidate for the State electorate of Monaro, David Madew. The Federal member for Riverina, The Nationals Kay Hull, and Liberal Senator Bill Heffernan also had an impact on drawing attention to the debate. The secret deal to sell Snowy Hydro Limited was uncovered in December last year during question time in the other place, and The Nationals in New South Wales have opposed it from day one.

The Hon. John Della Bosca: That was the secret deal that we put out a press release about.

The Hon. MELINDA PAVEY: No. I will explain the chronology. The Leader of The Nationals, Andrew Stoner, asked the Premier a question without notice. That is when the inconsequential and ineffective

member for Monaro, Steve Whan, first heard about the proposed privatisation of Snowy Hydro Limited by the Hon. John Della Bosca. I am making the chronology of events very clear for the Minister because he said the Government issued a press release. But that press release was issued only after the Government's secret motives were uncovered.

To despise politics is to despise democracy, and the events of the past three or four weeks have restored people's faith in their democratic institutions. They believe their voices can be heard and they will be listened to. It has been an absolute pleasure to support local communities, which have provided extensive information to me. People such as The Nationals candidate for the electorate of Monaro, David Madew, worked tirelessly behind the scenes with community leaders, such as the Mayor of Cooma-Monaro Council, Roger Norton. For several months local Jindabyne identity Tom Barry has been feeding me information that needed to be put on the public record. For example, Snowy Hydro Limited owns public land around Jindabyne and there was real concern in the local community that its future development would be in the hands of a private company. Those concerns were raised in the House but the Minister never addressed them properly. I am pleased to say that that issue will form part of the terms of reference of the reformed parliamentary committee—

The Hon. John Della Bosca: I have addressed that ad nauseum.

The Hon. MELINDA PAVEY: No. The select committee's terms of reference have been changed in light of Friday's decision.

The Hon. John Della Bosca: That's because we uncovered your motives.

The Hon. MELINDA PAVEY: That is an interesting interjection. The Minister's motive has always been to privatise and sell off Snowy Hydro Limited in order to fill the $696 million budget black hole.

The Hon. John Della Bosca: There is no budget black hole. That has nothing to do with it.

The Hon. MELINDA PAVEY: There is a very big budget black hole. New South Wales is $696 million in the red. The sale of Snowy Hydro has everything to do with the deplorable state of New South Wales's finances. To deny that is to deny the truth. If we fail to honour our history and traditions we put ourselves at risk of not learning from the mistakes of our past and limiting our potential in the future. The Nationals have not failed in that regard.

The most interesting part of the Government's failed agenda that the Opposition and the people have stopped is that the Snowy Hydro will remain in public ownership. We all want Snowy Hydro to remain in public ownership. The Snowy Hydro scheme shaped a post-war Australia. More than 100,000 people constructed the Snowy, and more than 120 people died during its construction which took some 25 years from 1949 to 1974. It is a scheme that is an icon not only for New South Wales but also for the entire nation. It is appropriate that the future of Snowy Hydro should be decided by both Houses of Parliament, as New South Wales is the majority shareholder at 58 per cent. It is also pertinent to point out that the Greens supported the corporatisation of the Snowy Hydro—

The Hon. John Della Bosca: That was very wise of them.

The Hon. MELINDA PAVEY: Very wise of them? The people have saved the Snowy Hydro, and the Federal Government woke up to its senses at the last minute, thankfully. But it was the Greens that allowed the corporatisation to go through, which nearly had the fire sale written into the New South Wales budget to fill the black hole in the State's finances. It is important that any future government, cash strapped as it may be, will have to bring legislation before this House before a decision can be made to sell the Snowy Hydro. It is also relevant to point out that the member for Monaro, Steve Whan, has failed his community on so many fronts on this issue.

The Hon. John Della Bosca: No, he has not.

The Hon. MELINDA PAVEY: He has. The Minister says he has not but I say he has. I will point out why he has failed his community. He did not support a parliamentary inquiry into the proposed sale, and he failed to instigate a parliamentary inquiry from his own party. He failed to introduce a law to stop the fire sale, which was within his ability and power . He failed to ask a question in Parliament of the Premier about the sale. He failed to introduce a private member's bill. He failed to organise community meetings and a community

rally. He failed to table a petition in the Parliament against the sale. The Greens, The Nationals, the Liberal Party and the Christian Democratic Party tabled petitions with thousands of names on them, but the member for Monaro did not.

The Hon. John Della Bosca: He did something more important than that.

The Hon. MELINDA PAVEY: What would that be? There is nothing.

The Hon. John Della Bosca: I will tell you when I speak.

The Hon. MELINDA PAVEY: There is nothing, because he failed at every step. I will give Steve Whan credit for one thing: on Sunday at Cooma at the celebration rally he had the decency to acknowledge that Gary Nairn did the hard yards and the hard work and was able to convince the Prime Minister that the sale was not in the best interests of the local community.

The Hon. John Della Bosca: That is because, unlike you, he is a gentleman.

The Hon. MELINDA PAVEY: I could not be a gentleman because I am not a man. That was an incredible observation by the Minister—and he wonders why he did not get his sale through! I will give Steve Whan credit for having the decency to acknowledge that Gary Nairn saved the Snowy Hydro.

The Hon. John Della Bosca: Magnanimous.

The Hon. MELINDA PAVEY: It was magnanimous because Steve Whan did nothing. As the Premier said just after the infamous Alan Jones interview, it was the Prime Minister that pulled the rug out from under the sale. It had nothing to do with Steven Whan, the local member, who said on ABC radio:

> I haven't made a decision on whether or not it's appropriate for me to buy shares if I can afford 'em. I don't know how much it'll cost … I think there's probably not a financial conflict of interest … I guess I'm not sure that I'll end up buying shares or not.

That was said by a man with high morals and high principles! I acknowledge and accept that he registered to receive a prospectus to see what was being offered—I think I did the same to get the information. But when Steve Whan admitted he was thinking of buying shares, it was not a moral position he was worried about, because he said, "I am not sure whether I can afford them." Interestingly enough, as soon as the spin doctors in the Premier's Office heard about the ABC radio interview they obviously contacted the member for Monaro and he changed his view . It will go down as a matter of history that on 2 June 2006 the Prime Minister announced his Government's decision to withdraw its 13 per cent shareholding from the sale of Snowy Hydro Limited. He said,

> The Government has listened to the immense community reaction on this matter. The privatisation of Snowy Hydro Limited has not been a policy or election commitment under the Howard Government. In December last year the New South Wales Government unilaterally announced it would sell its majority shareholding of 58 per cent in Snowy Hydro Limited. The decision to sell the Snowy Hydro has created significant unhappiness, concern and unrest throughout the Australian community.

It would be interesting to know the conversations between the Premier and the Minister for Commerce post the Prime Minister pulling out because that is the very reason we need to support this legislation. The Minister for Commerce, when interviewed later on radio 2GB by Philip Clark, said that it is not now on the New South Wales Government's agenda. He was bitterly disappointed at the outcome, but reading between the lines I think the Minister could be equally disappointed in the Premier because when the Commonwealth pulled out there was no reason for New South Wales to pull out.

I am interested in the response of the Minister for Commerce to the claims because reading between the lines he seemed rather annoyed that the Premier capitulated so quickly . We need this bill to safeguard Snowy Hydro from the likes of the Minister for Commerce, who I think probably urged the Premier to stay strong, firm and committed and to stay with his earlier comments to Alan Jones that morning. On hearing of the Prime Minister's decision the Premier quickly collapsed, which from the Opposition's perspective was good because we want Snowy Hydro to remain in public ownership. However, I think the Minister for Commerce and others have an agenda to fix the budget problems of the State Government and at the first instance they will sell.

The bill, which hopefully will pass through this House today and will be considered in the Legislative Assembly tomorrow, will save the Snowy Hydro forever. I hope Steven Whan, the member for Monaro, who today voted against the introduction of similar Opposition legislation in the lower House, will be forced to vote on this bill when, as is feasible, it goes to the lower House tomorrow. I hope he supports this legislation.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS [4.38 p.m.]: I support this bill. It has been said that success has a thousand fathers but failure is an orphan. I note that the Greens and the Opposition are fighting over the success of stopping the Federal and State governments flogging off the Snowy Hydro for a quick buck. The corporatisation of Snowy Hydro was initiated presumably in the hope that a corporate structure would allow it to be managed better in a changing economic environment. But, as always happens, if that Trojan horse had been allowed through the gates a quick sale would have enabled the Government to grab the money. The way this Government refuses to borrow for infrastructure to make a profit, even when that is a certainty, depresses me. Macquarie Bank has taken assets that the Government could not afford to buy. Macquarie Bank bought assets and then either sold them on the market at a price hugely above what it paid for them or made such huge returns that people could only boggle at the profits made by a company that is known as the millionaires factory.

That experience tells us that the traditional method of infrastructure accounting is a nonsense; that vital assets can be turned into cold, hard cash; that there is no reason why publicly owned corporations cannot be managed to achieve good financial outcomes; and that the weighing up the amount of profit they are to make and the extent of the public good they might do should be discussed in public and considered by this Parliament and by the people of Australia.

The Snowy Hydro scheme has two major elements—electricity and water. To some extent, it is a question of titrating one against the other. If the water is discharged to irrigators, it cannot be pumped back again for the purpose of generating electricity. Giving the peaking features in the use of electricity, and of pumping water when the price of electricity is lower and letting it run down when the price is high, electricity is likely to be far more lucrative than the water. If money becomes the major factor , I think the question of balancing the electricity needs of the Snowy and the water needs of irrigators will be subsumed by the need for money to be taken from the stock market, because the imperative then is to maximise profit. So, instead of titrating electricity and water, there will be a titrating of electricity, water and money—and that is why the Snowy should stay in public hands. I will talk a little more about electricity later in this speech. I think the mass opposition to the privatisation of Snowy Hydro Limited comes from its iconic value. *The Man from Snowy River* poem is a central part of the outback myth.

The Hon. Charlie Lynn: Recite it!

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: I can recite the whole of it, from start to finish, but I will not do that now. This proposal is symbolic of the fire sale of resources, which the people do not like. Resources are being sold because governments simply refuse to acknowledge that some things have long-term public benefit, and see everything that is not making a buck as an opportunity lost. Euphemisms such as "asset realisation", which really means flogging off the family silver, are no more than trendy talk. The right wing think tanks want to privatise everything and get public assets at bargain basement prices. Governments need only accommodate this fad for 20 years, because after that the private sector will have possession of what had been key public assets. If, then, the public come to realise, "Gee, we were ripped off," it will no longer matter.

There has been, since the Middle Ages, a trend of common land—that is, land held in the interests of the common people, and owned and accessed by the common people—being progressively flogged off to the private sector. That is worrying. The Australian public has not liked that trend. When it finally got to the stage of flogging off this iconic public enterprise, they drew a line in the sand. Even John Howard took note of that public reaction.

The other aspect of this debate that should be noted is the extremely subordinate position of Parliament in the decision-making processes in this country. In terms of the rule of law, this is a huge aspect. Harry Evans, the Clerk of the Australian Senate, speaks of Howard as an elected monarch now that he has control of both Houses. The Parliament effectively has become a rubber stamp for the Executive. I have railed about that in this House on many occasions. But, of course, the New South Wales Labor Government is more than happy to ignore this Parliament, and indeed ignore the will of the people, if it suits.

The New South Wales Government was quite happy to sell the Snowy. It does not want to put that proposal through both Houses of Parliament. If it thinks it will lose in this institution, it is quite happy to make decisions in Governor Macquarie Tower. It puts its proposals to the Legislative Assembly—a total farce of a House where the Government, with 42 per cent of the vote, has 56 per cent of the seats and exercises 100 per cent of power. The lower House is a very expensive charade. Up here, the Government bullies and does deals to get its proposals through. It tries to ignore this Chamber. If it knows it will be defeated on the floor, it does not bring in a bill—as we have also seen.

If the Parliament should have the temerity to amend a Labor bill, the Government does not proclaim that legislation or the amended part of it. In respect of the Local Government Act, late one night the Minister for Local Government was persuaded that in order to achieve council amalgamations—which were not popular—the Government would have to undertake referendums. The Government signed on for the referenda, and initiated the referendums, but ignored the results and simply amalgamated the councils anyway. It never crossed my mind, as the crossbench and the Opposition combined to force the Government to agree to have referenda on council amalgamations, that the Government would ignore referenda results. One assumed that government would be bound by the public will. But not this Government!

So it is, in a sense, extraordinary that the bill is needed at all. The fact is that huge decisions can be taken, while completely ignoring Parliament and public opinion. Of course, John Howard was happy to take us off to war in Iraq because George Bush said so. That 76 per cent of the population did not want us to go to war was dismissed as an irrelevance. The Howard Government demonstrated a complete lack of respect for the parliamentary process in Australia. That is worrying. The Christian Democratic Party amendment provides for a referendum to decide the issue. I will support that amendment, because having a referendum that enables the people to answer significant questions would be a huge step towards democracy in Australia. It might re-engage the Australian people in the process. I think there has been a huge disengagement of the Australian people; they simply think that Parliaments take no notice of them and that the Executive has emasculated the Parliaments—and in that respect, on a lot of significant decisions, they are dead right!

This issue has become yet another instance of political bickering between the Federal and the State governments—another sad aspect of out political system—with Howard blindsiding Iemma by changing positions in the face of massive opposition, just after Iemma has committed himself totally on the Alan Jones show. In other words, Howard was all for short-term populism. One cannot help wondering whether he thought, "I will give way on Snowy Hydro so that I can go ahead on the nuclear debate, which is also unpopular. I do not want to totally defy the people twice in a row on significant issues." One cannot help thinking that he believes he can get away with only one unpopular decision.

I would like to talk a little bit more about electricity, because its role is not well understood in terms of the value of Snowy Hydro Limited. It is important, when considering the value of Snowy Hydro Limited, to look at its position in the national electricity market. The major income of the Snowy Hydro Limited comes from underwriting of electricity retailers associated with peak load outings—or blackouts, in common parlance. If hydraulic turbine generators can be turned on and off at short notice, hydroelectricity is highly suitable to supply electricity when demand is close to outstripping supply. Peak load electricity has a market value many times that of base load electricity. This can be a factor of 100 or more, and that can have an immense impact on the average price of electricity charged to customers—because if the cost is 100 times more than base load, that will greatly affect the average.

Gas-fired generators can be built in small units, and can also be turned on and off at short notice. Therefore, they also are suited to supplying peak-load electricity. Snowy Hydro Limited already owns one gas-fired power station in Gippsland and is in the process of building another in the same area. One can surmise it does this in order to maintain its dominant position as a peak load supplier. Peak demand originates from the large metropolitan areas, and the logical step would be to have peak-load generators close to where the demand is generated. This would avoid the line losses experienced when heavy loads are transmitted over long distances.

Snowy Hydro may be trying to achieve a quasi monopoly position in the national peak load electricity market, and that raises the question of what should be done about investing in peak load generators. A similar situation could arise in the green energy market when it is revived. Unfortunately, there are not sufficient incentives to increase the obligatory quota of renewable energy. Snowy Hydro is predominant in the green energy market and it may want to maintain that position, particularly if incentives are put in place for green energy. The question is whether that will lead to the suppression of wind power and solar electricity, which must be considered. I foreshadow an amendment to the terms of reference of the committee that will investigate this matter with regard to the role of Snowy Hydro in terms of sustainable energy generation. I support the bill. I also support the amendment foreshadowed by Reverend the Hon. Fred Nile because it supports democracy. It is important that the Australian people be involved in this decision. The Australia Democratic Party has always supported the common good and the Government implementing the will of the people, and the principle that people be informed and empowered as much as is reasonably possible.

The Hon. CHARLIE LYNN [4.51 p.m.]: The Opposition supports this bill, which is similar to a bill that the Opposition will seek to introduce. The object of the Snowy Hydro Corporatisation Amendment

(Parliamentary Scrutiny of Sale) Bill is to protect the Snowy Hydro by requiring the approval of both Houses of Parliament before shares in Snowy Hydro held by the State of New South Wales may be sold or otherwise disposed of. Clause 4 of the bill provides for the repeal of the proposed Act after the amendment made by the proposed Act has commenced. Once the amendment has commenced the proposed Act will be spent, and section 30 of the Interpretation Act 1987 provides that the repeal of an amending Act does not affect the amendment made by that Act. The Greens approach to the Snowy Hydro is ironic. If we relied on their vision and political philosophy for the development of this country, Captain Cook would still be anchored in Botany Bay waiting for the first environmental impact statement before he could clear his landing spot. It is interesting to note that the current water restrictions are a direct result of the not in my backyard, Green no dam policies. It is interesting, as my colleague the Hon. Melinda Pavey said, that the Greens oppose the sale of an entity that it would never have allowed to be built in the first place.

I researched considerable information in gathering material in support of the bill, and I wish to pay tribute to the work done by Matthew Mason-Cox, who is seated in the President's gallery. Matthew, a tireless worker in the Cooma and Queanbeyan areas, facilitated the protest vote against the sale of Snowy Hydro. I look forward to Matthew joining the Coalition in this place in March next year when we will occupy the Treasury benches. I also acknowledge the work of Councillor Richard Wallace, the Mayor of Snowy River Shire Council, and Councillor Roger Norton, the Mayor of Cooma-Monaro Shire Council. Activists who helped them include David Madew, Max Talbot, Acacia Rose, David Hains and Vicki Wallace. I pay tribute also to the work of two of our Federal colleagues, Senator Bill Heffernan and the Hon. Gary Nairn, in stopping the sale. I acknowledge the good work of Gill Richardson and Max White, members of the Snowy River Alliance in Victoria. Both men are from my hometown of Orbost. I know they are passionate about the maintenance of the Snowy River.

I have been in contact with my good friend Peter Bommer, a former mayor of one of the shires in the area, who is typical of the workers who came to Australia from other countries to build the Snowy Hydro. His parents came from Holland and settled in a colony at Simpsons Creek, where there was no electricity, no water—nothing. They had to build their own houses out of natural materials. They worked in the bush. The local nuns—Sister Antonine, Sister Mary and Sister Margaret—walked around the dusty streets of Orbost asking for donations to clothe the young Dutch kids, whose parents, at that stage, had no money to buy clothes. Peter and I went to St Josephs school; we grew up together. Peter has kept me up to date with what is going on with Snowy Hydro and people's attitudes to its sale. I look forward to catching up with him this weekend. I acknowledge his great work. None of these people ever accepted that the sale of Snowy Hydro was a done deal. They represented the silent majority, who believed that the issue was more about society than economy. They were not going to be party to the sale of such iconic infrastructure for 30 pieces of silver.

The Snowy Hydro is the result of a grand scheme involving great risk. I recall hearing Sir Russell Madigan from CRA saying on one occasion that leaders are risk takers. He was a leader at CRA when it took great risks to open up new mining ventures that have helped this great country prosper. Our wartime Prime Minister, Ben Chifley, launched the Snowy scheme in 1949. It took 29 years to build at a cost of $820 million and the loss of 121 lives. It involved the participation of 100,000 workers from more than 30 countries. Chifley presented it to the Australian people as a national milestone, important for the drought relief it would bring to inland Australia, the power it would supply and its ambitious size. When the Minister for Commerce and other members of the Labor Party were trying to push the economic argument to sell the Snowy, I remember thinking that Ben Chifley's philosophy would have been completely different—he never would have presented an argument to try to sell the Snowy.

Snowy Hydro is the result of a grand vision. It consists of seven power stations, 16 major dams, 145 kilometres of interconnected tunnels and 80 kilometres of aqueducts. It is recognised as one of the civil engineering wonders of the modern world, and the greatest engineering project undertaken in Australia. The scheme provides clean renewable energy and related products to most of eastern mainland Australia, supplies water for irrigation and for food production, and contributes to the care and maintenance of the Kosciuszko National Park. Undoubtedly the arguments for privatising government assets are compelling, some of which were outlined in an article in the *Australian Financial Review* by Professor Bob Officer, who reported that the rationale for placing assets in private hands is an efficiency issue. The evidence is compelling that most assets in private hands are more productive than when held by government.

However, he said that privatisation is doomed to failure, with a consequent adverse impact on economic efficiency when the holder of the assets cannot be given a clear property right to it or an unambiguous contract to operate it. In Snowy Hydro this right was compromised by government involvement in the pricing and distribution of water. A privatised Snowy, operating under a government that vacillated in how it should

operate, would have been a disaster for its successful operation at a cost to the shareholders and those who relied on its products. He makes the compelling point that it is better left in government hands so that culprits of policy mismanagement are readily identified. I agree entirely. For example, every morning when I hit the M5 funnel on my way into the city, I sit in traffic thinking that a large photograph of Carl Scully should be displayed at both ends of the tunnel to constantly remind us of the person who made the decision that is causing so much angst for motorists.

Professor Bob Officer makes a very good point that until they get it right, they should own it and be responsible for its outcome. Mr Bommer refers to it as an icon. People who are much better qualified than I may be able to provide the economic rationale for selling Snowy Hydro, but I should explain to the House why the Snowy is important to me, just as it is to many others—as evidenced by the flood of emails many members have received opposing the sale.

The Snowy River makes its way through Delegate to the sea. My grandmother, Nora McColl, was born in Delegate in 1888. At the age of 13, she hitched a ride in a bullock cart down the Bonang highway to Orbost, where she made her home. On my father's side, my great-grandfather, Sam Lynn, owned farms that backed onto the Snowy River. My grandfather, James Lynn, had two farms backing on to the Snowy, one from the Jarrahmond side and the other from the Bete Bolong side. I was born on my father's farm at the back of the Jarrahmond. The one-bedroom hut that my mother and father lived in was probably no more than 10 metres from the banks of the Snowy River. My first memories of the Snowy River are of a great river. Today, my sister, Debbie, and her partner, Ray, own a hotel at Marlo, where the Snowy River flows into the sea and where I will be staying when I visit the area this weekend.

The first thing I saw every single morning for the first 20 years of my life in the house in which we lived was the Snowy River. I saw it flowing at different periods of the year. I saw the river level rise when the snow melted, and on one occasion in 1952 the river rose 31 feet—or 9.5 metres—which resulted in the town being surrounded by water and cut off. Many people had to be rescued by Army DWKs. It was very exciting.

Mr Ian Cohen: How old are you, Charlie?

The Hon. CHARLIE LYNN: I was seven years old at the time. It was a very exciting time for a seven-year old. The experience demonstrated the power of the Snowy. We used to play school sports between the Snowy Bridge and the banks of the Snowy River. I do not think that activity would be allowed today under current occupational health and safety standards. They were great and fun-filled days. My father used to log and cart sleepers out of the McKillops Crossing area. Our local football team was named the Orbost Snowy Rovers. Just about everybody who lived in the district can quote verbatim that great poem by Paterson, *The Man From Snowy River*, even though it is about a man from Snowy River coming from the high country. We lived on the flats where the Snowy flows into the sea. I take a very close interest in the condition of the Snowy, which currently is being fed by a very small pipe.

What is really interesting about the Snowy Hydro debate is that people say that it is not about icons, and that we should not concentrate on argument. Well, I say that it is about an icon and that Australians are very proud of their icons. Arguably we are a very young tribe, anthropologically speaking. Over the years a few defining events have forged our identity as Australians. Two of those historic episodes involved war. The first event was Gallipoli. Every time something happens at Gallipoli, whether it be the type of commemorative service that is being held or the construction of a new road, it sparks great debate throughout the community simply because an Australian icon is being discussed. Another example is the definition of Kokoda. People ask whether it is a track or a trail. Many Australians regard the term "trail" as an American term, and when it is mentioned, the interest of Australians in the debate arcs and they say, "It's a bloody track, mate." They reason that it is Kokoda, that it is the track, and that it is our history.

Recently at the Isurava Memorial, a Channel 7 crew wore shirts that displayed the Channel 7 logo while standing beside the memorial during a commemorative service. It generated outrage among people who had no direct involvement in the ceremony merely because a group was thought to be mucking about with a treasured part of Australia's heritage. A similar sentiment has been expressed in relation to the proposed sale of Snowy Hydro. The other great event that assisted to define our identity was the construction of the Snowy Mountains Scheme. People from approximately 30 countries came to work on the scheme, among them Italians, Greeks, Germans, Dutch and Poles. Only seven years earlier their countries of origin had been at war with one another and here they were working side by side on the scheme. The Snowy developed multiculturalism decades before the politically correct elite thought of the term.

The stories, songs and poems of that time are part of who we are and how we came to be who we are. I play a tape of the Snowy River Settlers every time I travel down to the Snowy district. Two verses of a song by Ulick O'Boyle, *The Cooma Cavaliers,* are:

From Jindabyne tunnel and round Island Bend
We boys go to Cooma, our money to spend
And we'll buy you some beer
If you happen to see
Four Italians, three Germans, two Yugoslavs and me.

We'll pull up in Sharpe Street by the Alpine Hotel
And if you've been to Cooma
You'll know this place well.
And before we're inside
Ours orders rings out:
Four vinos, three schnapps, two sljivovics, one stout.

The song captures the spirit of the men who worked on the Snowy Mountains Scheme. They went to the Snowy area to work and they came down from the mountains of a weekend to have a great time. Many got into a blue, some got locked up, and all went back broke on Monday morning to be hard at it again. During the post-war era, those workers became great Australians. They are the people who built our nation and they are part of Australia's period of greatest prosperity. Australia went to No. 1 in the world as a result of that project. The families of those workers are very much part of who we are as Australians. The idea of selling such an icon to anyone who is not Australian is just unthinkable. The protagonists can come up with all the economic arguments in the world, but the Australian people will not accept them.

A headline in the *Australian Financial Review* states, "Bankers miss out on millions as the Snowy Hydro withdraws". Surely there is enough wealth in this country to satisfy people. The article names a number of banks and makes the point that teams of bankers had been tied up for the past three months working on the deal, and that although investment banks are making plenty of money from red hot mergers and acquisitions in equity markets they will get nothing from the Snowy deal. The article also states that had the deal gone ahead, banks would have received tens of millions of dollars in fees. My position is that there are some things that money cannot buy. I would like to think that Australia's heritage is not for sale.

When I listened to the Hon. John Della Bosca echoing the sentiments of his Premier in this Chamber—that the deal was non-negotiable, that it was going to go ahead and that the Government would use the proceeds of the sale to build hospitals—I knew that that would not wash with the Australian people. Interestingly people involved in finance have a particular point of view about the Snowy Hydro sale; they are more concerned about gathering wealth than they are about protecting something that is of critical importance to the Australian identity. They argue that the Snowy would be no less Australian if it were 100 per cent foreign owned. An article in the *Australian Financial Review* states:

> It's not going anywhere. As long as it's allowed to prosper it will do its job, pay tax, employ people and have a place in the country's history and culture.

It is a responsibility of the Government, given that it corporatised the Snowy Mountains Scheme, to give it the opportunity to work well, to improve its efficiency, to get out of the Government's hair, and to ensure that it remains an Australian engineering icon. As all honourable members know, politics is as much about perception as it is about reality. The Snowy Hydro is an Australian icon and it is not for sale. The *Australian Financial Review* editorial of 1 June hit the target. It stated:

> … the entire sale process of Snowy Hydro has been a mockery of good practice from the start. NSW blundered into the project without having the other owners on board. From the NSW point of view, other asset sales should have taken priority, such as the coal-fired power stations. The new energy regulatory market is not bedded down and prices are still being negotiated.

The Government thought it could get by with that display of arrogance.

The Hon. John Della Bosca: Do you think we should sell the generators?

The Hon. CHARLIE LYNN: I will let Lee Taylor-Friend's poem, *Don't Sell Our Snowy Hydro!*, answer the Minister's question. It states

They came from countries far and wide
to build the Snowy Scheme.
They left behind the 'scars of war'
to build Australia's dream...

A 'melting pot' of cultures
all working side by side.
They toiled through conditions harsh,
they did it all with pride...

Whole towns were moved to 'higher ground',
Farms buried 'neath the lake.
The 'Mighty Snowy' lost her flow
And many a heart did break…

A 'feat of engineering',
the 'dream to end all dreams:
But now it seems it's being sold,
yet no-one heeds the screams...

How can politicians promise?
That 'all will be O.K'
For 'assurances' get broken
and the people always pay…

Water is a precious resource,
and one that we must keep,
For once it's gone,
it's gone for good and promises are cheap...

<u>DON'T SELL OUR SNOWY HYDRO!</u>
The people rise and say!
We gave so much to build her,
don't throw it all away…

So listen up Australia!
Before it is too late...
If we're selling off our water
then 'God help us', what's our fate...

In a submission to the Snowy water inquiry in 1988 Professor George Seddon wrote:

> The Snowy Catchment is heritage country in the full sense of that term, and the river should be the jewel in the crown.

So it is with the Snowy scheme—it is an iconic jewel in our national crown and must never be treated as an economic object to be traded to enrich those who have more than enough riches in today's global economy. It is therefore appropriate that any proposed sale of Snowy Hydro Limited proceed only with the approval of both Houses of Parliament, which represent all the people of New South Wales. I support the bill.

The Hon. ROBERT BROWN [5.10 p.m.]: On behalf of the Shooters Party I support the Snowy Hydro Corporatisation Amendment (Parliamentary Scrutiny of Sale) Bill, and Mr Ian Cohen is to be congratulated on presenting the bill. I note, however, the comments of some members of this House regarding the policies of the Greens in relation to large infrastructure projects. There seems to be a bit of a dichotomy there somewhere. I note also that a couple of amendments are foreshadowed. The Christian Democratic Party amendment seems to me to be sensible, given the gravity of this situation and the public response. This debate is not like a debate on the Pacific Highway, as the Hon. Melinda Pavey pointed out to me; it is more like a debate on the republic.

The Government's amendment allows for whatever happens here to not preclude New South Wales—or even Victoria I guess—handing over or selling its shares to the Commonwealth Government. Irrespective of whether one agrees or disagrees that the Commonwealth Government is a better or worse financial and corporate manager than the State Government, this large infrastructure project requires ongoing investment. Perhaps the Federal Government—which retains and diverts as much as $3 billion of the New South Wales GST contribution—is probably more capable of handling the long-term capital requirements of a project such as this.

I note also the comments of the Hon. Dr Arthur Chesterfield-Evans that there appears to be an unseemly jostling at the top of the podium for people trying to claim hero status over the saving of the Snowy. In my view everyone should stand aside and allow Alan Jones to stand on the podium. I cannot think of

anything other than the weight of 29,000 telephone calls that could have possibly swayed the natural obduracy and obstinacy of the Prime Minister. If the Prime Minister had not backed down, we would probably be in a bit of trouble. I support the bill and ask the House to support the amendments.

The Hon. PATRICIA FORSYTHE [5.13 p.m.]: The Opposition has indicated that it is pleased to support the Snowy Hydro Corporatisation Amendment (Parliamentary Scrutiny of Sale) Bill, which bill provides that Snowy Hydro Limited cannot be sold unless the sale is approved by a vote of both Houses of Parliament. That makes it quite possible that, if circumstances were such that Parliament became convinced of an argument that the Snowy Hydro could be sold, the proposed sale would be subjected to the democratic process. That is the way we should approach all such matters. Therefore, I anticipate that the Minister will say in reply that it will be very difficult for New South Wales to compete in the national energy market, particularly when dealing with peak loads and gas turbines. New South Wales does not have the money to invest in Snowy Hydro moving into some of those areas.

The Minister might say that New South Wales has been stymied because what the Government wanted to do has been overruled, initially by the Prime Minister and then by everyone else. The Minister will try in a number of ways to make out an economic case. Presumably the Minister can provide the select committee with all the reasons why Snowy Hydro should be sold. Equally he could go to the people and try to explain those reasons in a way that has not been done in recent weeks. If there is a compelling case, both Houses of Parliament may well take up the argument in the future. However, I suspect that will never be the situation. The Government has been bruised, and it now understands the will of the people of New South Wales and Australia.

The Government's obligation to the people of New South Wales is such that it will have to weigh up the economic arguments of the Minister against those that relate to the role of Snowy Hydro and its place in the history of New South Wales and Australia. Many members have spoken about the history of the Snowy Hydro. I will not go back as far as 1949; I will refer to the debate on the corporatisation of Snowy Hydro that was conducted in this House in 1997. On that occasion the late Hon. Doug Moppett described the Snowy Hydro as "the greatest public work in Australia". He got it right.

The Hon. Rick Colless: It still is.

The Hon. PATRICIA FORSYTHE: It is, indeed. The Hon. Doug Moppett and the Opposition got it right. The Coalition opposed the legislation, but who supported it? All the minor parties supported the Government on that occasion.

The Hon. John Della Bosca: Because they were very sensible.

The Hon. PATRICIA FORSYTHE: No, they were so blinded by environmental issues concerning the Snowy River that they did not take account of everything in the bill. In many ways the chickens are coming home to roost. Had there been better discussion with the Opposition on that occasion, we may well have considered amendments similar to those we have before us today. Corporatisation could not have taken place without a bill for that purpose being passed by Parliament. And that is as it should be; that is the normal democratic process.

The Minister was briefly out of the Chamber when I outlined what I anticipated he would say in his reply. For his benefit I repeat that I believe he will talk about the need for the injection of capital that would have been available as a result of privatisation. If they are the Minister's arguments, and if he can sustain them, no doubt he will put them to the select committee when it meets. And no doubt at some time in the future the Minister will try to sustain such arguments in this House. However, the reality is that other arguments come into play.

The New South Wales and Australian communities have sent a very clear message and governments will ignore that message at their peril. I acknowledge the work of many of my colleagues at the Federal level, none more so than the Hon. Gary Nairn, in whose electorate the Snowy is located. He is a custodian of that icon. It is a pity that the member for Monaro, Steve Whan, has not seen that as part of his role. Maybe he has talked about it behind the scenes and put forward a case, but he certainly was not bold or brave enough to stand up in the lower House and express any contrary view.

I remind the House that the Opposition expressed concerns in 1997, when corporatisation of Snowy Hydro was first debated. The position of Opposition members has been vindicated. We are pleased to support

this sensible piece of legislation introduced by Mr Ian Cohen. This bill will give some comfort to those in New South Wales who are looking for answers from us as a Parliament about what we will do, not just today but in the future, to keep the Snowy Hydro scheme in public hands. This bill does not rule out that approach; it puts the scheme in the hands of the Parliament, which is what has been done in relation to many other pieces of public infrastructure. That is an appropriate role for the Parliament at all times.

If the Government is able to make out a sustainable case for the sale of Snowy Hydro Limited no doubt it will try to do so at a later stage. When it does that I hope it looks beyond economic issues and to those sorts of issues that communities across Australia have raised in correspondence and petitions over many weeks. The New South Wales Government might not have heard that message but the Federal Government and the New South Wales Opposition did. It would have been impossible to ignore the cry.

Since I have been a member of Parliament I have not been aware of any other issue that has galvanised Australians quite as much as this one—an issue that primarily is the responsibility of this Government. I would have thought that Government members, who are probably sufficiently battered and bruised, would have supported this bill. What is wrong with allowing both Houses of this Parliament to make a decision after normal, strong, robust and democratic debate? All honourable members should support this bill.

Ms SYLVIA HALE [5.22 p.m.]: Today, when many people are basking in the reflected glory of the defeat of the sale of Snowy Hydro Limited, it is important to place on the public record a detailed chronology of what happened in this State and in this Parliament. In the spate of about six weeks—between 20 April and 2 June—we saw the fastest and most extraordinary capitulation in recent history. On 20 April—one date at which we might like to look later—the Minister for Finance categorically said there was no need for a parliamentary debate and that there would not be one. During the course of a meeting he was howled down and he had to concede that it might be desirable to have a debate.

On 2 June the Prime Minister announced that the Federal Government was withdrawing from the sale. Ten minutes later that was followed by an announcement by the New South Wales Government and 20 minutes or half an hour later that was followed by an announcement by the Victorian Government. While the dates remain clear in my mind I would like to place on the public record what happened in that period. In the middle of November 2005, amid rumours that the New South Wales Government's share in Snowy Hydro was to be put up for sale, the Premier, in answer to a question in the lower House, denied that the Government was contemplating selling those shares.

On 16 December 2005 the Government announced that the sale was going ahead. Significantly, that announcement was made in the midst of the Cronulla riots and it largely went unnoticed by the public. At the time the newspapers were preoccupied with other matters. We then drifted into the long Christmas break. During that period news of the Government's intention slowly percolated into the community. Three years earlier the Government trumpeted widely, amid much media publicity, that the Snowy River would be restored to health and it would no longer be reduced to some sort of muddy trickle.

The people of Cooma and the Snowy region became aware of the Government's false promises. In fact the Government made that promise only until such time as it was convenient for it to go back on its word. By that time a motion had been moved in the Federal Parliament that the Commonwealth sell its shares. Significantly, only five people spoke out against that motion, one of whom notably was Bob Brown. Interestingly, the Hon. Patricia Forsythe's Federal colleague Gary Nairn spoke in favour of privatisation at that stage, so his position was fairly clear at the outset. He was hardly the champion of the non-sale of Snowy Hydro at the beginning of this debate.

The Hon. John Della Bosca: That is a fair point; I agree with that.

Ms SYLVIA HALE: I thank the Minister. There has been a lot of hypocrisy in relation to this issue.

The Hon. John Della Bosca: We are only human.

Ms SYLVIA HALE: You are only flawed—I agree with that. On 5 April I sought leave to move a motion on contingent notice. On the preceding day I had given notice that I would move a motion that Snowy Hydro remain in public hands. To its credit the Opposition supported my motion on contingent notice but, unfortunately, the Christian Democratic Party did not and my motion was not debated on that day. On 20 April a key event occurred in Cooma—that is, the meeting convened by Roger Norton, Mayor of Cooma, which was

attended by five mayors from surrounding shires. Interestingly, during that debate a pro-sale team was ranged against an anti-sale team. One of the members on the pro-sale team was Steve Whan.

The Hon. John Della Bosca: But he did speak against it.

Ms SYLVIA HALE: I was about to make that point, as I want to be accurate. Members of the pro-sale team comprised Steve Whan, the Minister for Finance the Hon. John Della Bosca, and Gary Nairn. To the best of my recollection, the opposing side comprised Max Talbot, an engineer who had worked on the Snowy scheme, Richard Wallace, Mayor of Snowy River Shire, and Doug Haines, solicitor, all of whom spoke passionately against the sale. The first speaker in support of the sale was Steve Whan. As the Minister for Finance pointed out earlier, Steve Whan floored everybody by getting up immediately and saying, "Of course, I oppose the sale", which indicated how aware he was of public opposition to the sale. At least Steve Whan, unlike the Minister or Gary Nairn, was aware of public opinion and he well understood the extent of community opposition to the sale.

On 26 April—six days later—there was a meeting in Griffith. Some 300 or 350 people had attended the Cooma meeting and a similar crowd turned out at Griffith. Local resident the Hon. Tony Catanzariti was a significant absentee from the meeting—and everyone noted his absence. Kay Hull turned up. She said that she had spoken in Federal Parliament against the motion to sell the Commonwealth's share in Snowy Hydro Limited. She then explained that she had to abstain in the subsequent vote and thus could not oppose the sale in Parliament. So by deed, if not by word, she was prepared to support the sale of Snowy Hydro. Representatives of the Ricegrowers Association and the irrigators association were also at the meeting. They were quite vocal, and reiterated their public position that the sale was desirable. They expressed reservations only about the ownership cap and sought guarantees that water would be released according to the State Government's specifications. People from the floor of the meeting expressed considerable and heated opposition to the sale of Snowy Hydro.

On 3 May I again sought to debate in this place a motion calling for Snowy Hydro Limited to remain in public hands. The Christian Democratic Party had had a change of heart by that stage. It supported my motion and amended it to establish a select committee to inquire into the proposed sale. On 4 May Mr Ian Cohen and I held a forum in the Jubilee Room of Parliament House. We had advertised the forum widely at the Cooma and Griffith meetings. Many people from those areas, including Max Talbot and Vicki Wallace, travelled to Sydney to speak at the forum. Liberal Party member Andrew Constance was at the meeting, as were Adrian Piccoli and Hon. Melinda Pavey from The Nationals. Reverend the Hon. Dr Gordon Moyes, the Chair of the committee, also spoke at the forum.

There were two other significant attendees. Senator Heffernan was present, and I think it was one of the first occasions on which he expressed his reservations about the sale publicly. I was somewhat amused when a couple of days after the forum he asked me during a telephone conversation why we did not have thousands of people in the streets protesting the sale of Snowy Hydro. I will remember that for future reference. The next time that there is a large public demonstration on a matter of critical importance I will remember Bill Heffernan's words, declaring that such behaviour is appropriate. Douglas Nicholas was the other person of note in attendance. As honourable members will be aware, he later wrote to approximately 700 prominent Australians, asking them to indicate their position on the sale of Snowy Hydro Limited. That letter was released to extraordinary effect the day before the sale was called off.

A forum the following week in Penrith was attended by David Haines, Max Talbot, Ian Morse and Dr John Kaye. Like the Greens forum on 4 May, it received a fair amount of publicity. On 10 May I moved a motion by contingent notice calling for papers relating to the proposed sale to be made available under Standing Order 52. Interestingly, although the Government did not oppose my call for papers on 10 May, on 11 May the Minister for Finance attempted to have the papers screened retrospectively by a senior counsel and to restrict their release to members of Parliament until such time as the sale was concluded successfully. Fortunately, the House did not give the Minister leave to pursue that course of action. Significantly, on 11 May the Minister said that the release of any related papers would have an adverse impact on the sale and declared for the first time that the shares would be offered internationally. I think that announcement certainly perturbed many people, including the irrigators, who had formerly supported the sale.

On 12 May an email emerged from deep within the secure confines of the Snowy River Task Force that was based on level 17 or 19 of Governor Macquarie Tower requesting the removal of a bin of highly confidential material that had been shredded. On 19 May Parliament prorogued. Past prorogations have seen the

Notice Paper wiped clean of notices of motions, but the Government seized the opportunity to wipe out the motion for the call for papers that the House had passed. So we were forced to move another motion. The Jindabyne rally was held on 28 May. In the meantime, at a Federal level Bob Brown had received legal advice that the Federal Government's sale of its share in Snowy Hydro had to be authorised by an Act of Parliament. The Federal Government became aware that if it tried to obtain that parliamentary authorisation there was every possibility that Senator Heffernan, at the very least, would cross the floor of the Senate and the bill authorising the sale would be defeated.

Significantly, the Prime Minister had announced only a few days previously that, although the irrigators wanted a 10 per cent cap on share ownership, there would be no cap on Australian ownership. However, he flagged the possibility of placing a 35 per cent cap on foreign ownership. I think that was the death knell so far as the irrigators were concerned. They realised that they were facing the very real prospect of Snowy Hydro Limited moving out of Australian ownership.

Last Friday, 2 June, in an extraordinarily sudden and, I might say, somewhat unexpected move, John Howard announced that the Federal Government would not proceed with the sale of Snowy Hydro. However, the day before Nick Minchin and Joe Hockey, significant members of his Government, stated that there was no way on earth that the sale would not proceed. The Prime Minister announced that the Federal Government was going to withdraw from the proposal. I am very proud of the role played by the Greens in this matter.

The Hon. Melinda Pavey: And The Nationals?

Ms SYLVIA HALE: Hold on. I am proud of the Greens because of the role they have played. I am proud of my colleague Mr Ian Cohen for introducing his bill today. I am also proud that when the error of their ways was pointed out to them, The Nationals, the Liberal Party and people across the board saw sense. I am particularly proud of the Australian community. Without the emails, letters, callers to talkback radio, petitions and the enormous upsurge of public hostility to the sale, today we would be facing the prospect of the sale of the Snowy Hydro proceeding. It has taken a fair amount of work, fortunately over a relatively short period. Due acknowledgment must be paid to people from across the political spectrum. They have seen the folly in selling Snowy Hydro and they have combined forces to prevent that act of extraordinary foolishness proceeding.

Reverend the Hon. FRED NILE [5.42 p.m.]: In speaking to the Snowy Hydro Corporatisation Amendment (Parliamentary Scrutiny of Sale) Bill I do not propose to go through the chronology that was presented by Ms Sylvia Hale. Talking about hypocrisy, I noted that the Greens issued a pamphlet in which they implied that the Christian Democratic Party supported the sale of Snowy Hydro Limited because it did not vote for the first motion on contingent notice. The Christian Democratic Party made it clear that in its view the vote was not on being for or against the sale of Snowy Hydro Limited, but on whether the business of this House is in the hands of the Greens so that whenever they want to move a motion on contingent notice they can do so. If anyone opposes the motion he or she is vilified in Greens pamphlets issued across New South Wales. That example of hypocrisy was seeking to score political points about the way we operate in this House. We seek to be responsible in our vote. Otherwise, we may as well do what the Greens want to do each day.

Mr Ian Cohen: That's not a bad idea!

Reverend the Hon. FRED NILE: The Greens are trying to take control of the House away from the Government, an attitude to which I object. As other speakers have said, the decision on the sale of the Snowy Hydro changed dramatically. The "for sale" sign was put up and then suddenly it was taken down. I think in principle the State Government is keen to sell Snowy Hydro Limited, but once Mr Howard pulled the Commonwealth Government out it wrecked the sale. The Prime Minister was receiving backlash on an issue in which he did not want to be involved, so it became an issue of politics. The Prime Minister had no problem suddenly pulling out of the sale. He came to that decision after talking to Alan Jones. In some ways it was a minor decision for him because he does not need any revenue from the sale of Snowy Hydro—the Federal Government has a $14 billion or $15 billion surplus. However, the New South Wales Government is desperately in need of funds. It has now borrowed money to provide infrastructure in this State. Additional borrowing would have been needed to prop up Snowy Hydro Limited, and that problem has not gone away.

During the debate about the terms of reference of the Snowy Hydro committee I said that there should be an examination—I understand there will be—of how capital will be provided in the future for Snowy Hydro Limited. We all know that Snowy Hydro is an icon built by 100,000 workers from many nations over 30 years. We must congratulate former Labor Prime Minister Chifley on his vision and courage to launch such a huge

project in the post-war period of 1949, when construction commenced. In view of the Greens attitude to the sale, will they be honest and say that if there were Greens in 1949 there would have been protests to stop the seven power stations and 16 dams? There would have been a green blockade on each dam.

The Hon. John Della Bosca: It would not have worried Chifley.

Reverend the Hon. FRED NILE: I know, he did that on the wharves. I am not saying that the Greens would have succeeded, but I am saying that they would have tried to stop the Snowy Hydro. The Greens should be honest and say that they have no sympathy for the Snowy Hydro and if they had been in Parliament in 1949 they would never have built it.

Mr Ian Cohen: On the question of honesty, you are the pot calling the kettle black.

Reverend the Hon. FRED NILE: I am telling the truth, based on the Greens activities in Tasmania in regard to the Franklin Dam. The Greens put themselves up as a lily-white protector of such large infrastructure projects when they are hell-bent on stopping every one of them, such as dual lanes on the Pacific Highway, et cetera. The Greens constantly put obstacles in place, often for frivolous reasons, to block all such projects. I could name dozens of them across this State. However, the Christian Democratic Party acknowledges that, as an example of people power, the people have spoken. They built it and they have spoken. The people should decide on the future of Snowy Hydro Limited.

I was impressed by the petition tabled by the Hon. Melinda Pavey in Parliament a few days ago. It called for a plebiscite or a referendum on a future sale of Snowy Hydro. I thought that was a great idea and that it would form part of the Opposition's bill—however, it is not in the bill. Therefore, I was prompted to draft an amendment that I foreshadow I will move in the Committee stage. The amendment provides that it not be left to a vote by both Houses of Parliament to decide the future of Snowy Hydro Limited because, in my mind, that is no protection at all. After the next election, depending on the numbers in both Houses, a new government could pass a bill to sell Snowy Hydro Limited. The Greens bill appears to be based on the premise that one or both Houses will oppose the sale. There is no guarantee that that will happen next year. Strong reasons may be put for the sale and both Houses may vote in favour of the sale. I believe that the proposal raised in the petition tabled by the Hon. Melinda Pavey is the way to go. Therefore, I foreshadow that I will move the following amendment in Committee:

> No. 2 Page 2, clause 3, lines 14 and 15. Omit "the disposal is approved by resolution of each House of Parliament". Insert instead "the disposal is approved by a majority of voters at a referendum of persons qualified to vote for the election of Members of the Legislative Assembly. The referendum is to be conducted in accordance with the provisions of the *Constitution Further Amendment (Referendum) Act 1930* (subject to any modifications prescribed by the regulations under this Act).".

That would be the only way to guarantee the future of the Snowy Hydro scheme. It would then be in the hands of the people. I suppose it is not impossible—but it is very unlikely—that the people would vote in favour of the sale of Snowy Hydro Limited. Though there may be some pressing reasons for such a sale, I doubt there would be a change in public opinion. However, the attitude of both Houses of Parliament could be different after the next election. No-one knows what party will be in government, nor is anyone certain about the composition of this or the other House. To be safe, the House should support my amendment, which I will move in Committee.

The Hon. JOHN DELLA BOSCA (Minister for Finance, Minister for Commerce, Minister for Industrial Relations, Minister for Ageing, Minister for Disability Services, and Vice-President of the Executive Council) [5.50 p.m.]: The Government will support the bill but will propose an amendment in Committee. However, I feel obliged to make a number of comments on the debate that has taken place today. I believe the procedure will be that Mr Ian Cohen will close the second reading debate.

The first thing that needs to be put on record is that Australians historically have defined themselves around three key themes. The first is sport, and we need not say much about that; it tends to be about sporting victories. The second is the conduct of Australians in war—not their victories at war. Whether it is Kokoda or Gallipoli, it is more about the conduct of Australians, rather than victories. The third relates to national development projects. They are the three most important, unique and enduring themes that Australians who start thinking about how they define themselves come to regard—fairly or unfairly, accurately or inaccurately—as the unique things that define Australians.

Obviously the Snowy Hydro scheme was the biggest, the grandest and the most imaginative of all the great national development projects. It dwarfs any of the other major energy or water infrastructure projects.

I might correct the record for those who are history buffs. Members have been giving their versions of the great Ben Chifley. It is true that the scheme, as it is, came into existence because of the Chifley Government's attitude to what was originally a scheme proposed by the McKell Government. The inspiration for the McKell scheme was essentially an irrigation scheme. Essentially, the dream of McKell—and I am sorry to offend the Greens, because I am sure they will not like this aspect of the Snowy Hydro scheme—was to turn—

Ms Sylvia Hale: To turn the rivers west.

The Hon. JOHN DELLA BOSCA: Ms Sylvia Hale has anticipated the point. It was to turn the rivers inland. It was part of a dream. By the way, it was not just confined to the Snowy; they wanted to extend the scheme to the North Coast, in fact the entire east coast of Australia. That part of Australia's heritage was more defining than most other things: the idea of creating a food basket or, in older religious terminology, a new Jerusalem in the inland of Australia. And it was largely achieved. The Murrumbidgee Irrigation Area and associated irrigation areas remain to this day part of that great economic and cultural achievement that was the original Snowy Mountains Scheme inspiration.

It is important to bear in mind that the hydro component of the scheme derived from subsequent thought about how to complete the picture, to enhance the economics of the scheme, and to give the Commonwealth Government an excuse to be involved. It would no doubt be of interest to the Greens—who were associated at least to the extent of thinking about a court case and attempting to argue that the whole scheme was invalid because the Commonwealth originally used its defence powers to become involved in the scheme—that the defence powers were used because the hydro component would be a source of power that essentially would be underground. In the post-war era, with concern about everything that happened during the Second World War, including at Hiroshima and Nagasaki, it was regarded as critical to have power infrastructure underground so that it would be protected from foreign attack. That was the basis on which the Commonwealth first became involved in the Snowy scheme. The head of power used by the Commonwealth to become involved in the scheme was its defence power.

So it was indeed a great combined image and dream. But it ought to be remembered that the fundamental dream was the irrigation of the inland. The inheritors of that—as I have come to know quite well as a result of this debate—were the people of the irrigation communities. Though I have not had a lot to do with them, I have met quite a few of their leadership over the years. I concede that one of the great things about democracy is that even when your view does not prevail you come to realise that the system works—that, fundamentally, a lot of people are prepared to make a contribution, are prepared to listen, and are prepared to work on the issues. I take my hat off to the irrigation communities in the Murrumbidgee who, both during the corporatisation debate and through this debate, have remained very constructive and very determined to achieve good outcomes from that original vision of the great irrigation scheme.

There are important things I would like to put on the record about the leadership of the scheme as it went through its great post-war history. The Hon. Charlie Lynn put a few important things on the record—none of which I can dispute; they are all largely true. I would remind the House that that great man who first commissioned the scheme, Sir William Hudson, was not an Australian. He also was a migrant, from across the ditch, from New Zealand. Sir William had three essential iconic characteristics in his manner of running the hydro scheme. The first was that of being a great risk manager. He was, for instance, the person who introduced the compulsory wearing of seat belts. All Snowy employees had to wear seat belts. A significant number of the 102 deaths resulted from accidents involving vehicles travelling the icy and fairly desolate roads of the time. So Sir William Hudson introduced compulsory wearing of seat belts, as well as a whole raft of other compulsory safety measures. He was a great risk manager.

The second thing about Sir William Hudson was his great acknowledge of the power and importance of collective labour. He insisted that the Snowy Hydro workers and the migrant labourers who came to work on site did so as union labour. To this day Snowy Hydro and its successor and sister organisation, the Snowy Mountains Engineering Corporation, remain basically union operations—collective operations in which workers and managers work together towards great achievements. I think that is something that those on the other side of the House should at least acknowledge. Some of the great heritage of Australian industrial relations—and some aspects that recently have been lost, courtesy of their Federal colleagues and the Commonwealth's WorkChoices laws—no longer would be achievable in a sign-it-or-else environment, where one could not get the co-operation of a collective work force for such a magnificent project as the Snowy. Collective labour is an important part of what built the Snowy scheme.

Another important aspect is the historic link to Telstra. I think a number of members made the point about a link to Telstra. This leads me to one of my favourite stories about Sir William Hudson, a very tough and relentless manager. He was a bit of a Taylor-ist as well as having a positive side. He imposed very strict rules about when tea could be taken, about when the billy could be boiled and when smoko could be taken. All those sorts of things were standardised across the site. Imagine the entire site at that time as quite desolate; few people who were working anywhere in the area were not directly employees of the corporation that had been created by the fusion of public works employees of the New South Wales Government and separately recruited Commonwealth employees.

Sir William Hudson was on one occasion driving along a fairly isolated road when he noticed five or six employees boiling a billy at the side of the road. He was furious, because it was outside the time for the boiling of the billy. When he got to the next site office he instructed the foreman to go back up the road and tell the blokes boiling the billy and having a smoke out of time that they were immediately to put out the billy fire and get back to work; and, if they did not get back to work, they could come down to the depot and collect their pay. The foreman dutifully jumped in the vehicle, drove back up the road a mile or so, got to the work gang and said, "Listen, you blokes are in trouble. You'd better put out that billy and get back to work. Sir William Hudson has seen you, and he's pretty cranky."

They said, "It's not our problem, mate." The foreman became quite agitated, and said, "Look, Sir William Hudson has told me unless you blokes put that billy out and go back to work, you can go get your pay and go home." The leader of the group rose to his full height, ambled over, stared the foreman in the eye, and said, "Listen, sport, you can tell Sir William Hudson to get nicked! We work for the PMG!" So there is a historic link between Telstra and Snowy Hydro. I do not share the Coalition bench's negative view about corporatisation. Corporatisation was important in achieving a balance between the interests of the irrigators and the interests of the environmentalists. An important part of the scheme going forward was corporatisation.

Even though the Greens were very hard to persuade on this point, part of the Parliament's consideration after corporatisation was the ecological recovery of the Snowy, which is guaranteed by the water licence. I mean no disrespect to our former colleague the Hon. Doug Moppett, whom the Hon. Patricia Forsythe quoted, but one of the important aspects of licence agreements in corporatisation, which would apply equally to private companies, is that irrigators are protected from government or public caprice. Back in the 1970s when a number of coal-fired turbines had blown out on the Central Coast and in the Hunter, a great Minister for Energy decided that he would use the Snowy as a modified base-load power station. Snowy Hydro kept New South Wales going during the worst couple of months of the maintenance breakdowns in the coal-fired power stations. They were months of great hardship for irrigators, who did not get their target water because the Government decided, outside of a licence regime, that the public interest was best served by the grid staying up rather than the irrigators getting their water.

Corporatisation would not allow such a scenario. It does not matter what Nick Minchin, John Della Bosca or John Brumby think, or what political pressure is put on them by the Greens or anybody with a view about the power grid: irrigators' rights to their target water are protected. Their two entitlements annually must be available. No matter who owns Snowy Hydro and no matter under what circumstances, the irrigators are protected by corporatisation, as are the important environmental achievements of Snowy Hydro. Corporatisation was a good thing. The Coalition was wrong to oppose it, and it is still wrong. Corporatisation has nothing to do with the outcomes of this debate, because the most important thing about corporatisation is the balance and certainty it provides to complex competing interests. That brings me back to the tricky series of narratives and counter narratives, and people reviewing the history of recent events selectively. Two people have been absolutely consistent in their approach to this issue. My message has been the same whether I have been talking to irrigators, trade unionists, Snowy Hydro workers, Snowy Hydro management, environmental activists, or communities in Cooma, Jindabyne, Berridale, Deniliquin and other places in which I have had discussions about this matter.

I have not spent much time talking to bankers, but whenever I have spoken to an audience about the problems of going forward with Snowy Hydro I have been consistent. The Primer Minister said he changed the Commonwealth's course of action because he had been listening. I am not sure to whom he was listening. It could have been Bill Heffernan, Sylvia Hale or Alan Jones, although I am sure it was not Gary Nairn. That is a complete furphy. I have been absolutely consistent in saying three things about the Snowy. The national electricity market has evolved so that Snowy Hydro is now effectively a key component of the national electricity market. It is no longer a boutique operation that provides arbitrage between the New South Wales and Victorian power grids because, in regulatory and economic terms, the New South Wales and Victorian power

grids no longer exist. Over the next few years we will see a south-east Australian power grid, which is already both a technical and economic reality. A few more years after that we will see a power grid that combines Tasmania, courtesy of the Basslink Project—

Ms Sylvia Hale: That is groundless, that project.

The Hon. JOHN DELLA BOSCA: No, it is absolutely true to say that Snowy Hydro is no longer a boutique operation arbitraging between the two power grids. It is part of a national electricity system. People have criticised me for making up the numbers about how much Snowy Hydro needed to recapitalise to play its role. The reality is that no-one could know exactly what Snowy Hydro will need to play its role in the national electricity market. However, I can inform honourable members that the investments in Victoria to which the Hon. Dr Arthur Chesterfield-Evans referred, the two gas peakers and the retail business it is operating, are about $500 million, and 58 per cent of that exposure is our taxpayers' funds; it is our money. We are using New South Wales taxpayers' funds to build electricity infrastructure in Victoria. If honourable members think that makes sense, that is very interesting, because they are in the New South Wales Parliament. It is nonsensical to have the existing 58 per cent locked up in a company growing at such a rate, when we know that it will reach the point where debt can no longer be sustained and it will have to make a capital call.

Eventually someone will have to put more capital into Snowy Hydro. If they do not, then next year, or in five years, 10 years or 15 years this great icon—over which we have all shed a tear and then popped the champagne cork when the Primer Minister did his backflip—will shrivel and die. Snowy Hydro can no longer be maintained as a boutique hydro operation between the New South Wales and Victorian power grids simply because that is not its national role. It can no longer play that economic role because such a role will be denied it. All Victorian private generators, the fledgling New South Wales generators and the Queensland private generators, when they come on line, are building their own gas peak operations. Snowy Hydro no longer has the market advantages it has had. It will have to find other market advantages and other ways to grow. That is a fundamental problem and no-one, including the Primer Minister, has suggested an alternative position. The New South Wales Government does not run Snowy Hydro, and cannot run it. It is corporatised. We have one-third of the voting share, which has always been the structure.

People have asked me why we let the directors of Snowy Hydro make these decisions to invest in other infrastructure. As directors they are obligated by the laws of the land, which means they have a fiduciary obligation to ensure that the company continues to grow and prosper. I do not dispute that Snowy Hydro should invest in other infrastructure. As an Australian, a potential investor and a person who turns on his light switch in the morning, I think it is great that Snowy Hydro will continue to play an important position in the national electricity market. The only problem is that the Prime Minister's decision and the absence of any alternative means that this great icon will shrivel and die. I went to school with kids of Snowy workers. I knew a lot of them. Most people have Snowy workers as in-laws, or somewhere along the way they know someone who worked for Snowy Hydro and know of their fantastic expertise. Most of the workers were transferred to the Snowy Mountains Engineering Corporation [SMEC], which was established 35 or 40 years ago towards the completion of the scheme.

People realised that Snowy workers were not going to be able to complete their dream, which was to move on to the next river system and do the same thing as they had done with Snowy Hydro. SMEC now has offices in Kuala Lumpur, Hong Kong and Singapore. It is a great Australian business owned by its management. It operates as a private business. The technical work force that built Snowy Hydro has been using its expertise in that private business for about 20 years. To pretend that there is some great attachment to the spirit of Snowy workers and that somehow that is relevant to the recent debate is purely and simply a furphy. I could refer to other matters, but I will leave them for the committee inquiry. The other absolute constant in the debate—and I appreciate that Ms Sylvia Hale has not done this—is that the Opposition has stuck to two furphies. One is that the Primer Minister listened to Gary Nairn. The Primer Minister did not listen to Gary Nairn. He got legal advice that he would have to go back to the Parliament. He decided that he did not want to do that.

He decided to shaft the New South Wales Government and others. Ms Sylvia Hale is at least on the right track when she says the sale was withdrawn as a result of legal advice that Senator Bob Brown was circulating, but the story is a bit more complex than that. Frankly, they are the facts of the matter and the Federal member for Eden-Monaro, Gary Nairn, had nothing to do with the reversal of the Snowy Hydro decision. The honourable member for Monaro, Steve Whan, is the other person who has been absolutely consistent at every meeting I have been to and on every occasion.

The Hon. Melinda Pavey: Point of order: My point of order relates to misleading the House, in that Steve Whan has not been consistent.

The DEPUTY-PRESIDENT (The Hon. Penny Sharpe): Order! There is no point of order. The Hon. Melinda Pavey will resume her seat.

The Hon. JOHN DELLA BOSCA: I simply make the point that at every public meeting I have attended, Steve Whan has been consistent. On every occasion this matter has been discussed in party forums, or with me, the Premier and every other Minister of the Government, Steve Whan has been absolutely consistent in saying that he does not support the privatisation of the Snowy. Steve Whan has been absolutely consistent.

Mr IAN COHEN [6.10 p.m.], in reply: I thank all honourable members for their contributions to this debate, which was certainly wide ranging and befitted the interest taken in this issue overall—from the erudite discussion and dissertation by the Minister, which was certainly wide ranging, to the aspirational statements by this House's poet lorikeet, the Hon. Charlie Lynn, which certainly added colour to the debate. A number of false accusations have been made. Some of the criticism has been fair cop but in some instances people tended to become stuck in a time warp and have been very quick to accuse the Greens of not being more mindful of greenhouse issues and so on when the project began. I could spend time defending myself and the Greens on a number of issues, but I think it is recognised by most people that times change and one can recognise the exploits of past generations without necessarily agreeing with them.

Time and again the efforts of soldiers at Gallipoli are mentioned in this House. Many honourable members, me included, would be horrified if similar events occurred in 2006. Yet, having said that, I recognise, in the context of that historical period, the bravery of individuals who were involved in the campaign. It is important to maintain a balance in our historical perspective. It is also important not to presume to condemn people for inconsistency, as has conveniently been done to the Greens in this House. I will clarify a few matters. The first is that in the first stage of commercialisation, the Snowy Hydro Corporatisation Bill was debated on 13 November 1997 at the conclusion of the parliamentary sittings for that year. I supported the legislation, although perhaps it could not be said that the Greens supported it because I was the only member of the Greens in this House.

As a result of a great deal of debate and discussion outside the House, we came to the conclusion that it was appropriate to support the Snowy Hydro Corporatisation Bill. I moved nine amendments and those amendments were passed. I will not waste the time of the House by referring to the *Hansard* record of that time, but from my perspective I was given assurances that the legislation did not constitute a move toward privatisation. In the end result, I was convinced that that was the case. The amendments to which I have referred concerned a number of environmental issues that were very close to my heart.

The Hon. Melinda Pavey: So you will not be directing preferences to the Labor Party now, will you, for breaking its word?

Mr IAN COHEN: I just wish the Hon. Melinda Pavey would ensure that her interjections remain relevant to the subject matter being discussed. She goes on like a broken record. The Greens amendment ensured that the agreement provided water to the Snowy River for environmental purposes in the initial licences and that an increased volume of water would not attract compensation. Another amendment ensured that the licence gave effect to the agreement between Victoria and New South Wales. A further amendment ensured that the provision of licence reviews initially after five years was completed within six months and then every 10 years thereafter, and that was achieved.

Clarification of the review of any licence and any subsequent review would not reduce the initial water allocation or any subsequent or additional allocation to be made after the first review. Another amendment also provided that the contingency allocation of water for environmental purposes would not attract compensation. The Greens amendments also had the effect of limiting the Snowy park lease to 75 years, except as provided by an Act. I did my best. In hindsight, if I was wrong, I accept that. It was a decision I made at the time, and I believed I had a significant input that affected environmental outcomes during the 1995-99 term of the Labor Government.

I think it is reasonable to view those amendments in their historical perspective, especially as they were supported by the Australian Democrats. I do not recall whether a former member of this House, the Hon. Richard Jones, was a member of the Australian Democrats at that time or was an Independent. The rather

superficial interpretation of our role as perceived by the Hon. Charlie Lynn as a greenie—not in my back yard [NIMBY], no damn policies party—is expected, but in this House I attempt to put a historical perspective on the role of the Greens. The Greens is a movement that is emerging. In 1997 environmental issues did not enjoy great awareness, and the Greens policy and the direction of the Government at that time in relation to the Snowy Mountains Scheme would not be acceptable currently. I do not think anyone argues against that. Things have changed. We saw the change take place during the Franklin River campaign in the early 1980s, when I was very much involved as a person who was upriver there.

The Hon. John Della Bosca: Do you reckon we will get tidal power up that river?

Mr IAN COHEN: I acknowledge the Minister's interjection, which relates to the current debate on nuclear power. Many schemes and attempts have been successful in various ways in progressing energy generation schemes to the point of the nuclear debate that is now taking place. I believe that the issue of nuclear power in Australia is an absolute furphy. There are aspects of hydro power that are very good in controlling greenhouse emissions. There are other opportunities presented by tidal power generation, which has immense potential, or geothermal power, which seems to have been ignored during this debate despite its absolutely huge potential to provide not only peak load energy but base load energy that is clean.

The streets of Reykjavik in Iceland are heated in winter by geothermal power. The visitors centre in Kosciuszko is heated by geothermal energy, which does not involve the production of electricity. The heating is provided by placing pipes into the ground from which heated steam or air is circulated. There are amazing opportunities. We need to learn from our history. Some great steps forward were made as a result of the Snowy Hydro Scheme.

We learned from that and took further steps forward. Certainly, as the Hon. Charlie Lynn said, we would be carrying on. It may be that for many it is a case of not in my backyard [NIMBY], and the Snowy has been a NIMBY case. I am pleased that we have NIMBY people; they stand up for their rights, and they work hard day and night to protect their community and their environment. With regard to dam policies, the Greens were at the forefront and looked to the future, unlike other political organisations. We see historical imperatives, and then we see mistakes. The Greens moved beyond that towards finding a better way of electricity generation.

These days I would argue strongly for decentralised demand management and alternative schemes, such as wind, solar, geothermal and wave power. There are so many opportunities. It is a tragedy that debate on this issue is so narrowly confined to nuclear power. An incredible amount of greenhouse emissions are created when nuclear power plants are constructed. I refer to the extraction, mining, transport and security of materials. It is just laughable. Australian ingenuity and scientific ability can provide so many better opportunities. It is a tragedy that we have become sidetracked by this suggestion of nuclear power.

The Hon. Robert Brown mentioned Alan Jones. We should all acknowledge that Alan Jones and others in the media played a vital role in this about face. The Opposition argued that both Houses of Parliament should make a decision on such matters. It is a small ask by the Greens, with the support of the Opposition, that all members of the House acknowledge that it is appropriate that both Houses of Parliament should debate this issue. I have been consistently concerned that the Snowy River should be restored to it former glory, that environmental and agricultural flows should be maintained, and that there should be a balance. I am still waiting for 28 per cent of the environmental flows down the Snowy River.

Reverend the Hon. Fred Nile castigated the Greens for a degree of insincerity and inconsistency. His head is in the past. It is fortunate that Reverend the Hon. Dr Gordon Moyes has brought a degree of modernity to the Christian Democratic Party; otherwise Snowy Hydro may have been relegated to history like so many other schemes in this country. I am sure we will not see the New South Wales Parliament being dominated by one party in both Houses. I hope that in some small way this bill will facilitate the maintenance of democracy, so that no party will rule outright in the upper House, and I expect also in the lower House after the forthcoming election. I hope that the minor parties and the Independents will play a significant role in both Houses in order that there be robust debate on such issues.

The Hon. Melinda Pavey: Can we get this bill to the lower House tonight?

Mr IAN COHEN: I would encourage that. I understand that there may be an opportunity for the bill to be forwarded to the lower House tonight and be processed in this session of Parliament. I commend the bill to the House.

Motion agreed to.

Bill read a second time.

Suspension of Standing Orders

Motion by Reverend the Hon. Fred Nile agreed to:

That standing orders be suspended to allow the moving of a motion forthwith: That it be an instruction to the Committee of the Whole that it has power to consider amendments relating to a referendum to be held in relation to any proposed sale.

Instruction to Committee of the Whole

Motion by Reverend the Hon. Fred Nile agreed to:

That it be an instruction to the Committee of the Whole that it has power to consider an amendment relating to a referendum to be held in relation to any proposed sale.

Bill committed.

[*The Temporary Chairman (The Hon. Kayee Griffin) left the chair at 6.25 p.m. The Committee resumed at 8.00 p.m.*]

Progress reported and leave granted to sit again.

BUDGET ESTIMATES AND RELATED PAPERS

Financial Year 2006-2007

Debate resumed from 6 June 2006.

The Hon MICHAEL GALLACHER (Leader of the Opposition) [8.04 p.m.]: I am honoured to commence the Opposition's response to the 2006-07 State budget. Once again we are considering the budget of a tired old Government that is in denial about how it has run down New South Wales, courtesy of Morris Iemma with the support of his inept assistant, the Treasurer. This budget will see New South Wales heading into serious deficit in the coming year, with Morris Iemma continuing for the next nine months as the highest-taxing Premier in New South Wales and the Labor Government raking in a record tax take. The conclusion of that nine-month period will mark the end of Morris Iemma's term in office, and the 2006-07 budget will be his one and only budget.

I wish to reflect on some of the comments made about this budget and the direction in which this State Government is going. I draw honourable members' attention to comments made by Richard Farmer—who is well known to the Hon. Tony Catanzariti—published today on *www.crikey.com.au*. Richard Farmer is a well-known Labor campaign strategist and close friend of Graeme "whatever it takes" Richardson, the Premier's mentor. Richard Farmer also campaigned heavily during the Hawke and Keating prime ministerships. I will quote what Mr Farmer said today to indicate exactly where this State Government is going. This well-known Labor campaign strategist said:

> I spent much of 1987 and the early months of 1988 living in Sydney working on the Unsworth Labor Government's election campaign.
>
> Looking back now I can see it was an amusing and entertaining experience but at the time it was dispiriting and far from funny. Every day we seemed to lurch from bad to worse in our vain attempt to prevent an inevitable defeat.

Lurching from one mess to another. It sounds familiar. He continues:

> The highlight (or should it be lowlight?) of my memories was the Saturday morning meeting with Party secretary Stephen Loosely, advertising agent John Singleton, pollster Rod Cameron, Premier Barrie and his chief of staff Bob Sorbey when we finally admitted to each other that we had no chance at all of winning.
>
> Our mission, we decided, was to try and minimise losses so Labor had some members left in the Parliament.
>
> So what to do? Cheap beer always works, suggested Singo. In went the promise to lower licence fees on low alcohol beer. Transport's the problem said someone, so we'd better promise to lower train fares. Consider it done. But, heh! Motorists stuck in a traffic jam as the train rattles past will be annoyed that there's nothing in lower fares for them. Reduced motor vehicle registrations joined the promises list.
>
> And so we went on until the Premier said we should hang on a bit because we were spending hundreds of millions and the state couldn't afford it.

> I recall a stunned silence from the rest of us but can't remember who actually told him that he needn't worry because we would never be in government and actually have to do any of the things earnestly being put in our policy speech. And if by some miracle Labor did manage victory then the answer would be easy. Just break all the promises.
>
> I was reminded of those long ago days when I read this week of Premier Morris Iemma's decision to re-open the roads closed off to make the tunnel under the city profitable. What is a future cost of $95 million or so in compensation between friends?
>
> Nothing changes in politics, I thought, except the people.

That reference to Barrie Unsworth reminds me of two things. First, today marks 20 years since Neville Wran stepped down as Premier—a move that led to the rise of Barrie Unsworth, the only man who stepped forward to take the reins of an out-of-control party careening towards an election loss. Morris Iemma is the modern-day equivalent of Barrie Unsworth. Second, I am reminded of the place that Barrie Unsworth holds in the heart of the New South Wales Treasurer. Consider the reckless budgetary approach of Barrie Unsworth and his haphazard team and then read the comments made on 19 September 2001 by Michael Costa, our present Treasurer. It chills me when I read these words:

> Barrie has provided me with support, advice and encouragement … I think his style may have rubbed off on me.

It is clear from the budget that the Government is on track for the biggest train wreck in recent memory as a result of its mismanagement of the New South Wales State economy. To use a political analogy, I guarantee that the voting public have baseball bats stashed behind their doors and they cannot wait to use them at the State election in March next year. I guarantee also that in their heart of hearts the Australian Labor Party and the New South Wales Government are considering how many seats they will be able to hold onto. The same thing happened under Unsworth. Those who ignore history are condemned to repeat it.

This Labor Government has a Treasurer at the helm who admires Barrie Unsworth and considers him to be an icon of all that is right with State politics. That tells us how serious the problem is in New South Wales. The Government's experiment in running up debt might lead to some interesting front-page stories in Sydney newspapers. But the reality is that, as occurred under Unsworth, the Government will never allocate the money. Despite its promises, it will never have to deliver. The Government will rack up debt in its last nine months in office, and it will fall to the people of New South Wales and their children to manage that debt in the future.

The budget offers little to my portfolio responsibility: Police. I shall make some observations that I urge honourable members to consider seriously. Members opposite will shortly be forced to visit marginal electorates and regurgitate the garbage they have been fed in the past 24 hours. They will have to pretend that it is somehow new and fresh. I am about to reveal yet another fraud—another three-shell trick—that has been perpetrated on the people of New South Wales. On this occasion the victims are the members of the New South Wales police force. The 2004-05 State budget referred to a study by Sinclair Knight Merz of the State's almost 450 police stations. The report identified 27 stations that were in the greatest need of refurbishment or replacement. The 2004-05 budget stated:

> During 2004/05 planning will commence in relation to each of these priority sites so that a specific plan, and timetable, can be delivered for each.

The 2005-06 State budget allocated partial funding for only six of the 27 stations, with the Minister for Police committing only $16.325 million out of a total estimated cost of $72.011 million. Yesterday's budget revealed that just $8.4 million of the promised $16.325 million was spent. What did the Government do in the budget? It rehashed the $8 million that it did not spend on the six police stations, added it to the $3 million or so that it did not spend on other promised police station upgrades, topped that up with $18.77 million that it did not spend on upgrades in 2004-05 and combined the lot in what the Minister for Police is calling "new" funding. It is not new funding. The Minister for Police simply cannot get his act together and spend money on much-needed police station upgrades. It is not as though Carl Scully is ignorant of the problems given his public statement that:

> Care hasn't been taken in looking after police accommodation for more than a decade and it's something we need to rectify.

He made that comment last year. But there he was on the ABC radio on Sunday lauding the fact that the budget would:

> … include more than $50 million in additional funding for new police stations.

How much funding does yesterday's budget allocate for new police station upgrades? Just $3.762 million will be spent over the next five years, and that is nowhere near the Minister's false claim of $50 million. The funding

gets close to the $50 million figure only if we include the ongoing police station upgrades that were announced and initially funded years ago and, as I said, upon which money has been massively underspent since. Police stations across the State are falling down around the ears of police officers and the Government chooses to play games with those officers who are suffering in deplorable conditions.

The State infrastructure strategy, which was released last week, failed to mention eight of the 27 stations identified by the Sinclair Knight Merz report. The Government has told the communities of Leichhardt, Cronulla, Macksville, Tenterfield, Ermington, Quakers Hill, Coffs Harbour and Camden that their police stations will not be touched for at least the next 10 years. Since becoming shadow Minister for Police I have visited many police stations throughout the State and I am continually amazed and disappointed at the despair that I witness in every corner of New South Wales.

The northern beaches is no different. Mona Vale police station services the electorate of Pittwater. It is located at the bottom of Mona Vale and Pittwater roads and comprises an incredible collection of ancillary buildings as well as the main station. It is staffed by one officer. The Government claims that it will resolve that situation but, as with all its other promises, it has done absolutely nothing. Let me give honourable members an idea of the strength of the Government's commitment to that police station. The Coca-Cola machine for public use is located on the front steps of the station. If it was put inside the building, it could not be accessed and they would not sell any Coca-Cola. Worse still, the Eagle phone—the system that allows people to connect to the police assistance line—is located inside the front door of the station. People have to find the lone officer and get him to let them in to use the phone to report stolen property or any other crime.

The Hon. Rick Colless: Which police station is this?

The Hon. MICHAEL GALLACHER: This is the station that services Pittwater. Police officers have to travel from as far away as Dee Why on the northern beaches to the peninsular area. The Government has ignored pleas for assistance from the former member for Pittwater, members in this Chamber and the Pittwater community. Avalon police station, which is a substation of Pittwater, is nothing more than a vacant house. Honourable members must recognise that the Pittwater electorate is not being serviced properly by Mona Vale police station. This problem requires action now. It must not be left to the never-never.

Annandale police station in the inner west is worth more than $1 million. It is the most incredible Federation building but the front gate and fence are falling to pieces. They are riddled with white ants and dry rot. The windows are covered in spider webs and dust. The people of the area are crying out for police resources but the local Labor member has never put those concerns before Parliament. The Annandale premises are falling to pieces before our eyes. Now that the Government has cunningly moved all surplus police property and that of other government departments into the hands of L.J. Costa, the new real estate agent in New South Wales—no-one will rip us off better than L.J.—buildings such as those at Annandale, Pittwater and Avalon will be put up for sale. The Government could not get the sale of Snowy Hydro Limited up so it will have a fire sale of excess or surplus properties that it has no plan to ever open.

During the current financial year New South Wales police received a much-needed pay rise. They received a 4 per cent rise on 1 July 2005, and during 2006-07 they will receive two pay rises: 4 per cent on 1 July this year and 2 per cent on 1 January next year. There are serious questions about how this can be funded from the NSW Police budget. Employee-related expenses are estimated to increase by $44 million in the next financial year. From this, NSW Police must fund training and employ an additional 750 police, as the Premier promised. It must fund the pay rises of 6 per cent to which I have alluded, fund redundancy packages for at least 330 non-police personnel that the force plans to get rid of, and train and employ the base number of new recruits needed to replace the large numbers of officers who resign and retire each year.

The question I asked the Treasurer this morning was quite simple: How is it possible for NSW Police to fund all these expenses with just $44 million? I also asked the Treasurer to assure the House that the Parliament will not be asked to provide additional funding in a future appropriation bill to make up any shortfall. The Treasurer, in his standard modus operandi, said that the figures were wrong—but they were his figures. The worst thing was that within 24 hours of delivering his budget the Treasurer said that if the Government has to make additional commitments through an appropriation bill it will do so. The figures in the budget are rubbery in the extreme. The ink on the books is not even dry and the Treasurer is considering making adjustments in an appropriation bill in the future. The Government is making up the figures as it goes along.

In March the Premier committed to increase authorised police numbers by 750 in time for the next election. I will continue to criticise the Government for slashing police numbers in the first place. In 2003,

15,168 officers were physically on the streets protecting our neighbourhoods. There are just 14,521 officers today. The Premier promised to increase police numbers to just 15,206—in other words, 38 more police than in 2003! Somehow the Government suggests it is a win for New South Wales. Today, three years after record police numbers were reached, 647 fewer officers are protecting us. The Minister for Police thinks it is clever to claim that actual police numbers are higher than authorised police numbers and therefore there is no problem. Quite frankly, the Opposition and the people of New South Wales who are concerned about policing know he is wrong. Recently the Police Association pointed out:

> … police numbers of 14,500 are not sufficient to deal with recurring public disorder issues, and compromise our ability to maintain adequate protection for local communities, to respond to calls from the public.

This Government often refers to what it has done in regard to police numbers over the past 11 years. It talks about the increase in police numbers. The only way the success of additional police numbers can be weighed up is to look at what has occurred in the major crime areas in that same period. We can then see whether police numbers have kept pace with crime. For example, in the same 11 years that the Government crows about its police numbers, assaults are up 82.6 per cent; sexual assaults are up 88.5 per cent; robbery with a weapon not a firearm is up 82.4 per cent; fraud—sometimes I think some Government members should be charged with fraud—is up 106.4 per cent; offensive conduct, which the Government portrays on the people of New South Wales every day, is up 103.4 per cent; and breach of apprehended violence orders, an issue of concern to all honourable members, is up 215.2 per cent. However, the number of police has not increased by 215 per cent.

The Hon. Rick Colless: How much?

The Hon. MICHAEL GALLACHER: There has been a 215 per cent increase in the number of people who breach apprehended violence orders in this State. Furthermore, the clear-up rates highlight just how under-resourced our police are. Unbelievably, three-quarters of investigations of sexual assault reported to police are not resolved within three months. Only one-third of indecent assaults are cleared up within three months of reporting. Other disturbing clear-up rates for crime in New South Wales include: other sexual offences, only 28.8 per cent cleared up within three months of reporting; robbery without a firearm, only 13.2 per cent cleared up within three months of reporting; robbery with a firearm, only 9.3 per cent cleared up within three months of reporting—that is a shocker; and break and enter dwelling, only 5.3 per cent cleared up within three months of reporting. In New South Wales the rate of assault is more than three times the rate of Victoria and more than double the rate of Queensland. The rate of sexual assault in New South Wales is twice that of Victoria.

I now turn to another of my concerns: the Hunter Valley, particularly Hunter police numbers. Last week in the Hunter the Minister for Police made hollow promises on desperately needed police resources in the area. Carl Scully mischievously claimed that Lochinvar, Morpeth and Paterson police stations had secure futures under this Government. Why is it mischief? Because he falsely claimed that the Opposition will close them. That is wrong. The Minister has been told time and again that it is wrong, both in the House and in the public arena, by both the Leader of the Opposition, Peter Debnam, and me. However, he continues to make that false claim.

When the Minister made those claims he failed to explain the other Clayton Hunter police stations which rarely, if ever, have officers in them. They include Kurri Kurri, Weston, Gresford, Beresfield, Dungog and Clarence Town. When asked about the lack of police at those stations, the Minister said that he was not responsible for operational decisions made by the commander. The first thing the Minister should do is find out why towns the size of Kurri Kurri, let alone Gresford and Clarence Town, literally have no police resources in them. The community may need police at any hour of the day. The Minister claimed that small police stations in the Hunter have a secure future, but then admitted that he has no control over whether they are staffed by police. That is absolute garbage.

Hunter police continue to suffer under a Government that has come to care about the area only because it is facing an election. The Hunter community is becoming increasingly hostile towards the Australian Labor Party. I am pleased that the Police Association has called for increased police numbers in the Hunter. The five Hunter Local Area Commands have lost a total of 28 police officers since 2003.

The Hon. Rick Colless: Who is their local member?

The Hon. MICHAEL GALLACHER: The Opposition may well ask: Who is the local member? The community does not know either. The community does not care who the local member is, because he will not be

there in nine months time. Local Labor members and the Minister for Police have consistently defended police numbers, claiming that the police are over strength. Last week Carl Scully finally said that he was sympathetic to Police Association calls for the Lower Hunter command authorised strength to be increased. The Police Association's Lower Hunter representative, Kel Graham, said:

> At the moment, we are unable to keep many stations open for 24 hours because police are being dragged out on jobs in other places.
>
> We think police need to be in their local stations for a reasonable percentage of their time.
>
> At present, officers from Gresford, Dungog, Clarence Town and Patterson are being dragged into Raymond Terrace to fill that station.
>
> We are hoping for an announcement on an authorised strength increase from the Government later this year.

My Police Association comrade Kel Graham also said that police staffing levels in the Lower Hunter command are at crisis point, with not enough to provide sufficient protection to the community or to adequately protect police. That is how bad it is in the Hunter Valley. The area has seen massive growth, but there has been a massive reduction in the number of police in an incredibly large patrol area. The Hon. Ian West has the temerity to try to defend the Government's disgraceful position on police numbers. I look forward to his contribution to the debate and his attempt to cobble together some words of sense to defend this garbage. I was interested to hear the Minister for Police announce that NSW Police is outsourcing the testing of approximately 2,000 DNA samples. He claimed that the decision was made as a result of growth in the collection of samples and the use of such evidence in court. The police Minister said, "As a result, this has caused some backlog and there have been some delays." Earlier I said that the attitude of the Australian Labor Party is to make promises at election time, but whether it has to deliver them is another matter. In 2003 the Government said:

> In some US jurisdictions, a shortage of experts led to backlogs in processing DNA samples … NSW can't afford to make the same mistake … We need to resource our forensic experts at this early stage to avoid the problems encountered in the US.

What has happened here in New South Wales? We have yet another broken promise. It does not really hit the headlines because DNA is only interesting if you are a victim of crime or someone you know has been murdered or seriously assaulted. The Government has walked away from the problems. The question must be asked: Why, three years later, is the New South Wales Government outsourcing DNA testing to a private company in Victoria to address backlogs that it promised in 2003 would never occur?

I turn to police commitments. Several months ago Coalition members made a commitment to re-empower parents, teachers and police. I shall refresh the memories of members opposite as to what forced their Government into finally accepting that it had a problem with police numbers, that it needed to ensure between now and the next election it would recognise this State is more than 600 police officers down on the number it needs, and that police numbers need to be restored before the election. What did the Government do? It suggested that there was not a problem with police numbers. But, when the screams got louder, it had to move. The Coalition pushed for, and has not got, a commitment to reinstate the more than 600 police slashed by the Government, and to boost numbers especially in the Highway Patrol, public transport and criminal investigation.

The Coalition committed to legislating to officially reinstate the name New South Wales Police Force. We forced the Government to do that. It did not want to do that. Minister Costa tried to play games with names, calling it NSW Police and so on. The Coalition has said it would legislate to change the name to New South Wales Police Force, and the Government has agreed with that, somewhat belatedly. The Coalition committed to changing the commissioner's contract to actively encourage the reporting of all crime and public disorder. Can honourable members imagine what the crime figures in New South Wales would be if all such crimes were reported? Frightening! We committed to reducing the New South Wales Police Ministry and the police media bureaucrats by 70 per cent and to transfer the savings to frontline police. The Government has started to do that this year. Of course, it will get rid of the excess while keeping its fat-cat mates, who are devouring large sums of money. A lot of them will be gone in about nine months time.

The Coalition committed to changing centralised local area commands to locally led, locally based policing—an absolute staple of policing. We would open stations, including the ones I spoke about earlier: Gresford, Paterson and Clarence Town. We would put the cops back in stations in towns throughout New South Wales. We would get police on the street. We do not want the centralised mess that the Government has created. The Government uses people like guinea pigs—and in doing so creates victims down the line. We want to re-empower police in relation to arrest and research with what is known as LEPRA—the Law Enforcement (Powers and Responsibilities) Act. Yet again, the Government refused to accept that it had created a problem—

because it gave a free hand to the Auditor-General, that mess in policing, the nightmare waiting to happen, the wreck of the Hesperus when it comes to getting its hands on police matters. The Government has tried to fix police problems caused by Bob Debus.

The Coalition has given a commitment to strengthen police powers in relation to offensive language and conduct, with the aim of raising the acceptable standards of public decency. The Premier has started talking about this for the first time in his administrations. We had to force the Premier to admit that this State has a gang problem. Months later, he relented. We have made the Premier realise that he has a problem when it comes to standards of decency. We hear him talking about it, but it is all new to him. He has been in government for 11 years, but he did not know the problem existed. We will reinstate the Graffiti Task Force and strengthen related penalties and powers of magistrates. Young offenders will get one warning and one caution; we will get rid of Labor's unlimited warnings and three cautions. We will urgently reform police promotions and the complaints system. I will be saying more about that issue as we head towards the election. We will strengthen the role of the Judicial Commission to make judges and magistrates more accountable to the community. That is one of the most important things we can do for police. If we get it right for police—as we have tried to tell the Government—we get it right for the community. However, these guys do not get it, and that is their problem.

I welcome the Government's decision to implement a number of the Coalition commitments. We will continue to push the Government to ensure it matches all 11 commitments. However, we have more coming through. The first thing the Government needs to do—and do very quickly—is pass legislation to name our police body the Police Force, which it is, and stop this stuffing around and political gamesmanship. The Government finally is doing something, although not enough, about police numbers. We will continue to push the Government on that issue. As I have indicated, the Government has accepted that it needs to reform the Law Enforcement (Powers and Responsibilities) Act. One area in which the Premier has failed to accept sensible Coalition policy is review of the concept of right to silence.

It was one of those priceless moments in politics when we had the Premier and Minister Scully sitting down with the head of the Police Association, Peter Debnam and me in front of probably 300 delegates at the biennial conference of the Police Association. This occurred only a few short weeks ago at Terrigal, on the Central Coast. You should have seen the look on the faces of Morris Iemma and Carl Scully when Peter Debnam spoke about the need to debate and review the right to silence in New South Wales. Peter Debnam said we needed this debate if we are to do anything serious about getting behind our police and how we can assist them to do their job. It is worth recognising that, at a meeting of the Police Association, Peter Debnam's speech was interrupted on three separate occasions by applause from the floor. Morris Iemma got his clap when he finally finished what I consider to be the second-worst speech I have ever heard in my life. It was up there with one of the best that the Hon. Amanda Fazio has ever delivered—when we all nodded off! She may do better when she delivers her contribution to the budget debate this year.

Liberal leader Peter Debnam gave a commitment to the New South Wales Police Association biennial conference that he would review the right to silence provisions. Let us have the debate and consider this issue. It is one of the most important issues for me, and I have continued to push for it within the Coalition for more than 10 years. The Leader of the Opposition proposes that we look at reforms made in the United Kingdom more than a decade ago, to see whether we can learn from the experience in the United Kingdom. I was in the United Kingdom this time last year to look at this issue and I spoke with people within the Auditor-General's Department responsible for the implementation of that reform in the court system. I also spoke to police officers. We can make huge inroads if we consider those reforms, get them onto the agenda and start debating them. It would be one of the best things we could do to help criminal investigators in New South Wales. For far too long we have ignored the problems. Even Peter Remfrey, Police Association Secretary, and a member of the Labour Council, said:

> For too many years now the system has been bastardised by allowing someone to exercise the right to silence initially and then allowing them to come up with an alibi subsequently.

That statement identifies what we need to look at in New South Wales. I call on all honourable members—Government, Opposition and crossbench—to look at the United Kingdom experience. Frankly, I look forward to next year's budget when government members in this Chamber will be fighting for a better deal for the Hunter—the sorry lot opposite takes the Hunter for granted. The new people who will occupy the government benches in less than 12 months time are the members currently sitting behind me, members of the New South Wales Coalition. We will fight for the support of the people of the Hunter, and when we get that support we will fight even harder to hold onto it.

Labor members have ignored the people of the Hunter for too long. They are now polling feverishly in seats such as Swansea and Charlestown. Five or 10 years ago Labor would not have thought of polling in that area. Labor is polling of an evening—the Government is white-hot with panic. The Labor Party is trying to get football celebrities and other high-profile people to run in the seat of Maitland. The Labor Party is even trying to get high-profile people who have no commitment to the party to run as Labor candidates in those seats. These are members who supposedly pride themselves on commitment to the Australian Labor Party, yet they will grab anyone of note who comes along. Everyone wins a prize. Labor members are so moribund and bereft of talent that they are looking for anyone they can get.

It is quite simple: The Labor Party will take on all comers in a desperate attempt to hold on. But at least some members opposite can feel warm about what is going to occur in the next 12 months. The Hon. Amanda Fazio is smiling on the inside, unlike her comrade sitting next to her, because the left wing of the Labor Party is about to lose its control of the Hunter Valley. It will be the vehicle by which the right wing of the Australian Labor Party makes its move on all the seats held by the left wing. The Treasurer, the Hon. Amanda Fazio and others are out there working their little you know whats off. It is going to get very ugly. Members of the right wing will say, "Isn't it terrible, these terrible, terrible Liberals", but inside they are just so excited because they will at least get their hands on the conference. The right wing will not get its hands on the seat, because the seat will not belong to the right wing but to the people who voted for somebody else. At least the right wing will get hold of the conference within the Labor Party. The knives are poised to stab members of the left wing.

The Hon. Tony Catanzariti: It's the Labor Party annual conference.

The Hon. MICHAEL GALLACHER: The honourable member referred to the conference. The blood bank had better be on standby on the weekend because they are all going to need transfusions. They are going to have to hose down the mess in the town hall. It is going to be an absolute shocker! The Hon. Robyn Parker always enjoys this because she has lived in and around Maitland for quite some time. It is a good old belly laugh for the people up there when the Government, as it has done in the past 24 hours, mentions Ashtonfield school. It is a cracker! Do you not love it? Ashtonfield school will be part of a public private partnership. The Government has tarted it up as if it is a new announcement, which is similar to what it did with the Police portfolio. But it is interesting to look at the *Hansard* of 1995, which shows that the Government was asked by the Opposition what was going to happen to Ashtonville school, to which the then Minister for Education and Training said that it was in the department's five-year strategic plan. It still has not been built. The only sod that has been turned was when the former Minister for Education and Training went up there to promise it yet again.

The new central business district planning committee is another smoke-and-mirrors announcement for Newcastle by the Government. Any attempt by the Government to look as if it is doing something new for Newcastle to stem the loss of business from the Newcastle centre is a bit rich. Then there is the classic chestnut of the lower Hunter regional strategy, the mechanism for procrastination that the Government must attend to every now and again. There is the State Infrastructure Report, another smoke-and-mirrors announcement of the Labor Party served up to the people of the Hunter—a bunch of pretty pictures overlaying a map of the Hunter. But the best bit is Minister for Planning, Frank Sartor, quoted in the Newcastle *Herald* today saying, "I anticipate the new vision for Newcastle will be released for public comment later this year."

The Government thinks that it has been in government only since the retirement of Bob Carr, that it is somehow a new Government, but the State Labor Government has been in power for 11 years. Now it talks about coming up with a vision! Has the Government been fumbling around in the dark for the past 11 years, spending money hand over fist and out of control? I think it has. I do not think the people of Newcastle will swallow any more of its garbage. The people of Newcastle have had a gutful of the Government's vision. They have a vision: Labor free, which is exactly what they will have in nine months.

I turn now to what is probably best described as the Treasurer's windbag speech to the lower House yesterday. I have to be honest: I left after about 15 or 20 minutes into his speech. I walked across the road. I went to an automatic teller machine. I walked back. I ordered a sandwich, which they had to toast. They did that. I walked back up the street, got a newspaper, got the sandwich and came back. I thought it was Groundhog Day! He was still on his feet waffling, twitching, droning and carrying on. I have an interesting email from a Matthew Crocker.

The Hon. John Della Bosca: Is that one of your names?

The Hon. MICHAEL GALLACHER: No, it is one name, Matthew Crocker. Of the Budget Speech yesterday he said:

It really was uninspiring, wasn't it? The more entertaining bit was looking at the bloke in the advisor's chair behind Costa flicking through a folder. If he works for Costa and wasn't interested, I don't see why the rest of New South Wales should be.

That really says it all. The Treasurer's speech was boring. We went back to the records to verify what Mr Crocker said. He went back to 1991. Michael Egan was at his worst in 2004 when he spoke for 51 minutes. Honourable members might remember that was the day when even Government members had the white flag up and said, "We are giving in." The Treasurer went into the lower House yesterday and spoke for one hour and one minute. The supply of No-Doze in the canteen is gone. All the Government members who were trying to stay awake were popping them. Like the speech that the Premier gave at the biannual conference, the big applause was kept until the end because the Treasurer had finished. The Treasurer, like the Government, is finished. They, like the people of New South Wales, have only nine months to go. Bring on the election!

Debate adjourned on motion by the Hon. Michael Gallacher.

JOINT SELECT COMMITTEE ON THE CROSS CITY TUNNEL

Membership

The DEPUTY-PRESIDENT (The Hon. Christine Robertson): 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:

That Steven Bruce Scott Pringle be appointed to serve on the Joint Select Committee on the Cross City Tunnel in place of John Harcourt Turner, discharged; and

That Kristina Kerscher Keneally be appointed to serve on the Joint Select Committee on the Cross City Tunnel in place of Matthew James Brown, discharged.

Legislative Assembly
7 June 2006

JOHN AQUILINA
Speaker

TRANSPORT ADMINISTRATION AMENDMENT (TRAVEL CONCESSION) BILL

Bill received and read a first time.

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.

SELECT COMMITTEE ON THE CONTINUED PUBLIC OWNERSHIP OF SNOWY HYDRO LIMITED

Reference

Motion, by leave, by the Hon. Tony Kelly agreed to:

That the terms of reference for the Select Committee on Continued Public Ownership of the Snowy Hydro Limited agreed to by the House this day be amended by inserting the following paragraph at the end:

5. That the minutes of proceedings, evidence, all papers, documents, reports and records of the Select Committee on the Proposed Sale of Snowy Hydro Limited, appointed 3 May 2006, be referred to the committee.

BUSINESS OF THE HOUSE

Suspension of Standing and Sessional Orders

Motion, by leave, by Mr Ian Cohen agreed to:

That standing and sessional orders be suspended to allow a motion to be moved forthwith that Private Members' Business item No. 5 in the Order of Precedence, relating to the Snowy Hydro Corporatisation Amendment (Parliamentary Scrutiny of Sale) Bill 2006, be called on forthwith.

Order of Business

Motion by Mr Ian Cohen agreed to:

That Private Members' Business Item No. 5 in the Order of Precedence be called on forthwith.

SNOWY HYDRO CORPORATISATION AMENDMENT (PARLIAMENTARY SCRUTINY OF SALE) BILL

In Committee

The CHAIRMAN: Order! I remind members that an instruction has been given to the Committee of the Whole. The instruction was given as a result of the motion moved by Reverend the Hon. Fred Nile. The motion was that the Committee has power to consider amendments relating to a referendum to be held in relation to any proposed sale, and the motion was carried by the House.

Reverend the Hon. FRED NILE [8.51 p.m.]: I move amendment No 1:

No. 1 Page 2, clause 1, line 4. Omit "*Parliamentary Scrutiny of Sale*". Insert instead "*Scrutiny of Sale by Voters*".

In my contribution to the second reading debate I outlined the purpose of my amendments. This amendment is the first of three amendments that are designed simply to provide for the people of this State the opportunity to make a decision on whether Snowy Hydro Limited can be sold or not. In other words, instead of the two Houses of Parliament deciding the issue, the decision should be in the hands of the people. The simple way to do that is to hold a referendum. Obviously, the referendum would be necessary only if there was a proposal to sell Snowy Hydro. It would not be held as an academic exercise but would be held only as a result of a decision being made to sell Snowy Hydro. In that event, a procedure to hold a referendum would be triggered. Ideally, to reduce expenses, the referendum would be held during a State election or during some other election. Obviously, referendums are very expensive, and should be held in conjunction with some other voting activity to reduce costs.

Mr IAN COHEN [8.53 p.m.]: The Greens oppose the amendment that has been moved by Reverend the Hon. Fred Nile. We wonder where he, as an individual who is very keen to state that he upholds the importance of this House on the role of parliamentarians, will draw the line. As I understand from general discussions with all parties that I quite successfully in most circumstances have attempted to have, the agreement is that both Houses of Parliament would be the instrument of approval for a sale. I am wondering whether Reverend the Hon. Fred Nile will take his amendment to its logical conclusion and have scrutiny by voters of all legislation.

Why create a situation in which suddenly it is seen to be appropriate to have a citizens initiated referendum that relates to the Snowy Hydro sale, yet other issues that are vital to the wellbeing of the people of this State are left to the Parliament of this State to decide? There have been many occasions in the House when Reverend the Hon. Fred Nile has strongly upheld the role of Parliament and parliamentarians. I think it is a little cynical to now take his position to a point that I understand is outside the leave of this bill and is certainly outside any discussions and debates about promoting what is seen as a good safeguard. The Greens oppose the amendment.

Reverend the Hon. FRED NILE [8.55 p.m.], by leave: On advice, I move also amendments Nos 2 and 3 in globo.

No. 2 Page 2, clause 3, lines 14 and 15. Omit "the disposal is approved by resolution of each House of Parliament". Insert instead "the disposal is approved by a majority of voters at a referendum of persons qualified to vote for the election of Members of the Legislative Assembly. The referendum is to be conducted in accordance with the provisions of the *Constitution Further Amendment (Referendum) Act 1930* (subject to any modifications prescribed by the regulations under this Act).".

No. 3 Long title. Omit "without the approval of both Houses of Parliament". Insert instead "without the approval of voters at a referendum".

During my earlier remarks I made the point that the bill, which I highly support in principle, is not sufficiently strong because both Houses of Parliament could vote for the sale of Snowy Hydro to proceed against the will of

the people. The only reason for the sale not proceeding is because the people of this State have spoken. This is an example of people power and it is consistent for the power to remain in the hands of the people in relation to this single issue. I do not regard the treatment of this bill as a precedent for all legislation to be submitted to a referendum. However, because the whole issue came to a head because of the will of the people and people power, it seems logical that the people should have the final say on the sale of Snowy Hydro.

The Hon. MELINDA PAVEY [8.57 p.m.]: While I acknowledge that the idea for the amendments moved by Reverend the Hon. Fred Nile came from a petition I tabled, as he highlighted during his second reading speech, it is important to realise that, as members of Parliament, we have a responsibility to table petitions whether we personally agree with every part of a petition or not. While I was certainly very proud to be an advocate for people who were opposed to the sale of Snowy Hydro, that does not mean by logical extension that I or the Opposition would support a referendum to be held before the sale. In effect, the referendum has been held; as Reverend the Hon. Fred Nile has pointed out, people power has had its effect.

Ultimately it is the responsibility of all elected members of Parliament to listen to the concerns of the community. Sadly, that is where the Government has failed in relation to this matter. It completely underestimated the community's belief that Snowy Hydro should remain in public ownership. As has been pointed out, the position taken by the Liberals and The Nationals is completely different from that of the Greens. The Coalition's reasons for opposing the sale relate to the security for 75 years of the water supply to the food basin.

The irony has not been lost in today's debate; it is quite ironic that the Greens want to save an institution that 50 or more years ago it would have blockaded to stop being built. On the basis of those arguments, and as it is our responsibility as elected members of Parliament to make decisions on behalf of the community that elected us, we have done our duty. It would be virtually impossible for any government to put a proposition before the people to sell this asset, this institution, without proper debate. This is the place where that debate should take place, not in a referendum.

The Hon. DUNCAN GAY (Deputy Leader of the Opposition) [9.00 p.m.]: I oppose the amendment. Reverend the Hon. Fred Nile has a long history of supporting citizens-initiated referendum.

Reverend the Hon. Fred Nile: I have two private member's bills on that.

The Hon. DUNCAN GAY: As Reverend the Hon. Fred Nile correctly interjected, he has two private member's bills on that subject. I have a long history of opposing citizen-initiated referendums. In fact, that is a vehicle of a group called the League of Rights, an extreme right-wing organisation that has permeated the Christian Democratic Party. The Minister for Justice agrees with me. At one stage that was part of the old Country Party and National Party. As a former chairman of that august organisation, I spent a lot of time purging the group from our ranks.

The Hon. Tony Kelly: They need you to do the same in their party.

The Hon. DUNCAN GAY: Reverend the Hon. Fred Nile probably does need me, although his colleague Reverend the Hon. Dr Gordon Moyes might be doing that for him. The people we purged from our party obviously found a home in the Christian Democratic Party. The simple fact is that if one believes in a democracy, with people voting for a group of parliamentarians to be able to make a decision on legislation, one stands by those decisions. The vote that is taken at an election is the vote that is made by the people.

A vote will be taken in nine months time and, as the polls indicate, the Labor Party will be removed from office. Newspoll has the Coalition 4 per cent ahead, and we were 13 per cent behind at the last election—that is a movement of 17 per cent, a huge movement in any poll. It is interesting that the indications are there, as staff are leaving and there are concerns within the Government party. There is only one iron in the fire to counter that impression, and that is the Hon. Peter Breen, whose decision has been compared to boarding a sinking ship when the rats are leaving it. The Hon. Peter Breen, a man of great humour, may permit me to tell a story.

The Hon. Peter Breen: I believe in free speech, go ahead.

The Hon. DUNCAN GAY: I was about to recount a private conversation, but I will not. It is not something that one should do.

The Hon. Patricia Forsythe: He was possibly swimming against the tide.

The Hon. DUNCAN GAY: Yes, to paraphrase, it was an unusual decision to join an organisation like that in its death throes. The people will make their decision at the next election. The Coalition wants that decision to be made by Parliament as a whole, a transparent decision, not one made in a backroom because the Labor Party has budget problems with its fire sale. As an aside, the Labor Party said there was nothing in its budget about this matter. It did not have quite enough time to cleanse everything, as there were references to the sale in the budget papers. Whoever was doing the cleansing of the budget papers did not cleanse everything. That is the same with my honourable friend opposite; had he answered his phone 45 minutes earlier, he would have saved the Premier being reamed by Alan Jones on 2GB. Alan Jones went down the Premier's throat, removed his heart and his lungs. He absolutely destroyed the Premier.

The Hon. Catherine Cusack: And then he took a call from Della.

The Hon. DUNCAN GAY: Alan Jones then took a call from the Minister for Finance saying, "Hello, Dick's left a message on my phone." I do not know whether the Minister had a chance to say that it had been on voicemail for some time. The message was that the Federal Government was pulling out of the sale and the New South Wales Government would also pull out. However, all of that is incidental to the amendment before the Committee. The amendment deals with a referendum of the people. It completely changes the bill. I will seek an opinion from the Chair and the Clerk as to whether the amendment is contrary to the bill.

The bill is before the Committee for it to make a decision and the amendment goes so far as to change the long title of the bill. An amendment that goes to that extreme, frankly, must be contrary to the bill and, therefore, is out of order. The first amendment of the three moved by Reverend the Hon. Fred Nile is to omit "Parliamentary Scrutiny of Sale" and insert instead—

The CHAIR: Order! I do not know whether the Deputy Leader of the Opposition was present when I reminded members that the House had resolved that it be an instruction to the Committee of the Whole that it has the power to consider amendments relating to a referendum on any proposed sale of the Snowy Hydro. That is why the amendments were allowed to be moved; the Committee is acting under instruction from the House.

The Hon. DUNCAN GAY: With great respect, Madam Chair, I do not recall the House rationalising that decision. I accept your point of view but I strongly make the point that if a bill before the House is entitled Snowy Hydro Corporatisation Amendment (Parliamentary Scrutiny of Sale) Bill and the words "Parliamentary Scrutiny of Sale" are removed, that is a huge change and a contrary change to the bill.

Reverend the Hon. Fred Nile: It is only one word.

The Hon. DUNCAN GAY: Reverend the Hon. Fred Nile said one word is to be removed, the word "Parliamentary". The bill was introduced to allow Parliament to make a decision, and it was for that single purpose. The amendment moved by Reverend the Hon. Fred Nile removes the single purpose for which the bill was introduced. I cannot understand how an amendment that totally changes the bill is in order. I will seek more advice on that point. Mr Ian Cohen has quite rightly moved a motion, which the Opposition supported, to allow Parliament to make the final decision. The Government wanted to take away that decision and the Leader of the Government, who is present, said, "Too late. We are not going to allow it to go to Parliament. The decision has been made." The Leader of the Government made that public statement on not just one occasion.

The Leader of the Government is a decent man in many respects and is kind enough to nod his head to acknowledge that what I am saying is correct. The Government initially refused to have parliamentary scrutiny. Mr Ian Cohen then moved a bill that the Opposition indicated it would support to allow Parliament to have scrutiny. Reverend the Hon. Fred Nile says that the amendment seeks to remove only one word—

Mr Ian Cohen: So is God only one word.

The Hon. DUNCAN GAY: Mr Ian Cohen interjects that "God" is also one word. In this case the key word in the bill is "Parliament" and that word should not be removed. I have been a member of Parliament for 18 years and I am not aware of changes such as this that have had the support of the Clerks, the Deputy-Speaker and the Chairman of Committees. The Chairman of Committees—an independent person in this Parliament—should appraise the situation and give us advice on whether or not it is appropriate to proceed. I strongly oppose the amendment for a number of reasons. I am opposed to citizen-initiated referendums. If we go that way all parliaments would be abolished, we would have anarchy in this State, and the only decisions that would ever be

made would occur only as a result of citizen-initiated referendums. If Government members want to go that way, good luck to them. I do not want to go that way.

The CHAIR: Order! According to Erskine May's *Parliamentary Practice* the arguments of the Deputy Leader of the Opposition should have been put at the time the motion for the instruction was moved in the House. The instruction has been agreed to by the House. That was the time at which it would have been appropriate to argue that the instruction motion was out of order. As the House has agreed to the instruction motion, the Committee is obliged to consider the matter now; it does not have the capacity to overturn that instruction.

The Hon. Duncan Gay: I seek clarification, Madam Chair.

The CHAIR: I am happy to entertain more debate.

The Hon. DUNCAN GAY: Given your learned reply, would you acknowledge that we inadvertently—probably accidentally—went down the wrong track? If that is so, we should adjourn this debate until the next sitting day. That would enable us to go out of Committee, recommit the bill and start again.

The CHAIR: No. I would not concur with that. The House resolved to instruct the Committee to consider the matter. If what the Deputy Leader of the Opposition has proposed were applied to every bill being considered in Committee, very little legislation would be dealt with; we would be forever correcting aspects of bills. It would be akin to seeking the recommittal of a bill on the basis that the result of a division may have been different if the vote had been taken at another time. The Committee is obliged to follow the instruction given to it by the House.

The Hon. Duncan Gay: I seek a further point of clarification. We acknowledge that we are heading down the wrong track. We should move out of Committee to allow this error to be corrected. We should not knowingly do something that is wrong.

The CHAIR: The amendments are before the Committee. If the majority of members are of the opinion that the amendments should not be supported, they will not succeed. The Committee should make that decision. There is no guarantee that the result would be any different if, for example, the instruction were to be reconsidered. It is not appropriate that that should happen. The House resolved without debate to instruct the Committee to consider the matter, and it is not appropriate to canvass or attempt to change that resolution.

Reverend the Hon. FRED NILE [9.14 p.m.]: I believe that the whole purpose of this debate is to discuss the future of Snowy Hydro Limited. The issue at the heart of this debate is how the decision to sell Snowy Hydro should be made. For the information of the Deputy Leader of the Opposition, members of the League of Rights did not join the Christian Democratic Party; they joined One Nation. The League of Rights has had no influence on any bill that I have introduced in this House and, in particular, on the issue of citizen-initiated referendums.

The Hon. PATRICIA FORSYTHE [9.15 p.m.]: I join my colleagues in strongly opposing these Christian Democratic Party amendments. Mr Ian Cohen referred earlier to the importance and the role of Parliament. We are debating this issue when we are celebrating 150 years of strong and stable government in New South Wales. If we agree to amend this important piece of legislation in this way we will supplant the role and place of Parliament by going directly to the people. We will begin a process that will weaken our strong and stable government.

Earlier Reverend the Hon. Fred Nile said that, over time, he had given notice of two bills relating to citizen-initiated referenda [CIR]. Reverend the Hon. Fred Nile has supported CIR for a long time and I have been a fervent opponent of it for an equally long time. To me it is a tyranny of the majority. We need only to look at States in the United States of America that have the capacity for CIR in their constitutions.

Reverend the Hon. Fred Nile: Switzerland is a good example too.

The Hon. PATRICIA FORSYTHE: Last time I checked there were still a few cantons in Switzerland where women did not have the right to vote. I do not believe Switzerland is an absolutely democratic country. I referred to the United States of America because I think it is most pertinent. Some States in the United States have had CIR for a long time, to the great cost of good government. Examine, for example, the contradictory provisions in the State of California. I visited the State of Massachusetts in 1990.

The Hon. John Della Bosca: The Commonwealth of Massachusetts.

The Hon. PATRICIA FORSYTHE: I apologise; the Minister is correct. There are some wonderful heritage buildings in the city of Boston—a city with a long and proud history. We need only to think of the famous tea party to understand the role and place of Boston in the history of the United States. As a result of a successful CIR initiative the budgets for a number of departments within the Commonwealth of Massachusetts were frozen at a particular level. In 1990 those departments had no money to maintain many heritage buildings and statues so the statues were privatised and their upkeep was handed over to major companies in the city. Anyone examining the provisions in the State of California will discover that they contradict one another.

These amendments are about a single referendum on a single issue. I do not underestimate the strength of feeling in the community about the sale of Snowy Hydro Limited. I am sure that the Government is well aware of it also. The fact is that the amendments will open the door. I can almost hear Reverend the Hon. Fred Nile delivering the second reading speech on another of his CIR bills. What will he use as a precedent? He will cite the Snowy Hydro Corporatisation Amendment (Parliamentary Scrutiny of Sale) Bill as an example and presumably discuss its importance. The fact is that members of both Houses of Parliament are elected by the people of New South Wales to govern in the interests of the people of New South Wales. Members of the lower House must face the electors every four years and half the members in this place go to the electorate at every election to explain our positions.

Our parliamentary system is strong. It has stood us in good stead through good times and bad. Difficult decisions have been made. I can think of not a single reason why we should change our system now. Reverend the Hon. Fred Nile implies in his amendments that he does not trust our system of democracy. He does not trust that the two Houses of Parliament will be able to make a decision that is in the interests of the community. Reverend the Hon. Fred Nile can dress it up any way he wants, but that is the logical conclusion that we must draw from these amendments. Perhaps Reverend the Hon. Fred Nile will say, "We have not reached the point yet, but what will happen when a single party controls both Houses of Parliament?"

Reverend the Hon. Fred Nile: That's exactly right.

The Hon. PATRICIA FORSYTHE: That is exactly right: it is called democracy. That is the system of government that we have in this State.

Reverend the Hon. Fred Nile: They could sell the Snowy.

The Hon. PATRICIA FORSYTHE: Let me assist Reverend the Hon. Fred Nile. If we pass the bill and not the amendments, the Christian Democratic Party will have a perfect platform on which to base its next election campaign. It can say, "Vote for us and keep the Government honest! We will be part of the group that holds the balance of power."

Reverend the Hon. Fred Nile: That's a good idea. Thank you for that.

The Hon. PATRICIA FORSYTHE: Indeed. I can hear it now; it will form the basis of the Christian Democratic Party's election platform. It could be quite successful. No doubt the Greens will say the same thing.

The Hon. John Della Bosca: Are you running on his ticket?

The Hon. PATRICIA FORSYTHE: No, I think we may disagree about another issue that is fundamental to Reverend the Hon. Fred Nile's ticket.

Reverend the Hon. Fred Nile: I'm sure of that.

The Hon. PATRICIA FORSYTHE: I am sure the honourable member is sure of that. The point is that we must face the electors. That is our democratic process. We do not need to use referendums as a check and balance. Our system has been strong and robust for 150 years, and we began the current session of Parliament celebrating that fact. We are talking about strong, robust, stable government by two Houses of Parliament. In the normal course of events governments rely on the fact that bills must be passed by both Houses of Parliament. We are having this discussion tonight because in 1997 Parliament abrogated that responsibility by introducing another step and allowing companies to progress from corporatisation to privatisation without involving Parliament. That is where we got it wrong and why we are having difficulties

now. Tonight we are reinstating Parliament's power. We do not need another check on that power. It exists, and it has stood us in good stead.

I say to Reverend the Hon. Fred Nile: We do not need these amendments. The system is robust enough. If Reverend the Hon. Fred Nile is uncertain about the strength of our system of government, he can make it part of his campaign platform at the next election. But do not undermine a process that has been fundamentally important to this State. I will always defend the retention of two Houses of Parliament. I have always held that view. When the former Treasurer and Leader of the Government in the Legislative Council, the Hon. Michael Egan, went off on one of his regular tangents and spoke about abolishing the upper House, I always opposed him. The system of government that involves two Houses of Parliament is robust and works well. I will continue to defend that system absolutely.

We certainly do not need another check on a system of government that works well for us. I could not oppose the amendments more strongly. As I said earlier today, I support the bill. We do not need to qualify it and we do not need to establish this precedent. It is the thin end of the wedge. People who are not satisfied with our system of government will attempt to use that precedent against us and it will weaken parliamentary democracy. That is what this discussion is about. The sale of Snowy Hydro Limited is an important issue that matters to the New South Wales community. That is why we are here tonight. But the two Houses of Parliament play an important role. We should support our democratic system and oppose the amendments.

The Hon. RICK COLLESS [9.26 p.m.]: I oppose the amendments moved by the Christian Democratic Party. I supported the suggestion by the Deputy Leader of the Opposition to defer consideration of the amendments. At the conclusion of the second reading debate the Opposition could have opposed Reverend the Hon. Fred Nile's motion to instruct the Committee. However, we decided not to do so as it could have been viewed as an attempt to stifle debate on this very important issue. We do not want that. Therefore, we did not oppose the motion and allowed Reverend the Hon. Fred Nile to consider the issue in Committee.

It is now time to outline the reasons why the Opposition rejects the amendments. The Opposition is philosophically opposed to the idea of citizen-initiated referendums [CIRs] for the simple reason that it is the role of Parliament and its elected representatives to represent the views of our communities and put them on the public record. Many countries that have the facility to hold citizen-initiated referendums have a huge CIR backlog. They cannot hold a referendum every week, every fortnight, every month or every quarter. CIRs, like general elections, are expensive and time-consuming, and they stifle public debate. It is better to give our elected representatives the power to make decisions in Parliament. That is what the Opposition believes should occur. Reverend the Hon. Fred Nile's amendments are a departure from that position. They would give the power to the people, not Parliament. But the people exercise their power through Parliament.

In relation to the proposed sale of the Snowy Hydro the people of New South Wales lobbied the Opposition to create pressure on the Government to change its position. The Minister for Commerce claims that it was a John Howard backdown. That is not so. Morris Iemma realised that there was a huge groundswell of opposition to the proposed sale and he had no choice but to yield to pressure. He knew with certainty that if he proceeded with the sale he would be unceremoniously swept out of office on 24 March next year. New South Wales voters have the power on 24 March 2007 to make a decision about the Snowy Hydro. I am sure the Government will want to sell off other icons, given that it has been unsuccessful with the Snowy Hydro. A couple of years ago it tried to sell off the power industry, but that was knocked on the head at a Labor Party conference.

The Hon. Duncan Gay: It still sold it though!

The Hon. RICK COLLESS: Yes, it still sold it. Let this be a defining moment for the Government. If it is still in government and it has any ideas about selling the Snowy Hydro after 24 March, it should inform the electorate that that is its intention rather than impose a citizen's initiated referendum type situation.

Mr Ian Cohen: At the rate you are speaking, it seems as though you do not want the bill to go through tonight.

The Hon. RICK COLLESS: The Opposition wants to make sure that the bill has the correct objectives, and these amendments do not provide them. The amendments should be rejected and I urge all members to vote against them.

Reverend the Hon. FRED NILE [9.32 p.m.]: This is not a citizens initiated referendum; it is a parliamentary initiated referendum. A referendum does not happen in a vacuum. If the Government decides to sell the Snowy Hydro Scheme, it will have to introduce a bill into Parliament providing for the holding of a referendum for that purpose. Referendums do not materialise out of thin air. Members of Parliament will have to debate a bill and the wording of any referendum. Many technical matters would have to be sorted out. The Hon. Patricia Forsythe should not be fearful that this matter will be decided by a mob in the street. The House is in control of its own destiny with regard to a referendum on the matter.

Amendments negatived.

Clause 1 agreed to.

Clause 2 agreed to.

The Hon. JOHN DELLA BOSCA (Minister for Finance, Minister for Commerce, Minister for Industrial Relations, Minister for Ageing, Minister for Disability Services, and Vice-President of the Executive Council) [9.33 p.m.]: I move Government amendment No. 1:

No. 1 Page 2, clause 3. Insert after line 15:

(2) However, no such approval is required for the sale or other disposal of shares to the Commonwealth of Australia at fair market value.

The Government supports the bill moved by Mr Ian Cohen, subject to this amendment. The Commonwealth's decision to pull out of the proposed sale of Snowy Hydro does nothing to solve the fundamental problem identified with the New South Wales Government. The Government owns 58 per cent of Snowy Hydro but does not control the company. The fact of the matter is that the company's constitutional arrangements give each government one-third of the voting power in the affairs of the company. That effectively means that the company operates in a highly independent manner. That is why the company can spend large amounts of New South Wales taxpayers' money investing in electricity businesses interstate.

The people of New South Wales should not have to fund Snowy Hydro's interstate expansion plans. This problem, as I pointed out in previous debates and on a number of occasions, has not been solved by the well-canvassed decision by the Prime Minister to change the Commonwealth's attitude in relation to the sale. To correct the record I will speak on two points that are worthwhile canvassing because they have been subject to misrepresentation—to a certain extent deliberately—by members of the Opposition. Part of the extensive narrative delivered by Ms Sylvia Hale is correct. The Opposition should first understand that the New South Wales Government announced that it intended to sell its 58 per cent of Snowy Hydro. At no time did the New South Wales Government urge the Commonwealth to join in a sale proposal; nor at any time did it urge the Victorian Government to do so. But the New South Wales Government received representations from the Commonwealth that it wanted its shares to be part of any initial public offering [IPO]. Subsequently, as Ms Sylvia Hale mentioned, on a date shortly after, the Victorian Government made representations along similar lines. And the rest, as they say, is history.

The IPO went forward on the basis that all three governments would put their shares into a package to be sold as the initial public offering. Of course, on the two key points the Opposition has prevaricated and sought to misrepresent, at no time did the New South Wales Government attempt to persuade the Commonwealth to join that IPO. At no time did the New South Wales Government represent to the Victorian Government that it should join in any proposed sale of its shares. This Government simply indicated, after other capitalisation issues over time had failed and other discussions had been unproductive, that it would sell the New South Wales shareholding of 58 per cent, and the other two governments represented that they would like to be part of the IPO. That is simply a matter of fact, and I am sure the documents that Ms Sylvia Hale and others have called on the Government to release will show that that is the case.

The Opposition also misrepresents the fact that somehow the New South Wales Government would have been able to do something different had it so wanted when the Prime Minister announced that the Commonwealth Government was pulling out of the sale. Put simply, that is not possible and the Opposition knows it. An IPO cannot be made and everything prepared along the lines of a company being floated, and then proceed after an announcement out of the blue that certain shares would not be available. Put simply, the Prime Minister's actions, whether or not honourable members agree or like their consequences, meant that the sale could not proceed.

Most importantly, as I said in my second reading speech, the issue had very little to do with the Prime Minister listening to anybody—I am not exactly sure to whom he was listening—and a lot to do with the fact that the Commonwealth realised that its initial view that it did not require legislation through its Parliament was wrong and it would have to return to legislate. The New South Wales Government had decided—which was a matter of my public and transparent comment on behalf of the three owners—that the public wanted caps in relation to foreign ownership and shareholding arrangements, which Reverend the Hon. Fred Nile knows to be true, and that it had been told by the Australian Stock Exchange that it would not accept any representations for stricter controls unless they were legislated for. The Government took the disputable view that only the Commonwealth could legislate for such controls, and the Commonwealth went away to consider its position.

I want to correct one last piece of nonsense that has been peddled by the Opposition, not because I am personally sensitive about it but merely to correct the record. Honourable members can verify when the Premier was interviewed by Alan Jones. It is a matter of public record that the interview was well before 8.00 a.m.; I think his interview started sometime after the 7.00 a.m. news. My friend Nick Minchin —and he is a decent fellow for a Liberal—left me a message, according to my mobile phone message bank, at 8.01 a.m. I suspect, although he did not tell me, he was instructed not to tell the Victorian jurisdiction or us that the Commonwealth had changed its attitude until after 8.00 a.m. I might reserve my opinion on that because I understand he called the Victorian Minister about two minutes after he spoke with me.

The Hon. Melinda Pavey: What time did you call the Premier?

The Hon. JOHN DELLA BOSCA: Not that it is any of your business, but within minutes I had called all the numbers I had for the Premier. The detail is none of your business, but I will say the report in the *Sydney Morning Herald* is completely and absurdly wrong.

The Hon. Catherine Cusack: Correct the record.

The Hon. JOHN DELLA BOSCA: The record has already been corrected—as the honourable member would know if she had bothered to read the papers the next day.

The Hon. Duncan Gay: What did Morris say?

The Hon. JOHN DELLA BOSCA: I told you, it is none of your business. The most important thing to note is that we have taken a mature and responsible approach to this all the way through. There is one other thing I want to say about the Opposition's attitude on these matters. I had never said that there should not be a parliamentary debate on this issue. On every occasion, both at the public meeting that Ms Sylvia Hale attended and at meetings with other people, I had said that there was no requirement under the Corporations Act for a debate in the Parliament. The fact that we are debating the matter here today is an endorsement of the fact that what I said was true. We would not need to be debating this amendment unless what I said was true; there was no need for a parliamentary debate in order for the Snowy shares to be sold.

The Hon. Melinda Pavey: There will be now.

The Hon. JOHN DELLA BOSCA: Yes. In any event, I will move on and simply put the view that the Government has argued all along that Snowy Hydro needs to grow and diversify its business, otherwise it will lose its important role in the national electricity market. It will not be able to survive as the icon that it has been unless some serious action is taken. No-one wants to see that happen to a company that we acknowledge is not only a great Australian business but is, in respect of the electricity component of the business, an important part of a national icon. Unfortunately, the Prime Minister's decision left us with a do-nothing option. Snowy Hydro is a valuable piece of national infrastructure, and it cannot exist with a do-nothing option. As I said in a previous section of this debate, not for a year, not for two years, not for three years, not for five years, but fairly soon, as a piece of national infrastructure, the Snowy Hydro will need better answers than the cynical political stunt that the Prime Minister pulled the other day.

It is entirely appropriate for the national government to own a piece of national infrastructure—if there is an insistence that it should still be in public ownership. Everybody is talking about the public response and public attitude to this. I think it is entirely appropriate, if a decision is made that there should be public ownership, that that public ownership should be vested in the Commonwealth. Full Commonwealth ownership of Snowy Hydro would give the Commonwealth a clear and unarguable interest in ensuring additional funding for the company. The New South Wales Government would remain the regulator of water, and that would

guarantee the rights of the irrigators and the environmental flows of the Snowy. Snowy Hydro as a key piece of electricity infrastructure, operating as it does to avoid spikes in the market, is now in the national market for electricity. It is in the national interests that Snowy Hydro continue this important role and achieve new capital. That is why I think the Government amendment is important. It sends a clear signal that, if people accept the notion that Snowy Hydro should remain in public ownership, the logical thing to happen to resolve corporate governance issues, the regulatory conflicts involved between the water licence and environmental issues, and the recapitalisation of Snowy Hydro, is for the Commonwealth to have full ownership of it.

The Hon. DUNCAN GAY (Deputy Leader of the Opposition) [9.43 p.m.]: The Opposition opposes the amendment. The only thing that the Minister did not add to his farcical comments was, "The cheque is in the mail." Frankly, what he said made no sense. I remind the Minister that the amendment he put to this Chamber seeks to preclude the Commonwealth from scrutiny of sale. If the Minister's argument was so good that the Commonwealth should own Snowy Hydro, why would he want to preclude the sale to the Commonwealth from scrutiny? Why would you not bowl the facts out upfront and have everyone agree with them? What is the Minister on about? When any Minister of this Government comes up with a suggestion one has to ask, "What is he on about? Why didn't he answer the phone? Why didn't he pass on the message to Morris? Why did he tell the people of Queanbeyan that this proposal does not have to come before the Parliament?"

The Hon. John Della Bosca: I told them the truth.

The Hon. DUNCAN GAY: No, the Minister did not tell them the truth. The Minister did not tell them that the Government is bankrupt of money and bereft of ideas and needs an urgent fire sale. The fact is that for four months the New South Wales Government was out there, without the support of the Federal Government, trying to flog this icon. Then, belatedly, the Minister sneaked in the back door of the House tonight and tried to latch onto a bill put up by Mr Ian Cohen that has the support of the Coalition. I suspect that the Minister is devious enough to allow that meek, humble, indecisive and useless member for Monaro to claim the credit for this tomorrow in the other place. Tell me, am I right or wrong?

The Hon. Melinda Pavey: You're right, Duncan.

The Hon. DUNCAN GAY: Am I right in asking: What is the Government on about? That is the sort of thing that this Minister, who said he could not do anything to change the Government's decision, would do. Tonight the Minister commented that the New South Wales Government owns 58 per cent of Snowy Hydro and that it has a problem because it has only a third of the control of the body. He said a large portion of the money was about to be invested interstate.

The Hon. John Della Bosca: It already has been—$500 million.

The Hon. DUNCAN GAY: That is probably true. But how does that support an argument that a sale to the Commonwealth should not be debated by both Houses of Parliament? What in the Minister's argument tells us that a sale to the Commonwealth Government should be excluded from the scrutiny of both Houses of Parliament?

The Hon. Henry Tsang: Because it is a national icon.

The Hon. DUNCAN GAY: Henry, just stay out of it, and save yourself a lot of pain. I return to the amendment before us. The Minister, to assist his Government in its desperate bid to get money, has misrepresented the proper role of Snowy Hydro. Snowy Hydro does one thing, and it does it very well.

The Hon. John Della Bosca: It does two things.

The Hon. DUNCAN GAY: Yes, it does two things. But one of the principal things it does makes it money, enabling it to return 58 per cent of the dividend to this State. It also has the ability to provide peaking power. It does that by turning on a tap. If you turn on a tap, the water flows and you instantly have power.

Reverend the Hon. Dr Gordon Moyes: Quickly and efficiently.

The Hon. DUNCAN GAY: Quickly, efficiently and cleanly. Snowy Hydro is cornering the market in peaking power.

Reverend the Hon. Dr Gordon Moyes: At a higher price.

The Hon. DUNCAN GAY: At a high price. It is also able to provide gas power. Any multinational company does not mind where it builds the infrastructure necessary to provide its product. It builds the infrastructure where it is economically necessary. Its main aim is to have the profits return home. That is what Snowy Hydro is doing, and 58 per cent of those profits are returned to New South Wales. That is because Snowy Hydro has a good management team, which has alerted the corporation about where it needs to operate. The Minister put up a farcical argument about investment in other States. It is a farce designed to cover up the fact that the Government of this State is destitute and needs the money it will get from a fire sale.

Government members told us that there would be nothing in the budget about this fire sale, but they were not quick enough to remove every reference to it. The budget papers did not lie. The fact is that funds from the fire sale were included in the budget, and the Government had to remove some of that funding from the budget papers. The argument put by the Minister in this debate has absolutely nothing to do with the amendment. The Government's amendment seeks to remove from the Snowy Hydro Corporatisation Amendment (Parliamentary Scrutiny of Sale) Bill any provision relating to scrutiny of the sale of Snowy Hydro. I believe I successfully argued that the previous amendment was ultra vires, because it was outside the leave of the bill.

I contend that, equally, the amendment is outside the leave of the bill for the same reasons I identified earlier. The long title of the bill contains the words "scrutiny of sale". The amendment says quite explicitly that no approval is required for the sale or other disposal of shares to the Commonwealth of Australia at fair market value, which I will come to. The first part of the amendment quite clearly contradicts the bill and, as such, it should not form part of the bill. The Committee quite properly did not support the amendment moved by Reverend the Hon. Fred Nile. Apart from the fact that politically it was inappropriate for a House of Parliament to move such an amendment, it was also well outside the leave of the bill. Equally, this amendment is outside the leave of the bill. The amendment is in direct contra of what the bill is about and, as such, should not form part of the bill.

The amendment is not slightly outside the leave of the bill; it is way out in left field. It is nearly so far out that it could form part of the Minister's argument. His argument did not come close to supporting the amendment, but it did come close to his defence of the indefensible. The Opposition does not support the amendment because it is outside the leave of the bill. Scrutiny of sale is the complete opposite of removing something. No matter who is involved, that person or that organisation must be scrutinised. But the most important question is: Why do we have the sale of shares to the Commonwealth of Australia at a fair market price? How can we interpret that in any bill? Which constitutional lawyer in this State, which Senior Counsel, will be able to decide what is a fair price?

Reverend the Hon. Fred Nile: If it is not a fire sale.

The Hon. DUNCAN GAY: Reverend the Hon. Fred Nile said "not a fire sale". The amendment we are considering says that the sale does not go before the Parliament provided it is sold at fair market price. How can we have scrutiny of the sale and its accompanying documents? Who will decide whether it is a fair market price? How will we decide whether we should bring the bill before the House? I put those questions to the Minister, but I suspect he will not answer them because he cannot. He knows that he should have considered the points I raised before attempting to have a fire sale.

The Hon. ROBERT BROWN [9.53 p.m.]: I support the amendment for a number of reasons. First, in my inaugural speech I made it plain that I felt it was an option that both the State and Federal governments should have considered all along. Second, we heard from the Minister for Commerce that the State Government is not in a position to provide the capital expenditure required for Snowy Hydro Limited to continue to grow and carry out its charter. But, as I have said previously, the Commonwealth Government is large enough and has enough in its budget surplus—our money—to perhaps do what the State Government cannot do. As I said earlier, this is no comment on the relative corporate and management abilities of either the State or the Commonwealth governments because, in the case of Snowy Hydro Limited, it is the corporation that does the managing. All the shareholders do is provide capital at call if those calls are made. I disagree with the Deputy Leader of the Opposition that the amendment is outside the intent of the bill.

The public in New South Wales does not care which government owns Snowy Hydro, as long as it is publicly owned. Debate in the public arena, particularly on talkback radio stations and in the newspapers, made it patently clear that the people of New South Wales are interested in the continued public ownership of Snowy Hydro. For public ownership to continue Snowy Hydro must be financially healthy and it must be able to provide the capital to continue its growth. The amendment opens up an option with minimum fuss. In regard to who sets a fair market price, it certainly would not be a solicitor or a Crown lawyer because they would not have a clue. It probably would be the same advisers who are advising the Government now. But the only difference is that you do not pay them $300 million for the privilege. Setting a fair market price by using two or three consultants would be a very cheap option. We support the amendment.

Reverend the Hon. FRED NILE [9.55 p.m.]: The Christian Democratic Party supports the points made by the Hon. Robert Brown. As has been shown, the Snowy Hydro Scheme goes across State boundaries and operates in Victoria. It is no longer a New South Wales project, even though New South Wales owns 58 per cent of it. Our view is that it must be in the hands of one government—all in the hands of New South Wales or all in the hands of the Commonwealth. However, New South Wales does not have the funds, while the Commonwealth is flooded with a massive surplus. The last I heard the surplus was $14 billion, and it is increasing almost every month. The Commonwealth has the funds to fully develop the Snowy Hydro to ensure that it remains an icon for the Australian people who, under the Commonwealth Government, would be the owners of the scheme. We support the amendment.

Amendment agreed to.

Question—That clause 3 as amended stand—put.

The Committee divided.

Ayes, 24

Mr Breen	Mr Donnelly	Ms Robertson
Mr Brown	Ms Griffin	Mr Roozendaal
Dr Burgmann	Ms Hale	Ms Sharpe
Ms Burnswoods	Mr Hatzistergos	Mr Tsang
Mr Catanzariti	Mr Kelly	
Dr Chesterfield-Evans	Reverend Dr Moyes	
Mr Cohen	Reverend Nile	*Tellers,*
Mr Costa	Mr Obeid	Mr Primrose
Mr Della Bosca	Ms Rhiannon	Mr West

Noes, 12

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

Pair

Mr Macdonald	Ms Cusack

Question resolved in the affirmative.

Clause 3 as amended agreed to.

Clause 4 agreed to.

Title agreed to.

Bill reported from Committee with an amendment and passed through remaining stages.

APPROPRIATION BILL

APPROPRIATION (PARLIAMENT) BILL

APPROPRIATION (SPECIAL OFFICES) BILL

DUTIES AMENDMENT (ABOLITION OF STATE TAXES) BILL

STATE REVENUE AND OTHER LEGISLATION AMENDMENT (BUDGET MEASURES) BILL

Second Reading

The Hon. MICHAEL COSTA (Treasurer, Minister for Infrastructure, and Minister for the Hunter) [10.08 p.m.]: I move:

That these bills be now read a second time.

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

Leave granted.

Today I present the first State Budget of the Iemma Labor Government.

A budget that meets new challenges with new directions.

A budget that leverages the State's sound balance sheet to invest for the future.

A budget that achieves more for hard-working families with record spending on health, education, transport and police.

A budget that looks after the most vulnerable in our society.

A budget that boosts preschools funding, reduces class sizes, and increases the number of hospital beds.

A budget that invests record amounts in infrastructure.

A budget that provides the necessary settings for business to invest.

A budget that does all this while cutting taxes by $3.2 billion over the next four years.

BUDGET OVERVIEW

The State's structural dependence on property taxes, the end of the property boom, and significant tax cuts to support growth, mean that in 2006-07 the budget will be a deficit of $696 million.

This is higher than the December mid-year review estimate of $533 million because of provision for the redundancies outlined in the February economic and financial statement, and to fund further tax cuts I will announce today.

The budget will return to a surplus of $378 million in 2007-08, with forecast surpluses of $707 million in 2008-09 and $1.1 billion in 2009-10. These healthy surpluses are projected to be achieved without any new tax measures.

This is a responsible approach that allows the Government to continue to deliver—and in many cases expand—essential services at a time when the State's tax base is recovering from the end of the housing bubble.

Unlike the Coalition, which ran six consecutive budget deficits, the Iemma Labor Government sees this relatively small deficit as a short-term consequence of the property market downturn.

And the deficit should be viewed in the context of cumulative budget surpluses of $11.3 billion between 1995-96 and 2006-07.

Our goal—one the Treasury Secretary has named the Costa golden rule—is to have the budget result as a share of total State revenue average 2 per cent to 3 per cent over the course of the property cycle.

In 2006-07 and the first few years of the forward estimates period, this ratio will be below the target.

This budget forecasts a return to long-term average revenue growth, which means by 2009-10 the ratio will be 2.3 per cent.

During the forward estimates period, any cyclical improvement in revenues will be utilised to ensure the average of 2 per cent to 3 per cent over the property cycle is met.

It is only because of my predecessors' efforts in paying off the legacy of $10 billion of inherited debt that we are now able to ride out these cyclical fluctuations in our revenue base in a fiscally responsible manner.

It is only because of our nine budget surpluses and our reduction of the State's debt legacy that we are able to increase our borrowings to fund a record investment in infrastructure without jeopardising the triple-A credit rating recently reaffirmed by both Moody's and Standard and Poor's.

A triple-A credit rating that, according to Moody's, reflects "the strength and diversity of the State economy".

A triple-A credit rating that we are determined to keep, unlike the Opposition, who put the State on credit watch the last time they were on the Treasury benches.

NEW SOUTH WALES ECONOMY

I have said on a number of occasions that, given a choice, I would rather be Treasurer of New South Wales—with its mature, diverse economy and the country's largest manufacturing base—than Treasurer of the boom-and-bust economies of the frontier States.

Despite the doom-mongering of the Opposition, the New South Wales economy is experiencing good, solid rates of growth.

We are enjoying historically low unemployment rates, higher-than-average full time employment, high per capita income, and strong business investment.
There is no doubt New South Wales is not growing as fast as the resource-rich, GST-recipient States like Queensland and Western Australia.

But as the latest OECD economic outlook noted, economies such as Australia's "could be significantly affected by abrupt changes in oil and commodity prices."

Queensland and Western Australia are exposed to this risk.

There are a number of historical reasons for New South Wales current economic performance:

- New South Wales was first into the housing bubble, and it was more pronounced in New South Wales;
- Higher interest rates have had a greater impact in New South Wales because of our higher levels of housing debt; and
- The higher Australian dollar associated with the commodity boom has dampened New South Wales manufacturing and service exports.

The Iemma Government is pro-growth and makes no apology for its pro-growth bias.

We are starting to see the benefits of this pro-growth stance, with population growth increasing, faster growth in retail sales, and a lift in housing demand for owner-occupiers.

A significant threat to the New South Wales economy is further interest rate rises, which would dampen business confidence and stall a recovery of the property market.

The recent Federal budget has increased this risk.

The key strength in the New South Wales economy over the last four years has been business investment, which in real terms has grown by 65 per cent.

This is business voting with their dollars by investing in the New South Wales economy.

The outlook is for even more business investment growth in 2006-07, particularly in manufacturing and mining.

Business investment is expected to set a new record in 2006-07, both in dollar terms and its share of State final demand.

FISCAL CONTEXT

Growth in the New South Wales economy is returning to trend, but the biggest emerging challenge remains the ageing of our population and the inability of Australia's current taxation system to adequately deal with this.

By 2044, the number of people in New South Wales aged over 65 will more than double from under 1 million in 2005 to over 2 million.

This will add significantly to demand in areas such as health, disability services, housing and transport.

It will also put pressure on revenues with the slowing growth of the traditional working-age population.

A critical long-term challenge—and this was backed by the independent study undertaken by respected tax expert Dr Neil Warren—is that the State's revenue is too dependent on inadequate Federal funding to be able to fund essential frontline services required by our ageing population.

Dr Warren's report found that Australian States collect around 16 per cent of total tax revenue yet are responsible for around 40 per cent of total government expenditure, while the Commonwealth collects around 80 per cent of tax revenue but is responsible for just 54 per cent of government expenditure.

This is compounded by inadequate Commonwealth grants, which have been growing at an average of just 3.7 per cent over the last four years.

At the same time growth in health expenditure has averaged 7.4 per cent a year, and growth in community services expenditure has grown at 6.6 per cent.

State government provided services are under pressure across the nation at the same time as the Federal Government sits on a $10.8 billion surplus, $18 billion in its Future Fund, and revenue growth of 6.9 per cent a year.

There must be structural reform of the fiscal relationship between Canberra and the States before our ability to deliver essential services is irretrievably compromised.

Earlier this year I wrote to the Federal Treasurer requesting he convene a national summit on the financial implications of Australia's ageing population.

I also forwarded a copy of Dr Warren's interim report to the Treasurer in the hope that—in light of his own tax review—we might see some genuine reform of the nation's tax system in this year's Federal budget.

I am sorry to say I was disappointed on both fronts.
This is not a matter of party politics or Canberra bashing.

All of us, no matter what side of politics or tier of government, have a responsibility to deal with this issue. More importantly, the community expects us to deal with it.

That is why last week I announced the New South Wales Government would host a national summit on Dr Warren's report, with a particular focus on how we will fund services for our ageing population.

SAVINGS

While the Federal Government continues to deflect its responsibilities on this matter, the New South Wales Government is undertaking steps to ensure we are prepared, within our resources, to meet the coming ageing wave.

If nothing is done about the State-Federal fiscal imbalance, an unsustainable gap between spending requirements and revenue capacity of around $23 billion in today's dollars could open up by 2044.

The New South Wales Government recognises the challenge of working within these fiscal constraints.

That is why the forward estimates include measures to align the rates of expenditure and revenue growth, which means maintaining the expenditure growth rate at an average target of 3.8 per cent per annum.

These measures are being introduced following the February economic and financial statement and include:

- A $300 million saving in 2007-08 from non-essential services across government, building on the 2 per cent saving to discretionary expenditure already in place;
- Staff reductions of 5,000 in non-frontline positions to be achieved through natural attrition and voluntary redundancies in line with the Government's established policy;
- Establishment of a Property Authority to better manage the Government's $80 billion property portfolio—expected to save up to $300 million a year by 2009-10, including $80 million a year in recurrent savings; and
- Streamlining public sector recruitment with savings growing to $38 million by 2008-09.

We will continue to seek ways to slow the growth.

This will be achieved by better managing our assets and capital expenditure, and more agency efficiencies.

A rigorous expenditure review process has seen savings of at least $270 million achieved during 2005-06.

Savings of nearly $600 million are targeted for 2006-07.

Across-the-board reductions in expense growth have been extended to 2007-08 and in this budget will be further extended through to 2008-09.

This will mean total savings of $4.4 billion to 2009-10.

The Iemma Government is proud that it has increased salaries for essential frontline staff.

We now have the highest paid nurses, teachers, and police officers in the country.

The Government is committed to maintaining the real value of wages for frontline workers, with additional scope to reward workers for further productivity gains.

Of course, fairer GST arrangements would help the State better fund its essential services, because contrary to the claims of the Leader of the Opposition, there has been no windfall for New South Wales out of the GST.

The facts are that New South Wales—no matter how the Opposition tries to spin it—will receive $380 million less in funding in 2006-07 than was estimated when the GST was introduced in 2000.

In 2006-07 New South Wales taxpayers will be cross-subsidising other States to the tune of almost $3 billion—around $370 from every person in the State.

The NSW Government will continue to fight for a better deal.

INFRASTRUCTURE

In the recent Federal budget the Commonwealth allocated $5.7 billion on infrastructure nationwide.

In 2006-07 the Iemma Government will spend a record $9.9 billion on infrastructure—in New South Wales alone.

Last week the Premier released a comprehensive 10-year infrastructure plan for New South Wales—the State Infrastructure Strategy.
The strategy maps out plans for a decade of infrastructure investment, including a $41.3 billion commitment over the next four years, 45 per cent higher than the previous four-year budget period.

This massive investment is estimated to directly and indirectly support approximately 130,000 jobs each year—providing a significant boost to employment opportunities.

The strategy identifies the main drivers of infrastructure spending over the next decade—such as population movements and growth, the ageing of the population, and new technology—and better links future capital spending to these demands.

It identifies specific projects, when they will be built, and how they are to be funded.

It ensures our infrastructure investment and delivery maintains pace with growth.

It represents a new direction in infrastructure procurement and delivery.

The $9.9 billion of infrastructure spending contained in Budget Paper No. 4 represents a 22.8 per cent increase over 2005-06.

Over the next four years an estimated $17.4 billion will be borrowed to fund capital expenditure, including $5.4 billion in 2006-07.

Capital expenditure of $110 billion is projected over the next 10 years, with average growth of 4.6 per cent a year over the life of the strategy.

Over the next decade private sector financing of infrastructure projects is targeted at 10 per cent to 15 per cent of the State's total capital expenditure.

The largest area of capital expenditure funded in today's budget is public transport at $1.6 billion.

In 2006-07 this massive public transport investment will include:

- $129 million to purchase corridors for the metropolitan rail expansion;
- $207.8 million to continue the rail Clearways program;
- $327 million for work on the Epping to Chatswood rail line;
- $275 million to purchase new rolling stock and upgrade the existing fleet;
- $45 million for bus priority measures; and
- $36 million for the first stage of a $254 million program to purchase 505 new 'clean-diesel' and natural gas powered buses.

The 2006-07 infrastructure budget also includes a capital works program of $633 million for the Department of Health as part of a four-year infrastructure program totalling over $2 billion, including:

- $11 million for new facilities at Auburn and Liverpool hospitals as part of a $244.6 million, four-year project;
- $18 million for upgrades in rural hospitals and health facilities, including redevelopments at Ballina and Manning Base hospitals.
- $4.5 million as part of a $55.8 million, four-year project for new and improved mental health facilities in Sydney, the Central Coast, Illawarra, and mid-western New South Wales; and
- $18.5 million to upgrade and replace ambulance stations, vehicles and equipment, including new stations at Dubbo, Auburn and Liverpool.
- $5.8 million for the airconditioning upgrade at John Hunter Hospital.
- In addition, the 2006-07 budget includes $435.5 million to continue work on other major projects including:
- $57.5 million to redevelop or upgrade 19 rural hospitals and health services, including Junee, Batlow, Nyngan, Warialda, Merriwa, and Walcha;
- $47.4 million to redevelop Bathurst, Orange and Queanbeyan hospitals;
- $41.3 million to continue upgrading Royal Prince Alfred Hospital and to increase the capacity of the planned mental health facility at Concord Hospital;
- $35.8 million for stage 2 redevelopment works at Royal North Shore Hospital;

- $30.8 million to continue improving mental health facilities at Lismore, Coffs Harbour, Newcastle, Shellharbour and St George, services for older persons in the Illawarra, and various psychiatric emergency facilities in the Sydney metropolitan area; and
- $29.4 million to improve hospital, clinical and community services at John Hunter Hospital, Mater Hospital and Belmont Hospital.

A modern State road network is critical to our economy. That is why in 2006-07 the Government will spend $1.4 billion on road infrastructure, including:

- $356 million for the continuation of the three-year, $1.3 billion State-Federal Pacific Highway upgrade program;
- $113 million towards the upgrade of Windsor Road and the Windsor flood evacuation route;
- $8.2 million to start the upgrade between Oak Flats and Dunmore as part of the $380 million Princes Highway upgrade program;
- $15 million to extend the Northern Distributor and $5 million to start the construction of the Kiama ramps in the Illawarra;
- $26 million to continue the $460 million program to upgrade the Great Western Highway between Penrith and Orange;
- $11 million towards widening The Spit Bridge; and
- $47 million for Central Coast roads, including $12 million to widen The Entrance Road between Ocean View Drive and Tumbi Road, and $8 million to complete the widening between Terrigal Drive and Carlton Road.

Students and teachers in New South deserve first-class facilities in which to teach and learn, and over the next four years more than $2 billion will be spent on education infrastructure, including:

- 10 schools delivered under the second stage of the very successful new schools PPP;
- $120 million to clear the current school maintenance backlog;
- $164 million for TAFE upgrades, including at BathurstCastle Hill, Coffs Harbour, Granville, Miller, Newcastle, Queanbeyan, Ryde, Ultimo, and Wagga Wagga; and
- $262 million to upgrade 24 primary schools and 33 high schools.

Infrastructure spending on law and order is driven by crime patterns and new technologies. In 2006-07 $462 million will be spent in this area, including:

- $53.5 million to build new police stations and upgrade existing stations—including at Burwood, Granville, Kempsey, Wyong, Windsor, and the Port Stephens area;
- $1.5 million for a forward-looking infrared sensor and camera for day or night intelligence operations;
- $3.4 million as part of a $5.1 million project to purchase more than 500 portable fingerprint devices, enabling police to check suspects' fingerprints on the spot;
- More than $123 million to build new courthouses and upgrade existing facilities, including almost $75 million towards the $330 million Parramatta Justice Precinct and more than $26 million to improve courthouse facilities in regional and metropolitan New South Wales;
- $57 million for completion of the new Western Region Correctional Centre at Wellington;
- $15 million towards construction of a new 500-inmate capacity prison in the Illawarra and expansion of prisons at Cessnock and Lithgow to accommodate a further 500 inmates; and
- Commencement of the $63.9 million, 85-bed prison hospital at Long Bay Correctional Centre, part of a $137 million joint project with NSW Health, which also includes construction of a forensic hospital.

A key priority for this Government is improving the lives of some of the most marginalised and disadvantaged people in our community—such as those who rely on public housing and those who live with a disability. That is why $244 million will be spent over the next five years on infrastructure for the Department of Ageing, Disability and Home Care, including $16.5 million in 2006-07 to upgrade and refurbish Lachlan and Grosvenor residential accommodations.

$712 million will be spent on social housing infrastructure in 2006-07, including $322 million for new public housing, and $21 million for additional Aboriginal housing.

The Government is investing a record $9.1 billion upgrading and expanding the State's electricity network over the next four years.

The State's electricity infrastructure will receive a $2.3 billion boost in the 2006-07 budget to meet increased demand and ensure continued reliable supply, including:

- $262 million to expand and upgrade the New South Wales high-voltage electricity network;
- $17.5 million to replace infrastructure and increase capacity and reliability in Sydney's CBD;
- $5.5 million for a zone substation at Lennox Head and $5.6 million to install high-voltage transformers at Lismore; and
- $19.4 million to upgrade the Penrith transmission substation.

In 2006-07 Sydney Water will invest $645 million on water for the greater Sydney region, a boost of almost $130 million, with recycling a key focus.

New South Wales country towns and villages will receive $70 million in 2006-07 to upgrade their local water supply and sewerage systems.

$51 million will be spent on capital works in Sydney's ports, more than $56 million will be allocated to continue the massive upgrade of Port Kembla harbour, and more than $4 million will be spent upgrading and improving the port of Newcastle.

A HEALTHY COMMUNITY

I have already canvassed the long-term impact of the ageing population on State Government services.

In the short-term the New South Wales Government is meeting those challenges with a record $11.7 billion budget for the Department of Health.

This is an increase of $828 million on the 2005-06 budget, and will be used to provide more beds, more staff and more elective surgery.

It also provides for an unprecedented enhancement of $939 million over five years to improve services for the mentally ill.

Having put mental health on the national agenda, Premier Iemma has now exceeded the Commonwealth's call to match its efforts by more than $300 million.

This will go towards providing more mental health beds, community-based services, early intervention, and the Aboriginal mental health program.

Spending in 2006-07 in this area will total $946 million—$93 million more than 2005-06.

This includes new mental health facilities in Orange, Gosford, Shellharbour, Lismore, Coffs Harbour, Newcastle, Sutherland and St George.

In the economic and financial statement, the Government stated that in spite of the tightening fiscal position and the need to curb public sector spending, we would be allocating more resources to frontline services.

Today I am pleased to be able to deliver on that commitment.

The budget contains funding for an extra 426 equivalent public hospital beds to allow more elective surgery and faster emergency care. This builds on the 800 new beds announced in last year's budget.

We will also invest $10 million on new intensive care beds.

New adult intensive care beds will be provided at Westmead, St Vincent's, Blacktown, Port Macquarie, Concord and the Mater Newcastle hospitals.

New neonatal intensive care cots will be provided at John Hunter, the Royal Hospital for Women, Liverpool, Nepean and Royal North Shore hospitals.

The record 39,000 nurses in New South Wales enjoy the highest basic wage rate in Australia and we must do all we can to recruit and retain the best health personnel available.

In 2006-07 $38.5 million will be spent on new initiatives to recruit, train and retain the nurses and doctors we need to meet growing demands.

$7.9 million will be spent recruiting 93 new ambulance officers and purchasing new equipment to improve emergency care.

We are finding smarter ways of working, and backing that with extra resources.

The Predictable Surgery Program, for example, has led to a dramatic reduction in the number of people waiting more than 12 months for elective surgery despite record numbers of patients seeking emergency treatment.

The long-wait list has also been slashed by three quarters in the last 12 months from 10,364 cases in March 2005 to 2,525 cases in March 2006.

The overall waiting list has been reduced by 12 per cent.

An additional $15 million for elective surgery will continue our innovative strategy to reduce elective surgery waiting times.

This is on top of $35 million in recurrent funding to reduce elective surgery waiting times.

As the Warren report found, Australia is almost alone when it comes to shared responsibility for health service delivery. Unfortunately, there continues to be a lack of political will at the Federal level to grapple with this problem.

That is why the 2006-07 budget contains measures to address the disconnect between Commonwealth-funded GP services and State-funded hospitals and health facilities.

This includes support for 10 after-hours general practice services co-located with hospital emergency departments to ease the strain on emergency departments and the Ambulance Service.

The New South Wales Government is working with divisions of general practice to establish the first after-hours services at Liverpool and Nepean, with negotiations continuing for a service at Ryde.

Up to $4 million in capital expenditure will be spent on establishing integrated primary health and community care services, combining GPs, community health workers, allied health and other medical professionals in "one stop shops".

In 2006-07 expenditure through the New South Wales Cancer Institute will be $126 million, including new cancer prevention campaigns targeting smoking and skin cancer.

And $10 million will be spent on a new anti-tobacco campaign to reduce smoking prevalence by a further 1 per cent, or 50,000 smokers.

BUILDING A FAIRER NEW SOUTH WALES

The Premier, on taking office, identified disability services as one of this Government's highest priorities.

97 per cent of people with a disability are cared for by their families, and this is a budget that recognises and supports their efforts.

This budget delivers a record 13.5 per cent increase in funding to the more than 200,000 people under the age of 65 in New South Wales with a severe or profound disability, their families and their carers.

$1.76 billion has been allocated to the Department of Ageing, Disability and Home Care, an increase of $209 million on 2005-06.

Over the next five years more than $1 billion in additional funding will be spent providing disability services.

The additional money supports a comprehensive recasting of disability services under our 10-year Stronger Together Strategy.

This historic funding boost will provide thousands of families with additional support and flexible care that best suits their needs.

Major initiatives in the 2006-07 budget include:

- A $20 million boost to community participation programs to ensure every young person with a disability receives four days per week, and five days for those with very high support needs;
- 180 new supported accommodation places at a cost of $46 million;
- 200 new therapy places for children with a disability;
- 820 additional respite places in 2006-07 for children and adults with a disability at a cost of $8.3 million; and
- 70 new intensive in-home support places at a cost of $5.3 million.

We are taking action to help children at risk of harm or neglect with a further tranche of the Government's $1.2 billion, five-year community services reform package announced in 2002.

In 2006-07 $308.4 million will be provided for the reform program, an increase of $89.8 million on the $218.6 million provided in 2005-06.

Families, children, and young people will benefit from a record Department of Community Services budget of $1.13 billion.

This is an 11.4 per cent increase on 2005-06 and brings major funding increases to DOCS key programs including early intervention, child protection and out-of-home-care.

2006-07 reform funding will allow for a series of initiatives including:

- $24.4 million for an additional 200 child protection and early intervention caseworkers and support staff;
- $17 million for services to assist vulnerable and at-risk families; and
- $52.2 million for out-of-home care programs, including another 25 dedicated caseworkers.

As part of an $85.2 million plan, the Iemma Government will commit $8.8 million a year from 2006-07 to improve the viability of community-based preschools and increase access and affordability for New South Wales families.

And, from 2008-09, the Government will deliver an additional $21 million a year to community-based preschools to provide subsidised places for a further 10,500 children.
In 2006-07 the Government will invest $712 million in public housing—a $38 million increase on 2005-06—providing assistance to 450,000 residents.

This is an additional $269.8 million over and above our obligations under our agreement with the Commonwealth.

Maintenance of public housing will receive an investment of $197.5 million.

LEARNING FOR THE FUTURE

The 2006-07 budget invests record amounts in the education of our children and young people.

The Education and Training budget will reach $10.7 billion—an increase of $518 million on the previous year—to provide a first-class education for all New South Wales students.

The budget includes an additional injection of $120 million over four years for school maintenance—bringing total expenditure on school maintenance to $857 million over the next four years.

This means we are investing an additional $82,000 a day in maintenance to get our schools into better shape.

Other budget highlights include an extra $18 million over four years to set up 10 trade schools—part of an innovative plan to provide hundreds of school-based apprenticeships and traineeships and help address the skills shortage.

Through the new contractual arrangements with private bus operators, apprentices in the metropolitan area will now be able to access the same transport concessions currently available on other public transport services.

This will be progressively rolled out to regional areas.

More than $10 million will be allocated to help keep schools safe and secure, with 67 schools receiving security fences.

And school facilities will be further improved with a $10 million commitment to toilet upgrades at 90 schools from Parkes to Petersham.

The Government's successful $710 million class-size reduction program will continue, with $603 million over the next four years to help employ extra teachers, as well as the $107 million already being spent over four years to build new classrooms.

We have already met our commitment to reduce kindergarten class sizes to a statewide average of 20 students and year 1 class sizes to a statewide average of 22 students.

This funding will ensure we fulfil our commitment to reduce year 2 class sizes to a statewide average of 24 students by 2007.

Targeted funding of $616 million over four years will be committed to literacy and numeracy.

$65 million over four years has been allocated from 2005-06 to improve education results for Aboriginal students.

As part of the Government's Respect and Responsibility Program, $65 million will be spent over four years to better manage disruptive students, including eight new behaviour schools and seven new tutorial centres by 2007.

A total of $3.3 billion will be allocated over four years to support students in government schools with special needs. This includes more than 660 new teachers' aides over three years.

RESPECT AND RESPONSIBILITY

Keeping crime rates low and making our communities safer is another key priority of the Iemma Government.

Crime is continuing to fall across New South Wales—the result of this Government backing our police with the powers and resources they need.

A Bureau of Crime Statistics and Research report into long-term crime trends released in April shows that robbery with a firearm, burglary and car theft are at their lowest levels in 15 years.

That same report showed that since 1995, the rate of robbery with a firearm is 39 per cent lower, murder 37 per cent lower, motor vehicle theft 44 per cent lower, and break and enter (dwellings) 26 per cent lower.

The Iemma Government will continue to build on these achievements.

That is why in 2006-07 the Police budget will be increased by $160 million or 7.9 per cent—more than twice the rate of inflation—to almost $2.2 billion.

This includes funding for record police numbers and new counter-terrorism and intelligence- gathering measures.

The Premier recently announced an extra 750 officers will be ready and trained for duty by 30 January 2007—boosting the average authorised strength to a record 15,206.

This is an extra 2,299 frontline police—an increase of 17.8 per cent—since 1995.
We are committed to ensuring our frontline police officers have the resources, equipment and facilities they need to continue to drive down crime.

$1.8 million has been allocated for counter-terrorism activities, including maintenance of bomb disposal equipment.

A further $1.6 million is allocated to establish the permanent Middle Eastern Organised Crime Squad.

In 2006-07 the $924.8 million Corrective Services budget continues the massive capital works spending program of the past decade.

This record budget comes at a time when our prison population is growing—a direct result of our crackdown on crime.

A record $765 million emergency services budget will ensure the community has even greater protection in times of natural disasters and other major emergencies.

This is an increase of $65 million—9.3 per cent—on the 2005-06 allocation.

The Iemma Government continues to ensure our emergency services have the world-class equipment and resources they need to protect the people of New South Wales.

We will continue upgrading the emergency services vehicle fleet, providing almost $53 million next year for bushfire tankers, fire engines and emergency response vehicles.

In 2006-07 the Fire Brigades budget will be a record $523 million, and includes $18 million for 50 new fire engines and other specialist vehicles and equipment, and $7.1 million to upgrade more than 12 fire stations across the State.

We all know the shocking toll fires can take on rural communities. That is why the Rural Fire Fighting Fund will be provided with an unprecedented $168 million—a 20 per cent increase on 2005-06.

This includes a major investment of $10 million to build new stations and upgrade existing stations and fire control centres for our volunteer firefighters.

$34.1 million will be spent on more than 260 new bushfire tankers for the Rural Fire Service.

A further $2.7 million will be provided under the joint State-Commonwealth Bushfire Mitigation Program for fire trail construction, maintenance and signage.

$41.6 million will be spent by the State Emergency Service, including new road crash rescue equipment, new emergency response vehicles for SES units around New South Wales, and a new 24-hour Operations Communications Centre to deploy SES units to emergencies.

KEEPING NEW SOUTH WALES MOVING

The 2006-07 budget increases spending in the Transport portfolio by $435 million.

This means the budget will fund $3.4 billion for railways and public transport.

This will see funding for rail increase by more than 18 per cent to $2.4 billion—an additional $367 million on the 2005-06 budget.

The 2006-07 allocation for rail will almost double the 2001-02 budget for CityRail and CountryLink.

And this is in addition to major projects worth more than $15 billion over the next 15 years.

Key budget highlights for 2006-07 include:

- School Student Transport Scheme benefits will remain the most generous in Australia, worth an estimated $446.2 million, with a further $50 million to provide subsidies for community groups;
- $49.2 million for 18 new and continuing Easy Access station upgrades, as well as major capital works at Town Hall, North Sydney and Chatswood.
- $20 million for rail transport in the Lower Hunter, including upgrading the Newcastle rail corridor;
- More than $130 million for maintenance of the country rail network, and $32 million for new signalling and train control systems;
- State Transit funding of $267.6 million, an increase of $10.5 million, including $37.1 million for Newcastle buses; and
- $554.5 million for privately operated bus services.

At $3.3 billion, 2006-07 marks the biggest ever roads program for New South Wales, an increase of $415 million, or 14.4 per cent, over the 2005-06 budget.
A total of $1.59 billion has been allocated towards road construction.

Communities outside the Sydney metropolitan area will particularly benefit from the 2006-07 budget, with $1.84 billion, or 66 per cent of the road outlays, to be spent on rural and regional roads.

Local councils across New South Wales will be provided with $144 million for regional roads.

COUNTRY NEW SOUTH WALES

The Iemma Government has reaffirmed its commitment to drought-affected parts of the State, increasing support measures for farmers and rural communities doing it tough.

The New South Wales Government has already provided more than $200 million in drought support measures since July 2002.

And we recently announced a $5.5 million package to expand and extend drought transport subsidies through to the end of August, when the program will be reviewed based on conditions at that time.

That package also enabled us to extend our valuable Drought Support Workers Program for another six months through to the end of the year.

Earlier this year, we announced funding of $13.8 million to ensure farming families had continued access to financial and emotional support, such as rural financial counsellors and the Emergency Household Relief Program.

In 2006-07 the Government is committing $612.7 million to support natural resources management across the State.

A key feature of the Government's 2003 reforms was the creation of catchment management authorities, which receive $167 million in the 2006-07 budget.

Key investment areas for Natural Resources in 2006-07 include:

- $12.3 million over three years to implement native vegetation structural reform initiatives; and
- $9 million as part of a two-year, $13.4 million wetland recovery strategy.

Primary industries contribute to the State's economy, delivering jobs, investment and export income.

Most importantly, they drive regional prosperity.

Measures that help support their profitability and sustainability are critical not only to their future success, but also to the health of regional and rural communities.

The Government will invest $390 million to support the State's farming, fishing, forestry and mining industries in 2006-07, a $30 million increase on 2005-06.

Key investment areas for Primary Industries in 2006-07 include:

- $250 million for applied research, technology and extension to help boost the profitability and sustainability of the State's primary producers; and
- $7.9 million to fight noxious weeds across the State.

The 2006-07 budget delivers record funding of $561 million for environmental services through the Department of Environment and Conservation.

The landmark City and Country Environment Restoration Program will attack illegal dumping, return water to our rivers, fund two new marine parks at Batemans Bay and Port Stephens and provide unprecedented environmental funding to councils and community groups.

The Government will continue working to protect the landscape with an addition of 21,000 hectares to the national park system.

REVENUE MEASURES

This budget does not raise taxes, it cuts them.

The New South Wales Government, while remaining fiscally responsible, is ensuring our taxation regime remains competitive and does not act as a brake on the economy.

That is why the Premier listened to the community and announced the abolition of vendor duty as one his first acts.

A tax cut worth $382 million in 2006-07, and $1.67 billion over the next four years.

That is why we lifted the land tax threshold, exempting almost 390,000 investment property owners who paid land tax last year.

A tax cut worth $53 million in 2006-07, and $234 million over the next four years.
That is why we announced payroll tax concessions for businesses in areas of high unemployment.

A tax cut worth $95 million and benefiting approximately 1,400 businesses.

That is why we reached agreement with the clubs on poker machine tax.

A tax cut worth $233 million over the next four years.

It is why we cut workers compensation premiums twice—by 5 per cent and by a further 10 per cent.

In March I was able to reach agreement with the Commonwealth on a fiscally responsible time frame for the abolition of the five taxes outlined for review in the intergovernmental agreement.

This means New South Wales will be able to remove these taxes in a way that will not jeopardise essential services like schools, hospitals and police.

The taxes to be abolished are stamp duties on:

- Hire of goods—to be abolished 1 July 2007;
- Leases—to be abolished 1 January 2008;
- Unlisted marketable securities—to be abolished 1 January 2009;
- Mortgages and loan securities—to be cut by half on 1 January 2010 and abolished on 1 January 2011; and
- Non-real property transfers—to be abolished 1 July 2012.

This means home loans, rental agreements and leases will all be cheaper.

That is a total of nine tax cuts announced by the Iemma Government, plus two reductions in workers compensation premiums, in just 10 months.

Or, to put it another way, we have delivered $424 million of tax cuts in just 44 weeks.

Today I can announce further changes to land tax.

Large fluctuations in land tax liabilities resulting from volatility in annual land values are a major source of taxpayer concern.

From the 2007 land tax year, land values will be calculated using the average over the previous three years.

The land tax threshold will also be averaged. New South Wales is the only State that indexes the tax-free threshold each year.

These changes to land tax are worth $57 million in 2006-07, and $395 million over four years.

To put this in perspective, changes to land tax announced in the Victorian budget last week are worth $167 million over four years.

Our cuts are worth more than double that amount.

The Government will also implement a new regime to simplify and make fairer the objections and appeals process for land valuations.

In addition, I can announce changes to the taxation of family-held unit trusts.

A 2005 High Court decision changed the taxation of commercial unit trusts, but also removed the benefit of the land tax threshold for many family-held unit trusts.

To address this unexpected consequence, the Government is today announcing two measures.

First, we will grandfather the previous tax treatment for existing family unit trusts with land valued up to $1 million previously able to access the tax-free threshold.

Second, we will give taxpayers a 12-month period in which to restructure their unit trust to a fixed trust.

This will mean they can retain access to the land tax threshold without incurring State taxes on the restructuring transactions.

For taxpayers who restructure before 31 December 2007, the Government will also reassess their land tax for the 2006 land tax year to allow them to receive the benefit of the threshold.

For those trusts that have already paid land tax for 2006, refunds will be provided.

These measures are expected to cost $3 million a year.
Not only does this budget contain no new taxes, but combined with other decisions made since August 2005, it cuts taxes by $484 million in 2006-07 and by $3.2 billion over the next four years.

These tax cuts give back billions of dollars to New South Wales businesses, property investors and home buyers.

They support growth, investment and jobs.

And they continue Labor's record of reducing the tax burden on New South Wales families and businesses.

In fact, for every year since 1995 we have reduced the State tax burden in New South Wales by an average of $88 million each year.

This compares to the abysmal record of the Coalition, which increased the tax burden by an average of $134 million each year they were in office.

BUDGET RESULT AND NET WORTH

The State's balance sheet remains in a strong financial position despite the cyclical impact of a downturn in the property market on short-term budget results.

The value of our physical assets is projected to increase from $173 billion to $199 billion by 2010, reflecting the impact of the Government's record $41.3 billion capital works program.

State sector net financial liabilities are forecast to increase from 15.9 per cent of gross State product at 30 June 2006 to 16.9 per cent in 2010.

General government sector net financial liabilities for the same period are estimated to fall from 8.7 per cent to 8 per cent.

State sector underlying net debt will increase by $19.6 billion for the four-year period ending 30 June 2010, with the main increase in the public trading enterprise sector resulting from additional capital expenditure.

State underlying net debt levels will remain prudent, being forecast at 9.1 per cent of gross State product at 30 June 2010. Interest expense will be less than 5.2 per cent of total revenue over 2009-10.

General government underlying net debt will increase to $9.1 billion by 30 June 2010, and will be 2.3 per cent of gross State product. This drops to 1.7 per cent if the impact of the additional contribution to superannuation is removed.

This result maintains our sound management of the economy.

By way of comparison, the Victorian Government last week announced that its general government sector net debt is forecast to increase to 2.5 per cent of gross State product by 2010.

Forecast higher underlying debt levels will still result in a relatively low interest expense/revenue ratio of 2.9 per cent in 2009-10.

The increase in general government underlying net debt will fund higher levels of capital expenditure compared to the previous four years, in the context of an initially smaller surplus being available from operating activities.

Current forecasts suggest that general government superannuation obligations are on track to be fully funded by 30 June 2030.

The State's self-insurance scheme, the Treasury Managed Fund, has reduced member agencies' overall premiums by 10.4 per cent for 2006-07.

This is a direct result of lower claims expenses following the Government's workers compensation and tort law reforms.

Several agencies have also decreased workers compensation claims through improved management of occupational health and safety.

Finally, the New South Wales Government will, by 30 June 2006, have paid about $11 million of reimbursements to various local councils to enable them to meet their HIH claim debts.

CONCLUSION

The first State budget of the Iemma Labor Government recognises the new realities we confront as a State and sets a new direction for managing these challenges within a fiscally responsible budget strategy.

It boosts spending in areas of need, and provides a massive injection of funds to the State's infrastructure stock.

It builds on Labor's record of responsible tax reductions, supporting economic growth and investment.

This budget is socially responsive and fiscally responsible. It builds not just for a year, but for a decade.

And it does so while cutting taxes and charting a rapid return to healthy surpluses.

As one of my esteemed predecessors used to say, I look forward to returning next year.

I commend it to the House.

The Hon. PATRICIA FORSYTHE [10.09 p.m.]: In the years that I have been a member of this House I do not recall any time when the House has dealt with the budget estimates and related papers on one day and the Appropriation Bill—the budget bill—the next day. The Government is absolutely determined that the budget bills pass through the House tonight. The degree of haste—the Government could not allow Parliament to sit for an appropriate time to discuss the bills—really makes one wonder where the Government is taking New South Wales. Of course, the bills will pass through the House tonight. We know the role and place of the Legislative Council when it comes to dealing with the budget. We know that it is appropriate that the Appropriation Bill and cognate bills be passed prior to 30 June so that the ongoing role and work of the State can proceed.

I have had an opportunity to read most of the budget papers, but I will not give a full budget take note speech tonight. It was interesting to try to determine how the Government will fulfil the commitments given in the Budget Speech that accompanied the presentation of the budget papers. I appreciate that the role of this House is a proper examination of the budget, through estimates hearings in August and probably in subsequent months. However, where will the Government make the cuts so that the $696 million deficit will be, as the Government indicated, a one-off? There is no indication in the budget papers as to where the cuts will be. Today the Public Service Association made the point that it is not possible to see in forward estimate terms how the Government can claim with any degree of credibility that we are dealing with a one-off deficit of $696 million.

Tonight we have no choice but to pass the budget bills. Most of us would do so with a heavy heart, because there is no clear indication from the Government of its vision for the future of New South Wales. Indeed, earlier today I commented on an article in the *Australian Financial Review* that contrasted the presentation and reporting of the New South Wales budget and the Queensland budget. Page 1 of today's edition of the *Australian Financial Review* has the heading "Iemma gambles on NSW recovery". In contrast, the headline in relation to the Queensland budget states, "Beattie Banks $2.8 bn for election" and the article contains a picture of a smiling Queensland Premier, Peter Beattie, and a smiling Queensland Treasurer, Anna Bligh. The article and the photograph in regard to the Queensland budget are in enormous contrast to the reporting of the New South Wales budget.

Further, on page 6 of today's *Australian Financial Review* there is a half-page advertisement headed, "Taking Queensland Business to the World". The advertisement from Premier Beattie entreats business to join him as he leads a mission to Russia and China. He said, "Queensland is leading Australian export growth." I contrast that with the lack of vision, the lack of seeing the big picture, in the presentation of the New South Wales budget yesterday. On page 9 of the *Australian Financial Review* a group of developers in Queensland has taken out a full-page advertisement that described development opportunity in Brisbane as "world class". The advertisement was for a development at South Bank in Brisbane. New South Wales certainly has a vision about the sort of State that we want, and that is in distinct contrast to that provided by the Government. As I said, I will not take up the time of the House tonight, because this is not a budget take note debate.

I note that there are no additional taxes in the budget. I suppose the most important thing in the Appropriation Bill relates to special offices. In that context, I note the money set aside for the State election. As I looked through the Appropriation Bill and at the amounts set aside for each government department, I was stuck by two allocations at the beginning—the enormous increase that is appropriated for the Cabinet Office and the Premier's Department. One does not have to read too far to see the Government's agenda. One can only assume that is government spin; none of it will produce a single widget that will advance New South Wales. Other variations do not make it clear how the Government will take the New South Wales economy forward. There is no indication of how the Department of Planning will be able to undertake the development that is needed to take the State forward.

The Opposition certainly does not oppose the bills. I have been advised that the Government has another bill that it wants to get through the House tonight. However, it is only just over 24 hours since the budget was presented. The Government has indicated that it is not keen on a full, robust estimates process. Instead, we will have the process we have become used to: just a couple of hours for each portfolio, shoehorned in on a sitting day late in August, when the appropriate scrutiny will not be available. The Opposition is keen to see the Appropriation Bill and cognate bills pass through the House and for the process of governance to continue. I look forward to remarking on the State budget in the next session.

The Hon. JOHN RYAN [10.17 p.m.]: I support the comments of my colleague the Hon. Patricia Forsythe. Much could be said about the Government's budget, but I will say two new things because there are two pieces of ridiculous spin that the Government is trying to get away with regarding the budget that need to be exposed for what they are. The Government has claimed it is cutting taxes. The Government has not cut taxes that it has not imposed itself. First, the vendor tax is among the taxes that the Government has claimed to have cut. The Government imposed vendor tax in the first place, and then cut it. Apparently, the Government is reinstating the threshold on land tax. Guess who destroyed the threshold on land tax? It was this Government. This morning I heard the Treasurer on radio mouthing the idea that he would review land tax if the Labor Party were returned to the Treasury benches. The Government has left open the prospect that the threshold it removed may well be returned—that is something the Opposition will not allow to be forgotten. Secondly, I refer to the tax on clubs—and has the Government been generous on that! The Government has not hit the clubs with the whole mallet, just half of it. Again, the Government introduced the clubs tax before it reduced it.

Another bit of spin that should be taken into account is the Treasurer's statement that the New South Wales Government has more infrastructure than the Commonwealth Government, which is incredible nonsense. Somehow or other the Treasurer seems to have forgotten that the Commonwealth Government operates battleships, destroyers and aircraft. Apparently, this Government seems to believe that is not infrastructure. It is part of the infrastructure the Commonwealth Government provides in order to defend this country. The Treasurer referred also to the Commonwealth Government's net worth. What a furphy that is! A Government that has its headquarters in Sydney—where property prices are higher than property prices in many other places in the world and where infrastructure snakes across the whole State—is being compared with a Government that has its headquarters in the Australian Capital Territory.

The New South Wales Government suddenly discovered that it has a net worth greater than the net worth of the Commonwealth Government. I have news for the Treasurer. That is the way it was when this country became a nation in 1901. New South Wales had a greater net worth than the Commonwealth when it came into existence in 1901, and that is the way it is likely to be. It is not the job of the Commonwealth to provide the sort of infrastructure that is provided by the States. That is the job of the States. The Commonwealth Government, which has its headquarters in a tiny principality, the Australian Capital Territory, is being compared to this Government, which has its headquarters in Sydney. That is rubbish.

The New South Wales Government should stop trying to kid the public of New South Wales that it is doing better than it really is because it is able to claim it has a greater net worth than the Commonwealth Government. It is a bit like saying New South Wales has a greater net worth than Tasmania. It is a non-argument and a furphy and it does not stack up. This budget must be examined in greater detail. As my colleague the Hon. Patricia Forsythe said earlier, the Government wants to get its budget bills through this Parliament, as it wants to escape scrutiny. It does not want to debate these bills a week before the scheduled estimates committee hearings in August. Just five minutes of sunshine on its budget would show it up for the incredible furphy it is.

This Government has admitted to having a budget deficit that is $4 million less than $700 million. It would have tried to ensure that the deficit was kept at $696 million. It would have been a phenomenal turnaround. I do not think this Treasurer has the competency to turnaround a budget deficit. The people of New South Wales know that if this Government remains on the Treasury benches the deficit will worsen. This Government reaped the benefits of the Howard Government's phenomenal economic management and the great economic boom that we enjoyed for 10 years. Every other government has been able to chalk up budget surpluses.

Victoria has the same vertical fiscal imbalances as New South Wales, but even it has been able to chalk up a higher budget surplus than New South Wales. Believe it or not, Victoria provides more money per capita for people with disabilities. It provides more beds for people with disabilities than we do in New South Wales. This Government wants to convince the world that it is a great economic manager. This budget is its death knell. It desperately wants its budget bills to pass through this Parliament in record time because it thinks that no-one will notice. I doubt whether that would ever happen.

The Hon. MICHAEL COSTA (Treasurer, Minister for Infrastructure, and Minister for the Hunter) [10.23 p.m.], in reply: I was going to thank honourable members for their patience in dealing with these important bills but, as a result of the outburst of the Hon. John Ryan, I will have to reply to this debate. However, my reply will not be as long as my Gladstonian Budget Speech.

The Hon. John Ryan: With a speech borrowed from Treasury.

The Hon. MICHAEL COSTA: No, it is not borrowed from Treasury. I find surprising the fact that a group that put this State on credit watch has accused this Government of not being able to meet its forward estimates. Today I was amazed—

The Hon. John Ryan: You are in the middle of a recession.

The Hon. MICHAEL COSTA: You should not have said anything.

The Hon. John Ryan: Inheriting your deficits.

The Hon. MICHAEL COSTA: This morning the Leader of the Opposition made a speech that purported to be a reply to my Budget Speech. I was staggered when I heard his speech. In a 30-minute speech he was able to outline, on his estimate, $769 million of additional spending. When we add in his unfunded WorkCover premium promise we end up with a cost of $890 million. The Opposition has already blown out the surplus projected for the year after next. Clearly, it is irresponsible and not to be trusted. How will the Opposition fund this measure? According to the Leader of the Opposition, it will fund it through cutting government advertising. The preschool promise, on its own costings, is worth $362 million. That is the Opposition's costing.

The Hon. John Ryan: Not in a year, of course.

The Hon. MICHAEL COSTA: That is not our costing; that is the Opposition's costing. In 2004-05—the latest figures I could pull out for this debate tonight—we spent $86.7 million on government advertising. This Opposition will fund a $362 million promise—it should be remembered that that was only part of its promises to the electorate—with an $86.7 million cut to advertising. By the way, some of those advertising programs relate to public safety measures and to anti-cancer programs. I note that our friend from BUGA-UP, or Billboards Utilising Graffiti Against Unhealthy Promotions, is not in the Chamber.

The advertising programs relate also to anti-smoking campaigns, road safety campaigns, and to safety around school zones. Clearly, this is a very rubbery response from the Leader of the Opposition. It must be remembered that our budget estimates project savings of $4.4 billion over the forward estimates period, and $600 million next year. Just on today's exercise, on top of our $4.4 billion Opposition members have to add $890 million. Opposition members have to add that on and they have not even started to promise a range of other measures. On our spendometer they are already up to $20 billion. They will threaten our triple-A rating and put us back on credit watch. They are a joke.

The budget reply speech I heard from the Leader of the Opposition today proves that he will never be Premier of this State. He is not qualified to be Premier of this State. He is a financial vandal in the great tradition of the Liberal Party. Members of the former Coalition Government left this State on credit watch and they want to take us back to credit watch. Today Standard and Poor's made the comment that our budget stands up and will protect our triple-A rating. Opposition members will threaten it. They will have to explain how they will pay for this $890 million promise that they made today. We have $4.4 billion built into the forward estimates. They will have to find almost another $1 billion and they have only started. Then they have all their unfunded promises. Opposition members are a joke. There is no way in the world that they will be able to meet these commitments.

The Hon. John Ryan: You've been listening to Nova for too long.

The Hon. Rick Colless: Do you actually believe your own rhetoric?

The Hon. John Ryan: You so believe in your own rubbish.

The Hon. MICHAEL COSTA: I suggest that you say that outside.

The Hon. John Ryan: What? I can say it outside.

The Hon. MICHAEL COSTA: Well you should.

The Hon. John Ryan: What would be the problem? I suggested you have been listening to your local radio station. Gee, we have a glass jaw.

The Hon. MICHAEL COSTA: Opposition members lack credibility. Their campaign to explain how they will fund all their promises started off very poorly. Advertising amounting to $86 million is to fund a $360 million program. Clearly, this Government has done the responsible thing. This budget meets the commitments of the State. It gives us record infrastructure, record spending in the areas of disability, health, education, and law and order. It is a good budget and it has been received as a good budget. I commend the bills to the House.

Motion agreed to.

Bills read a second time and passed through remaining stages.

STATE REVENUE LEGISLATION AMENDMENT BILL

Second Reading

The Hon. MICHAEL COSTA (Treasurer, Minister for Infrastructure, and Minister for the Hunter) [10.30 p.m.]: I move:

That this bill be now read a second time.

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

Leave granted.

The State Revenue Legislation Amendment Bill 2006 is part of the Government's ongoing program of maintaining state legislation to ensure its provisions are clear and effective.

The Bill makes amendments to the Duties Act 1997... the *Land Tax Management Act 1956*... the *Pay-roll Tax Act 1971*... and the *Taxation Administration Act 1996*.

I will deal with the amendments to each Act in turn.

The Bill extends a concession for transfers of property from the trustee under a resulting trust.

The concession applies when a trustee who has purchased property transfers it to the real purchaser... that is... the person who provided the money to the trustee for the purchase.

Judicial interpretation of these provisions in recent years has limited the scope of the concession and resulted in some inconsistencies.

The Bill extends the concession to include some instances where the nature or description of the property changes before the transfer... and where there are partial transfers of property.

This will allow property that has been improved or had a change in legal title to remain eligible for the concession.

For example… the transfer of strata lots following construction of a strata development will be eligible for the concession if the real purchaser provided the money for the purchase of the land and subsequent development.

A consequential amendment is made to a separate concession relating to improvements made by the transferee prior to transfer.

Another amendment extends the circumstances in which a refund is payable on a transfer of property where the transaction does not proceed and the transfer document is cancelled.

The Bill improves two administrative provisions for land rich duty.

First… it reduces the amount of information the Chief Commissioner of State Revenue requires from persons who have made exempt acquisitions.

This will reduce red tape and compliance costs for taxpayers.

Secondly... registered wholesale unit trust schemes will be required to report on certain transactions.

This will enable the Office of State Revenue to monitor the use of the concession for wholesale trusts.

The Bill also contains provisions clarifying the legislation that covers two current administrative practices.

One amendment clarifies the liability to duty on certain group life insurance policies... confirming the existing practice of life insurance companies.

This amendment has been developed in consultation with the Investment and Financial Services Association.
The second clarification relates to amendments made to the Duties Act in 2005 to prevent abuse of a mortgage duty concession for debenture issues.

The provisions apply to loan advances made on or after 15 November 2005 regardless of the date of the mortgage.

At the time of the amendments... some tax practitioners expressed concern that the provisions may be open to an interpretation that mortgage duty could be retrospectively imposed on past borrowings by the mortgagor.

This Bill contains amendments that will make the provisions clearer and allay any concerns about interpretation.

The Bill also extends eligibility for the First Home Plus Scheme to ensure that persons who have previously owned a property as a trustee or executor are not disqualified when they purchase their own first home.

The Scheme's provisions are being amended to remove any doubt that decisions by the Chief Commissioner under the scheme are reviewable... including by the Administrative Decisions Tribunal.

I'll now deal with the amendments to the Land Tax Management Act.

Honourable members may be aware that the Department of Housing operates a Rent-Buy Scheme... which assists low-income earners to purchase a share of their home.

A private company financier owns the remaining share and receives rent from the low-income earner.

Home buyers can progressively increase their interest in the home to 100% ownership. There are about 40 participants remaining in the scheme.

The properties are not exempt from land tax because a joint owner of each property is a non-exempt company.

Most of the home owners concerned are not liable to land tax because of the land value threshold.

However, a very small number of home owners under the scheme could become liable for land tax as they approach 100% ownership.

Because the participants' homes are their principal places of residences. .. the Government is moving to ensure that all land subject to the scheme is exempt from land tax.

The Bill also extends the exemption for a principal place of residence for aged persons who move into a nursing home or other care arrangements where the carer is eligible for the Commonwealth carer's allowance.

Currently... these people are entitled to retain the land tax exemption during an absence from the residence of up to 6 years... provided the property is not leased for more than 6 months in any year.

The Bill will remove the 6 year limit to accommodate cases where an aged owner is unable to resume permanent occupation of their home.

The land tax legislation currently provides a concession for a deceased owner's exempt residence by extending the exemption for up to 12 months after death.

This allows sufficient time for the estate to be administered.

Once the property is transferred to a beneficiary... the exemption ceases to apply... but the land still qualifies for exemption if the person who acquires the land following administration of the estate uses and occupies the land as his or her principal place of residence.

In cases where the beneficiary who is entitled to the land decides to sell... rather than occupy it... no land tax applies prior to the sale if the executor remains as the registered owner until the land is sold.

However... if the land is transferred to the beneficiary before being sold... it becomes liable to land tax even if the sale is completed within 12 months after death.

In order to remove this anomaly... this Bill will allow the exemption to apply until the completion of a sale... even if the land is transferred to a beneficiary prior to sale.

The Bill also includes an amendment which extends the exemption for a deceased owner's former residence beyond 12 months after death, when a person who resided with the deceased owner... continues to reside there with the approval of a beneficiary of the estate.

The land tax legislation currently excludes companies from eligibility for the principal residence exemption.
The Bill contains amendments to make it clear that this restriction applies in any case where a company is an owner... unless otherwise specified in the Act.

The Bill makes minor amendments relating to liability for pay-roll tax on share scheme benefits.

This will align the grant of a share or option with the meaning of "acquiring" in the Commonwealth income tax legislation. The amendments also specify two alternative dates on which an employer may choose to pay tax in relation to shares... either the date on which a share is acquired... or the date on which the share vests in the employee.

The Bill makes an amendment to facilitate the Government's new, $95 million pay-roll tax incentive scheme... designed to boost employment in areas of high unemployment.

The amendment will permit the disclosure of necessary information to the Director-General of the Department of State and Regional Development, who will be administering the scheme.

All of these amendments have been the subject of consultation between the Office of State Revenue and relevant industry and professional bodies.

Lastly... the Bill repeals the Petroleum Products Subsidy Act 1965... which provides the administrative mechanism for the Commonwealth Government's Petroleum Products Freight Subsidy Scheme.

Repeal of the Act is necessary as a result of the Commonwealth Government's decision to abolish this scheme.

I commend the Bill to the House.

The Hon. PATRICIA FORSYTHE [10.32 p.m.]: The Opposition does not oppose the State Revenue Legislation Amendment Bill. I had intended to compliment the Treasurer on ensuring that officers from Treasury were available to brief me on the bill before its introduction. That is a usual courtesy that we have come to expect over the years but which some Ministers have not been keen to observe in recent times. If the Treasurer were not in the business of insulting the Opposition I might have complimented him. I thank the Treasury officers for their kindness in making themselves available to brief me about the legislation.

The bill is not exceptionally complex but several organisations in this State are seeking assurances in relation to some of its clauses. The State Revenue Legislation Amendment Bill amends the number of key finance and money bills in this State, particularly the Duties Act 1997, the Land Tax Management Act 1956, the Pay-roll Tax Act 1971, the Petroleum Products Subsidy Act 1965 and the Taxation Administration Act 1996. I am assured by Treasury officers that the bill is basically revenue neutral. It is about adjusting legislation in order to bring clarity or making consequential changes. For example, several concessions given under the Duties Act have necessitated consequential amendments that are designed to clarify the situation.

The New South Wales Government claims to be keen to do business and to open the State's doors to new opportunities. I have read the legislation and it is about red tape and the minutiae of government. The Opposition had some concerns about that part of the bill that deals with wholesale trusts. It imposes additional reporting requirements with respect to transactions regarding certain land-rich entities. We addressed some of those issues in legislation that we debated last year. I am advised that the new requirements will not tie up small businesses in red tape, which is a constant concern of the Opposition. Small business operators tell us continually that the level of red tape, including reporting, that is required of them in order to meet Government obligations makes it difficult to do business in this State. I am advised that the reporting requirements in relation to the wholesale trust industry will not affect small businesses but will impact on 12 wholesale trust companies in New South Wales. They are big businesses that would regard this obligation as a normal requirement consequential on the concessions given previously. I accept that advice.

Some aspects of the bill are particularly positive. I acknowledge the change to eligibility for the First Home Plus Scheme. Under the bill a person who would otherwise be eligible under the First Home Plus Scheme but who held property as a trustee or executor of a will shall not be precluded from being considered to be a first home buyer for the purposes of the scheme. That is commonsense but it is a grey area in the relevant legislation. I welcome this positive change as a step in the right direction. I note that the bill makes some changes to the Land Tax Management Act 1956 relating to the principal place of residence when a person is absent for more than six years as a consequence of their being resident in a nursing home or in full-time care in a hospital, mental hospital or an aged care establishment or living with a permanent carer. I am particularly interested in this issue and discussed it with the former Treasurer when we considered the vendor tax legislation.

There are two important issues to consider. The first is the time frame. I am delighted that there is recognition of the fact that some people may be in care for longer than six years and that this should have no impact for the purposes of land tax on their principal place of residence. We touched on this issue in debate on other legislation. I am pleased to see that the bill clarifies that a person could be cared for in one of the

institutions that I mentioned for a period greater than six years and not become eligible for land tax. However, they will become eligible for land tax if their principal place of residence is rented for six months or more in any one year and they are in receipt of rent moneys.

We know from listening to the Treasurer's Budget Speech and from reading the budget papers that our ageing society is clearly on the agenda. I suspect that if the Government is in power for much longer it will become its new straw man: instead of blaming the Federal Government when things do not work, its excuse for everything will be our ageing society. Leaving that aside, the Government recognises that our population demographic is changing. People are living longer and our population is ageing. The reality is that over the next 40 years more New South Wales residents will spend the latter stages of their lives in institutional care.

The fact that they receive rent and therefore will pay land tax will become a really vexed issue in our community. In my extended family one person genuinely believes she will be able to return to her home some time in the future, so no-one wants to sell her house or to leave the house empty. If the house is left empty it will not be subject to land tax, but an empty property is such an under utilisation of valuable resources. People become subject to land tax when they receive property revenue, and that can also impact on their pension. The land tax threshold on a principal place of residence set by the Government a couple of years ago will cause real issues for our ageing population in the future.

During the next decade more and more people in institutional care, having left their principal place of residence of many years, through no fault of their own will have to pay land tax. We will have to address the issue of land tax again and again. We need to come to grips with that problem. Another exemption in this legislation is the Rent-Buy Scheme, which impacts on only a small number of people in receipt of some concessions in the lower end of the housing market. This legislation will ensure that the few people impacted on by that scheme will be exempt from land tax. The Opposition welcomes that provision.

The payroll tax amendment clarifies the position of employees and directors who elect to take shares and options as remuneration. This bill will align the granting of a share or an option with the meaning of "acquiring" under the Commonwealth Income Tax Assessment Act 1936 for the purpose of determining when a share option is granted. That provision will clarify issues on appeal. Those are the principal areas covered by the bill. The Insurance Industry Council contacted the Opposition about its concerns, all of which I will not put on the record. The council had discussions with the Government and noted:

> With respect to items 17 and 18 of Schedule 1 which amend section 236 of the Duties Act. Section 236 makes an insured person liable for duty where the insurance is not placed with a general insurer who is a registered insurer under the Duties Act. The obligation to lodge a return and pay duty only applies where premium is paid to an insurer or an insurance intermediary.
>
> The amendment now provides that where the premium is paid to any person who is not a registered insurer, the obligation to lodge a return and pay premium arises under this section. A new provision is also added to make ti clear that premium for this purpose is an amount paid in connection with insurance to a person in circumstances where the premium would be dutiable if it was paid to a registered insurer.
>
> It appears the amendment has been necessitated by a conflict between section 236 of the Act and section 247.

The council further noted:

> If one of the outcomes from the legislation is that there is a fairer "level playing field" in the taxation treatment of Direct Offshore Foreign Insurers … and APRA authorised insurers then the changes are to be welcomed both from the perspective of the State Government gaining revenue to which it is owed and also in reducing unfair competition in the market.
>
> However, it is unclear how, or if, the Office of State Revenue intends to monitor and enforce the situation as …

I know that Treasury is aware of those concerns but the Opposition places them on the record. My colleague in the Legislative Assembly made reference to the concerns of the Property Council, which is not convinced that this legislation will free up red tape but believes it may make it more complex. Without going through all of its concerns I ask for an assurance from the Government in reply that it has taken on board the concerns of the Property Council. I commend the bill to the House.

Reverend the Hon. FRED NILE [10.45 p.m.]: The Christian Democratic Party supports the State Revenue Legislation Amendment Bill, the positive aspects of which the people of this State will welcome. The bill will exempt from land tax all land the owners of which are subject to a Rent-Buy Scheme, to ensure that low income earners who are purchasing their own home do not unfairly become liable for land tax. The Rent-Buy Scheme is operating very successfully and will enable people who have previously only rented to be able to own a home and enjoy the pride that that brings. The legislation also provides for an exemption from land tax of an

aged person's former principal place of residence during the time spent in a nursing home, hospice or other form of care, where the carer receives a Commonwealth carer's allowance. The State Revenue Legislation Amendment Bill contains a number of other positive aspects, which the Christian Democratic Party supports.

The Hon. TONY KELLY (Minister for Justice, Minister for Juvenile Justice, Minister for Emergency Services, Minister for Lands, and Minister for Rural Affairs) [10.46 p.m.], in reply: I thank all honourable members for their contributions to the debate. The State Revenue Legislation Amendment Bill is a good housekeeping bill. It is part of the Government's ongoing program of maintaining State legislation to ensure its provisions are clear and effective. The bill makes amendments to the Duties Act 1997, the Land Tax Management Act 1956, the Pay-roll Tax Act 1971 and the Taxation Administration Act 1996, and repeals the Petroleum Products Subsidy Act 1965.

The bill clarifies or extends a number of concessions or exemptions from State taxes including: extending the duties concession for transfers of property from a trustee under a resulting trust; extending the circumstances in which a refund of duty is payable on a transfer of property where the transaction does not proceed; extending eligibility for First Home Plus Scheme; ensuring that all land subject to the Rent-Buy Scheme operated by the Department of Housing is exempt from land tax; extending the land tax exemption for a principal place of residence for aged persons who move into a nursing home or similar care arrangements; and extending a land tax exemption for a deceased owner's former residence.

The bill also makes an amendment to facilitate the Government's new $95 million payroll tax incentive scheme designed to boost employment in areas of high unemployment. The remaining provision of the bill will improve and clarify administrative provisions relating to State taxes. This will make compliance with State tax laws easier for taxpayers. All of these amendments have been the subject of consultation between the Office of State Revenue and relevant industry and professional bodies. I commend the bill to the House.

Motion agreed to.

Bill read a second time and passed through remaining stages.

ADJOURNMENT

The Hon. TONY KELLY (Minister for Justice, Minister for Juvenile Justice, Minister for Emergency Services, Minister for Lands, and Minister for Rural Affairs) [10.50 p.m.]: I move:

That this House do now adjourn.

TAMWORTH WEST PUBLIC SCHOOL FACILITIES AND COMBINED SCHOOLS PROPOSAL

The Hon. CATHERINE CUSACK [10.50 p.m.]: Tamworth West Public School began its campaign for appropriate school facilities in 1994. The school was then a century old, lacked airconditioning and had major building maintenance requirements. Tamworth West was given a lifeline by neighbouring Shopping World, which offered to relocate the school to new buildings, above code, on a greenfield site owned by the department. Shopping World's offer was to exchange the land where the school is currently sited for a purpose built, modern, airconditioned school. That was in 1994.

Over the next nine years a huge debate concerning the proposed expansion of Shopping World enveloped Tamworth. Ultimately, the Department of Education and Training supported the proposal, the local council recommended rezoning, and the plan went to the State Government for approval. On 19 May 2003 Assistant Planning Minister Diane Beamer rejected the request to rezone Tamworth West Public School. We now know this was done following representations from Tony Windsor and Peter Draper. Following this decision, the Minister for Education and Training at the time, Andrew Refshauge, said the Government realised it could not leave the children of Tamworth West in such a state and there would be a facilities review to ensure the school's future. If Tamworth was divided on the Shopping World issue, it was united on the need to solve the problems for the school. That was in May 2003.

In November 2003 Tamworth West made a submission to the facilities review and was told to expect a response by the start of term one, that is, January 2004. No decision was forthcoming. In January 2004, when the local paper contacted Minister Refshauge's office, it was told that departmental staff were still "filtering back" from holidays and "it will therefore be a couple of weeks before a meaningful decision is made". On 15 March 2004 the Minister's office revealed that a "masterplan" for the future of the school had been received by the Minister and his staff were looking at it. On 15 September 2004 I asked Minister Refshauge at estimates

hearings, "When will the facilities review be completed?" He replied, "Before the end of the year." At this point a new community submission was made proposing three schools combine in Tamworth, including Tamworth West, Tamworth High and Bullimbal Special School. That was 2004—and no decision was forthcoming.

On 22 March 2005 I asked the new Minister for Education and Training, the Hon. Carmel Tebbutt, about the matter, and asked whether she would visit the school. She said she would follow the matter up, and she hoped to visit the school and consult the community. On 23 May 2005, 11 years after Tamworth West began its fight for appropriate facilities, I moved a motion calling on the Minister for Education and Training to make a decision that delivers justice for the children at the school. That was 2005, and no decision was forthcoming.

The proposal for a new super school—kindergarten to year 12, plus a special school on a Goonoo Goonoo site—sat on the Minister's desk from the end of 2004 to 12 March 2006, when the Minister finally visited Tamworth. She met with parents and teachers from all three Tamworth schools and told them that the Department of Education and Training had proposed an options paper and that it would be released in six weeks. That was 12 March 2006. Fourteen weeks have passed, and there is still no sign of any options paper. Children who were in kindergarten at Tamworth West when this all began in 1994 are in year 12 this year, sitting their Higher School Certificate.

I have visited the three schools and have a deep respect and admiration for the dedication and patience of the parent bodies, staff and school leadership. But the physical conditions they are expected to operate under are well documented as being unacceptable. The children at the schools are delightful, but the Bullimbal students are particularly so. They have special needs, and a parent body and staff who are utterly united and committed to meeting those needs.

We have an overwhelming and proven need for a proposal that is substantially self-funding. It solves huge problems for all three schools—one of the schools, Bullimbal, is currently operating on a three-year lease. All that the Government has to do is say yes to the solution that has been proposed by those school communities. Much to my amazement and disappointment, yesterday's budget did not contain any funding for this excellent proposal—not even a few thousand dollars for planning.

The position in which the Government has left these three fine schools is a disgrace. They have not asked for much. The hard work has been done by the community: they have co-operated, found funding sources, and prepared a plan. Their efforts have been positive, polite and patient—a most remarkable and commendable effort. In response, the Government simply will not process their request. The children, their families and staff wait and wait and wait. The Government does them a great disservice. Its procrastination is crushing the goodwill of teachers and parents and denying opportunity to 1,200 children in Tamworth.

I am appalled by the situation. It is as incomprehensible as it is reprehensible. I am also astonished by the comments made by the local member that were reported in the *Daily Leader* today, in which he dismissed claims that the super school had missed out, saying there was "absolutely no announcement expected in this year's budget". Enough is enough. Tomorrow I will move for the release of the latest options paper promised by the Minister for Education and Training. It is a simple request, and I urge all honourable members to support it. [*Time expired.*]

WATOTO CHILDREN'S CHOIR

Reverend the Hon. Dr GORDON MOYES [10.55 p.m.]: I acknowledge that my colleague Reverend the Hon. Fred Nile has given me his time to speak in order that I might get home a little earlier in the morning. Tomorrow at lunchtime I have the privilege of hosting one of the world's very special youth choirs here in Parliament House—the Uganda's Watoto Children's Choir. Watoto means "the children" in Swahili. And being based in Uganda's capital Kampala has been no impediment to the choir going international. It is almost constantly flying around the globe singing traditional unaccompanied music. The choir has performed in front of Presidents and Prime Ministers the world over, including Prime Minister Tony Blair, and twice for President George W. Bush.

Notwithstanding the beauty of its 18 lyrical and earthy African voices, there is actually another reason why it is additionally remarkable. The members of the choir have certainly not had an easy life growing up. Each of the children lost both parents as a result of the AIDS virus. There are not many harder difficulties to overcome, materially or emotionally, than being born to parents who are dying from the AIDS virus in impoverished East Africa. This start to life is not all that uncommon in Uganda these days. Currently 12 per cent

of all children in Uganda are orphaned by the age of 15. The AIDS virus itself has orphaned a phenomenal 1.7 million Ugandan children since the onset of the pandemic, 940,000 of whom are living today still under the age of 15.

In response to this crisis amongst the parentless children of Uganda, Gary and Marilyn Skinner began Watoto child care ministries in 1994. Firstly, homes were constructed to provide shelter for the most desperate children. Then they also began providing the children with food, clean water, clothing and care. To do their work they have always relied upon charitable donations and volunteer labour of caring Christian people in more affluent countries. That is where the choir comes in. They raise awareness of the needs of the children back home in Uganda. The Skinners also believed that if the children were to receive holistic care, they should also be provided with Christian spiritual guidance as they grow through their formative years without the natural benefit of parental instruction.

Clusters of homes for the children have been built, usually by volunteers from First World countries who take their holidays from work to help. The homes are centred around a primary school, clean water source, medical clinic and multipurpose hall that can be used for church services and as a community centre. Today this ministry has grown to a point where it is now providing on-site care for more than 1,200 orphans whose parents have died of AIDS. The members of the Watoto Children's Choir are the international ambassadors for the Watoto child care ministries back home in Uganda, and we are looking forward to hosting these inspirational and beautiful children in the Parliament tomorrow. They will share with us their delightful choruses and there will be an exchange of goodwill and mutual celebration that comes from being in the presence of children who have overcome such terrible hardship. They are certainly an inspiration to us all, and a good reminder to always count the blessings that we enjoy daily.

We wish them well for the remainder of their tour around New South Wales and wish them safety while travelling. Their cracking schedule is about 40 performances across the State in about five weeks. Such a strenuous travel schedule would stop me and many of my colleagues. We would also like to offer a big thank you to the sponsors who have graciously donated items for auction to raise money for the Watoto ministry. These include Breville, Sydney's Captain Cook Cruises, Gloria Jean's Coffee, Word Bookstore in Angel Place, Sydney Tower Restaurant, Nick's Restaurants at Darling Harbour, Taronga park Zoo, and Alive and Christian Woman Magazines. Tomorrow's luncheon would certainly not be the success it is bound to be without those sponsors, and I appreciate their involvement. If honourable members wish to contribute to the Watoto charitable auction, I advise that it will remain open until 10 o'clock in the morning. Members who place a bid for any of the auction items before that time tomorrow morning might come away with a very good bargain. The entire proceeds raised from the luncheon and the auction will go to help the children, whose parents have died of AIDS. I commend the auction to all members of the House.

COMMUNITY SERVICES AND OPPOSITION POLICIES

The Hon. PETER PRIMROSE [11.00 p.m.]: Charities and welfare groups in New South Wales will be forced to cut support services for the frail aged and people with a disability if the Howard Government does not increase funding to cover staff salaries for community organisations. The Iemma Government had allocated $21 million in this year's budget to cover wage increases in non-government organisations. I congratulate Ms Sally McManus, in particular, the Secretary of the New South Wales and Australian Capital Territory (Services) Branch of the Australian Services Union, on her strong and consistent campaign on behalf of the union's members. The increase will assist organisations, such as the Spastic Centre and Meals on Wheels, the staff of which is paid under the Social and Community Services [SACS] Award. This funding represents an indexation of 3.3 per cent, and allows community organisations to provide home and community care services, such as dementia care and in-home support, to cover the costs of employing staff. About 80 per cent of operating costs for these organisations is spent on salaries.

But the Commonwealth Government's indexation rate of 2.1 per cent will not meet the recent 3.5 per cent SACS award increase. The Commonwealth needs to urgently increase its indexation level so that these services are not jeopardised. Under the Joint Home and Community Care Agreement the Commonwealth pays for 60 per cent of services, with the New South Wales Government paying the remaining 40 per cent. A refusal by the Commonwealth to provide a realistic indexation rate will mean a closure or reduction in essential services. This would be an enormous blow to ageing and disability services in New South Wales and would undermine the record $1.8 billion the Iemma Government has provided for the aged and people with a disability and their families in 2006-07. This represents a $209 million increase, or 13.5 per cent, on funding allocated in the previous financial year. The budget also included an additional $1 billion over the first five years of the

Iemma Government's 10-year disability plan, Stronger Together. It would be a tragedy if the Howard Government destroyed this good work by refusing to properly fund non-government organisations at a time when it has a $17 billion surplus.

The New South Wales Minister for Disability Services, the Hon. John Della Bosca, has also warned that people with a disability and their families would be abandoned under a Liberal Government in New South Wales, having regard to the Opposition's response to the State budget earlier today. The honourable member for Vaucluse appears not to rate disability services as a priority, and thousands of families and children with a disability stand to suffer if the Opposition get its way. The Opposition has included no extra funding for disability services and has expressed no vision as to how it will meet the growing challenge of providing improved services. In the lead-up to the last State election the State Opposition vowed to fund its policies by ripping $700 million out of community services. It just cannot be trusted. It will happily repeat the same attack and allow the most vulnerable in the community to suffer. The honourable member for Vaucluse has refused to quarantine disability workers from his staff cuts. How many speech therapists, home care workers and case managers will he get rid of? I reiterate that the State Opposition wanted to slash some $700 million from the Department of Community Services in the lead-up to the last election, a policy that still stands today. The Leader of the Opposition has never walked away from the policy. He should come clean and tell the people of New South Wales what his intentions are.

The New South Wales Government has invested $1.2 billion in reforming the child protection system since 2002, but the State Opposition wants to abandon its notable improvements. The Opposition is placing the welfare of children at risk. It cannot be trusted to support the families of New South Wales. The bottom line is that under its plan all children will suffer. The Opposition plans to cut 675 Department of Community Services [DOCS] caseworkers, $150 million in additional funding for early intervention and family support services, $18.3 million for joint investigation and response teams of police and community workers investigating child abuse, $450 million in additional funding for services to support foster children and foster carers, and $20 million for new legal and psychological staff to support front-line caseworkers. The Opposition's recent promise to cut 29,000 non front-line public servants would also have serious consequences for families who use the services of DOCS.

PARKINSON'S NEW SOUTH WALES

The Hon. JOHN RYAN [11.05 p.m.]: Tonight I make representations on behalf of Parkinson's New South Wales to the New South Wales Government. Parkinson's disease is a common, age-related, disabling, neurodegenerative disease of unknown cause that is progressive and has no cure. No treatment has been shown to slow progression of the disease or to prolong the survival of those suffering from the disease. In the initial stages, there is predominantly a motor disability characterised by slowing of movement and tremor. For the first few years the symptoms can be treated by medications, but after five to 10 years of the disease 50 per cent to 100 per cent of patients develop disabling fluctuations in their motor function. At this stage, loss of balance sufficient to cause frequent falls become common, a condition that is usually not responsive to medications. Most Parkinson's disease sufferers die within 12 years of diagnosis. An organisation that represents them in New South Wales, Parkinson's New South Wales Incorporated, is a non-profit, community-based organisation established in 1979 to provide information, counselling and support to people living with Parkinson's disease. Its network of support groups throughout New South Wales has helped many individuals and their families to better manage living with Parkinson's disease. It resources and operates a toll-free 1800 info line that provides general information regarding Parkinson's disease. Information officers and volunteers staff the info line.

Parkinson's New South Wales also provides valuable information to general practitioners. It provides contact cards designed for people with Parkinson's disease to carry in their handbag or wallet to inform people of their condition in the event of an emergency. One of its most valuable services is the development and co-ordination of a network of some 40 Parkinson's disease support groups throughout metropolitan and regional New South Wales. These support groups provide people living with Parkinson's disease and their families the opportunity to share information and overcome the feelings of isolation that are commonly associated with the disease. Parkinson's New South Wales also has an advocacy role on behalf of the Parkinson's disease community. It strives to increase community awareness about the disease through educational sessions and promotional events. It is interesting to note that New South Wales is one of the few States that does not provide its local Parkinson's advocacy group with a basic grant to fund critical resources, such as office accommodation and secretarial assistance, and a phone line. Parkinson's New South Wales seeks to make a positive contribution to the provision of treatment and professional support services for people with Parkinson's disease.

Parkinson's Victoria receives $180,000 a year, Parkinson's Western Australia receives $243,000, Parkinson's South Australia receives $105,000, Parkinson's Queensland receives $125,000 and Parkinson's Tasmania is funded in a joint exercise with the Multiple Sclerosis Society. In New South Wales it does not receive anything, despite making many representations to the New South Wales Government over many years. I understand that Parkinson's New South Wales has also sought support from the New South Wales Government for a very valuable program called a Co-ordinated Managed Care Model. This internationally recognised best practice model of treatment of Parkinson's disease involves multidisciplinary clinics and Parkinson's disease nurse specialists. Currently New South Wales has only two of these nurses, and the organisation is seeking funding to increase that number to five. This very valuable intervention will be of enormous benefit to people with Parkinson's disease. It will help them to provide support and education to other people that live with Parkinson's disease, their partners, families and carers. I implore the State Government to listen carefully to the submission made by Parkinson's New South Wales, and to provide it with either funding for additional multidisciplinary clinics, or funding for secretarial support for its information line and support groups.

Earlier this evening I made a remark during debate on a Treasury matter. Although I intended it to be in good fun, it obviously offended the Treasurer, who was incredibly upset about it. I had no intention of causing him that offence, and I apologise for doing so. However, I would counsel the Treasurer to think carefully about the manner in which he regularly abuses members of this House and offends them—me included.

The Hon. Jan Burnswoods: Is this an apology or an attack?

The Hon. JOHN RYAN: It is not an attack at all. If he were perhaps not so robust in the way in which he abuses the forms of the House, he might not—

The Hon. Peter Primrose: You don't abuse people's families

The Hon. JOHN RYAN: I did not abuse his family.

The Hon. Jan Burnswoods: You're a sanctimonious hypocrite.

The Hon. JOHN RYAN: I did not abuse his family. I acknowledge the member's interjection as an excellent example of the way in which debate in this House is conducted.

The Hon. Jan Burnswoods: We all heard what you said. You are either apologising or—

The Hon. JOHN RYAN: I unreservedly and totally apologise to him. I did not intend to cause him offence.

The Hon. Jan Burnswoods: Go away! You hypocrite!

The Hon. JOHN RYAN: I thank the Hon. Jan Burnswoods. I do not think I am a hypocrite. I do not recall her ever apologising for any of the many remarks she has made in this House. But in any event, I apologise for the remark I made to the Treasurer. I had no intention of causing him or his family offence.

JOHN MARSDEN AND JUDICIAL OFFICERS CONDUCT

Reverend the Hon. FRED NILE [11.10 p.m.]: Tonight I speak on the subject of officers of the court and the understanding of our society that officers of the court—solicitors, barristers and especially those who become judges—have a responsibility to uphold the law. Because of some recent controversy I cannot be silent on putting on the record some of my concerns, particularly about the recent death and funeral of John Marsden, whose role as a solicitor caused controversy for many years. As I have stated, solicitors are supposed to uphold the law as officers of the court.

In spite of his extensive knowledge of the law, Mr Marsden blatantly broke the law during his life and acted as if he were above the law. He even called himself "a pot-smoking poofter". In spite of his successful defamation case against Channel 7, which televised interviews with young men who claimed that Mr Marsden had sex with them when they were solicited at the wall at Darlinghurst, Sydney, as underaged male prostitutes, I heard Mr Marsden clearly say on television on at least one occasion, with a grin, "I never asked the young men their ages." However, that is no defence to underage sexual offence cases. So the question is, did Mr Marsden deliberately break the law?

Mr Marsden also boasted of his homosexual lifestyle and his frequent same-sex acts of intercourse, which, before the law was repealed in 1984, was an offence in New South Wales known as "the abominable crime of buggery" in the Crimes Act. He also openly boasted that he broke the law against the use of marijuana. He even requested that a quantity of marijuana and amyl nitrate be placed in his coffin when he was buried. As we know, the authorities said that could not be done because it would have been illegal.

In spite of his deliberate flouting of the law, various organisations seemed to endorse his actions, given that he was elected to many high positions. For example, he was president of the New South Wales Law Society from 1992 to 1993, and in 1992 he was also appointed by Ted Pickering as a member of the New South Wales Police Board, on which he served from 1992 to 1994. The role of the police board was to supervise the New South Wales Police Force, and particularly to make decisions about all senior police promotions. I understand from my contact with police officers that that appointment had a harmful effect on police morale as Mr Marsden often used his skills, as we know, in many court cases—including the Milat rape cases—to succeed against the Crown, who brought those charges. He was also appointed to the prestigious Anti-Discrimination Board from 1988 to 1994. Ironically, it did not seem to have any effect on his life and professional appointments when he openly acknowledged his lifestyle and the fact that he was breaking the law. Because he was breaking the law I believe he should not have been appointed to those very important influential positions.

At the funeral service at the St. John's Catholic Church at Campbelltown, unfair attacks were made on a number of journalists, including those from Channel 7. A senior judge, who gave the eulogy, sought to whitewash Mr Marsden's character and ignore his lawbreaking behaviour, which was pointed out in a number of articles by Paul Sheehan in the *Sydney Morning Herald* and by Piers Akerman and other journalists. The question is whether that senior judge has also ignored some of the requirements of the law in his own lifestyle, because he boasted in a recent newspaper article that he himself had a sexual male partner for many years, from 11 February 1969—again, prior to the repeal of the law against buggery in 1984. I believe it is important that solicitors, barristers, and particularly judges should uphold the law by their example as well as their words.

CHILDHOOD OBESITY

The Hon. JAN BURNSWOODS [11.15 p.m.]: I congratulate the New South Wales Government, and in particular the Premier, the Minister for Health, and the Minister for Education, on the policy announced a couple of weeks ago in relation to the banning of soft drinks from schools as one of a number of strategies to deal with the increasing problem of childhood obesity. In a media release issued on 23 May those Ministers go into detail in relation to banning soft drinks from school canteens, a policy which, as Ms Tebbutt says, will be introduced in the first term of 2007 and will prevent the sale in school canteens of sugar sweetened drinks such as soft drinks, energy drinks, flavoured mineral waters, and sports drinks.

There is a lot of detail in the media release about a study undertaken known as the Schools Physical Activity and Nutrition Survey [SPANS], which involved 93 schools across the State and almost 5,500 students aged between five and 16. It is described as the most comprehensive survey into the exercise and eating habits of young people ever conducted in Australia. The ban on soft drinks fits in with various other policies the Government has adopted over recent times, and in particular it fits in with the very successful Healthy Canteens strategy.

I will just refer to a few of the other programs mentioned by Minister Hatzistergos in relation to the $4 million of childhood obesity initiatives that have emanated over recent years from NSW Health. They include the Hunter New England Childhood Obesity Prevention Program—the largest of such programs—the research being conducted by the New South Wales Centre for Overweight and Obesity, the New South Wales Centre for Physical Activity and Health, the New South Wales Centre for Public Health Nutrition at the University of Sydney and, as I have mentioned already, the Healthy Canteens strategy.

I would also like to draw attention to some of the programs dealing with the exercise side of the equation, for instance, the New South Wales School Sports Foundation. There have also been grants for programs that promote healthy behaviours, such as the Local Government Active Communities Grants Program and the Australian Breastfeeding Association, which promotes the known benefits of breastfeeding on later childhood weight and wellbeing. I would also like to mention that a report of the social issues committee in relation to dental services tabled some months ago dealt in part with the problem of childhood obesity and other issues that arise from poor nutrition and unhealthy eating. To give an idea of some of the evidence we received

in this important inquiry I shall quote from statements made to the committee by Associate Professor Cockrell. She said:

> The black cola drinks are supposed to be the worst because of the concentration of phosphoric acid, especially if you have a twist of lime in it because you have got a bit of citric acid in it as well. All of the soft drinks have the same effect in terms of erosion of enamel, and sugar consumption.

I draw the attention of members to other things in the report that draw very clear links between the consumption of high levels of sugar in such things as soft drinks, the links between poor nutrition and oral disease, and the way in which these things lead to tooth decay and can lead to diabetes and all sorts of problems in adulthood. This is a very important area and I congratulate the Government on the initiatives it is taking.

Motion agreed to.

The House adjourned at 11.20 p.m. until Thursday 8 June 2006 at 11.00 a.m.