LEGISLATIVE COUNCIL

Wednesday 17 October 2007

The President (The Hon. Peter Primrose) took the chair at 11.00 a.m.

The President read the Prayers.

TRADE MEASUREMENT LEGISLATION AMENDMENT BILL 2007

HOUSING AMENDMENT (COMMUNITY HOUSING PROVIDERS) BILL 2007

PARTNERSHIP AMENDMENT (VENTURE CAPITAL) BILL 2007

ANTI-DISCRIMINATION AMENDMENT (BREASTFEEDING) BILL 2007

Bills received from the Legislative Assembly.

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

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

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

Bills read a first time and ordered to be printed.

Second readings set down as orders of the day for a later hour.

JOINT SELECT COMMITTEE ON THE ROYAL NORTH SHORE HOSPITAL

The PRESIDENT: I report the receipt of the following message from the Legislative Assembly:

MR PRESIDENT

The Legislative Assembly has considered the Legislative Council message of 16 October 2007 and has this day agreed to the following resolution:

(1) That this House agrees with the Legislative Council's resolution relating to the appointment of a Joint Select Committee on the Royal North Shore Hospital with the following amendments:

  (a) Paragraph 4 (a) omit "four members of the Legislative Council," and insert instead "three members of the Legislative Council,";

  (b) Paragraph 4 (a) (i) omit "two must be Government members," and insert instead "one must be a Government member,";

  (c) Paragraph 4 (b) omit "four members of the Legislative Assembly," and insert instead "five members of the Legislative Assembly,"; and

  (d) Paragraph 4 (b) (i) omit "two must be Government members," and insert instead "three must be Government members,"

(2) That Wednesday 24 October 2007 at 1.05 p.m. in Room 1136 be fixed as the time and place for the first meeting.

(3) That a message be sent informing the Legislative Council of this resolution and requesting the Council's agreement to the proposed amendments.

Legislative Assembly
16 October 2007

RICHARD TORBAY
Speaker

Consideration of message set down as an order of the day for a future day.

PARLIAMENTARY SITTING SCHEDULE 2008

Motion by the Hon. Don Harwin, on behalf of the Hon. Catherine Cusack, agreed to:

That this House:

(a) notes the media release issued by the Victorian Minister for Community Development dated 28 August 2007, containing the Parliamentary sitting dates for the 2008 calendar year and stating that the Victorian State Budget will be handed down 6 May 2008,

(b) congratulates the Victorian Government for organising sitting dates and the Budget in advance so that the media, business, the community, members of Parliament and government agencies can make provision for these dates, make early arrangements around these dates, and improve planning for the 2008 year, and

(c) calls on the Government to announce the sitting days and Budget Day for the New South Wales' Parliament in 2008.

BUSINESS OF THE HOUSE

Suspension of Standing Orders

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

That standing orders be suspended to allow the presentation of an irregular petition from 675 citizens of New South Wales concerning the redevelopment of Lismore Base Hospital.

IRREGULAR PETITION

Lismore Base Hospital

Petition requesting funding for stage 2 of the Lismore Base Hospital redevelopment, received from **Mr Ian Cohen**.

BUSINESS OF THE HOUSE

Postponement of Business

Business of the House Notices of Motions Nos 1 and 2 postponed on motion by the Hon. Tony Kelly.

Business of the House Notice of Motion No. 3 postponed on motion by the Hon. Catherine Cusack.

Business of the House Notices of Motions Nos 4 and 5 postponed on motion by the Hon. Duncan Gay.

CRIMES (SENTENCING PROCEDURE) AMENDMENT BILL 2007

Bill introduced, and read a first time and ordered to be printed on motion by the Hon. John Hatzistergos.

Second Reading

The Hon. JOHN HATZISTERGOS (Attorney General, and Minister for Justice) [11.11 a.m.]: I move:

That this bill be now read a second time.

The Government is pleased to introduce the Crimes (Sentencing Procedure) Amendment Bill 2007. This bill is part of the Government's ongoing legal reforms to the sentencing regime in New South Wales. The New South Wales Government introduced standard minimum sentences in 2002. These reforms were aimed at, and have delivered on, the Government's commitment to promote greater transparency and consistency in sentencing while at the same time retaining judicial discretion by allowing judges to take into account the aggravating or mitigating circumstances of each individual case. The reforms also promote greater public understanding of the

sentencing process. The Iemma Government committed, if re-elected, to increase standard minimum sentences for a range of new offences, including the new standard minimum of 25 years jail for the murder of a child. We also gave a commitment to introduce new aggravating factors that judges must take into account when determining sentences and to tighten the law to make it harder for a criminal to use remorse as a mitigating factor. Today we are delivering on these commitments.

I will turn now to the detail of the bill. The bill introduces standard minimum sentences for 11 serious offences. It will also increase the existing standard minimum sentence for the offence of aggravated indecent assault of a child under 10 years from five years to eight years. Item [8] will introduce a standard minimum term of 25 years imprisonment for the murder of a child. This offence will be included in the most serious category of murder that demands the harshest sentences. That category already includes those offences of murder where the victim was a police officer, emergency services worker or other public official, exercising public or community functions, and where the offence arose because of the victim's occupation. This most serious category of murder recognises the terrible loss when the victim is both a vulnerable and valuable member of the community.

Item [9] introduces standard minimum sentences for those serious offences involving personal violence that do not already attract a standard minimum sentence: reckless wounding, a minimum three years imprisonment; reckless wounding in company, a minimum four years imprisonment; reckless infliction of grievous bodily harm, a minimum four years imprisonment; and reckless infliction of grievous bodily harm in company, a minimum five years imprisonment. These new standard minimum terms send a clear message to the community that the Government will not tolerate crimes of personal violence, which are especially abhorrent when done in company. Crimes of this nature destroy lives and tear at the fabric of our community. The bill also includes standard minimum sentences for vehicle rebirthing and serious drug and firearm offences that are intended to strike at organised crime and crimes committed for profit.

Item [12] will introduce a standard minimum sentence of four years imprisonment for the offences of car and boat rebirthing. Item [11] will amend offences relating to car jacking to include boats. Item [13] will introduce a standard minimum sentence of 10 years imprisonment for cultivation, supply or possession of a large commercial quantity of prohibited plants. Item [14] will introduce the following standard minimum sentences relating to firearms offences: unauthorised possession or use of a prohibited weapon, a minimum three years imprisonment; unauthorised sale of a prohibited firearm, a minimum 10 years imprisonment; unauthorised sale of firearms on an ongoing basis, a minimum 10 years imprisonment; and unauthorised possession of three or more prohibited firearms, a minimum 10 years imprisonment.

Those involved in organised car theft rackets, cultivation and supply of large quantities of illegal drugs, and the sale or possession of firearms take criminality to a very high level. In particular, these serious offences of possession, sale and supply of firearms may lead to other crimes of ever escalating gravity, including firearms usage and ultimately crimes of violence including armed robbery and even murder. Some of the offences under the Crimes Act 1900 that may or may not involve a firearm are already included in the standard minimum sentencing scheme. Such offences include murder, conspiracy to murder and attempted murder, wounding with intent to do bodily harm or resist arrest, robbery with arms and wounding, break and enter in circumstances of aggravation and special aggravation, and car jacking in circumstances of aggravation.

A number of recent legislative and other changes have been made to introduce new car theft, drug and firearm offences to improve detection, apprehension and prosecution of those who commit these offences. These measures show a coordinated approach to these problems. Such a coordinated approach is essential. These are offences where there is a strong need for general deterrence and consistency in sentencing. Item [10] will increase the current standard minimum sentence for the offence of aggravated indecent assault of a child less than 10 years old—section 61M (2)—from five years to eight years imprisonment. The existing standard minimum sentence for aggravated indecent assault is five years imprisonment. It is important that an offence committed against a child less than 10 years old carry a higher standard minimum sentence.

I now turn to the other provisions of the bill. The bill will introduce eight new categories of aggravating factors that judges must take into account at sentencing. Item [1] enacts section 21A (2) (ca), which will aggravate those offences that involved the use of explosives, chemical or biological agents. Item [1] also enacts section 21A (2) (cb), which will aggravate any offence that involved the offender causing the victim to take, inhale or be affected by a narcotic drug, alcohol or any other intoxicating substance.

Item [2] amends section 21A (2) (d) by adding a factor of aggravation where the offender has prior convictions for offences of serious personal violence and the offender is being sentenced for an offence of that

type. The definition will also capture serious sexual offences. Item [7] provides a definition of "serious personal violence", which will include all the offences carrying a maximum penalty of five years imprisonment or more listed in section 562A of the Crimes Act 1900, in which the definition of "personal violence offences" also includes sexual offences.

Item [3] enacts section 21A (2) (ea). Like the imposition of a standard minimum sentence of 25 years imprisonment for the murder of a child, this amendment is also directed at providing additional protection for children in our community. It requires the courts to give particular regard to offences that are committed in the presence of a child. Recently the Government created new offences in relation to the exposure of children to certain illicit drug activities and to the recruitment of children to participate in certain drug offences. Offences of violence that are perpetrated regardless of the presence of a child or children are particularly reprehensible. No child should be directly exposed to criminal activity of any kind, and the Government remains committed to that principle.

Item [3] also enacts section 21A (2) (eb). It will aggravate an offence that was committed within a victim's home or another person's home. This aggravating factor preserves the notion of sanctity of the home, whereby individuals are entitled to feel safe from harm of any kind. This protection should apply in any home. The courts have long recognised that it is an aggravating circumstance when victims are assaulted in their own homes. The Government takes the position that any offence committed in the home of the victim, even if it is also the home of the accused, or in the home of another person, violates that person's reasonable expectation of safety and security. However, when a crime is committed in and from the accused's own home—for example, if the offender is committing computer or fraud offences—and no other person is present, the aggravation will not apply.

Item [4] enacts section 21 (2) (ia), creating an aggravating factor where the actions of the offender represented a risk to national security. Item [4] enacts section 21A (2) (ib), which will aggravate any offence that involves a grave risk of death to other persons. These new aggravating factors are designed to thwart the actions of those who might consider wreaking havoc upon the safety of our community at large. Item [5] creates a new aggravating factor which will apply to an offence that was committed for financial gain.

I now turn to the final, however extremely important, provision of the bill. Item [6] amends the mitigating factor that is currently available to an offender if he or she has shown remorse. The amendment will ensure that remorse may be considered in mitigation of the offender's sentence only if the offender has provided evidence that he or she has accepted responsibility for his or her actions, and the offender has acknowledged any injury, loss or damage caused by his or her actions or made reparation for such injury, loss or damage, or both. It is reasonable to expect that where claims of remorse are made in mitigation there is some relevant and identifiable action by an offender demonstrating an acceptance of responsibility for his or her behaviour.

In New South Wales we believe that there is no right greater than the right to live one's life in safety, free from fear and intimidation. When this fundamental right is breached, when a person is physically injured, has their property, or worse still, their life or their dignity taken from them as a result of criminal behaviour, there is an obligation on society and government to do whatever is possible to ensure that there is reparation for, or acknowledgement of, that breach. Accordingly, we believe that victims deserve to see their perpetrators caught and subject to a sentence that reflects the gravity of the offence. We believe that victims have the right to be kept informed of how the accused will be tried and punished, and to be involved in that process, which includes the right to have validated any claim of remorse. The bill is another example of the Government delivering on its election commitments, and I commend it to the House.

Debate adjourned on motion by the Hon. Don Harwin and set down as an order of the day for a future day.

BAIL AMENDMENT BILL 2007

Bill introduced, and read a first time and ordered to be printed on motion by the Hon. John Hatzsistergos.

Second Reading

The Hon. JOHN HATZISTERGOS (Attorney General, and Minister for Justice) [11.25 a.m.]: I move:

That this bill be now read a second time.

The Government is pleased to introduce the Bail Amendment Bill 2007. The bill builds on the Government's extensive reforms over the past years to strengthen our bail laws and ensure the community is properly protected while defendants are awaiting trial. New South Wales now has the toughest bail laws in Australia. Over the last few years we have cracked down on repeat offenders—people who habitually come before our courts time and again. Part of those changes includes removing the presumption in favour of bail for a large number of crimes. We have also introduced presumptions against bail for crimes including drug importation, firearm offences, repeat property offences and riots, and an even more demanding exceptional circumstances test for murder and serious personal violence, including sexual assault.

Those types of offenders now have a much tougher time being granted bail under our rigorous system. These extensive changes have delivered results. There is no doubt that the inmate population, particularly those on remand, has risen considerably as a result of the changes. In fact, the number of remand prisoners has increased by 20 per cent in the last three years alone and new jails are being opened to accommodate the increase. The latest figures from the New South Wales reoffending database on bail decisions have shown that from 1995 to 2005 bail refusals in the District Court and Supreme Court have almost doubled, with an increase from 25.8 per cent to 46.4 per cent.

I now turn to the detail of the bill. The bill makes amendments to Bail Act 1978 designed to improve the administration of the bail system in New South Wales. It implements the Government's commitment at the last election. Schedule 1, item [1] adds additional firearms offences to the list of those to which a presumption against bail applies. Under section 8B of the Bail Act there is a presumption against bail for serious firearms and weapons offences. Some of these offences include the possession or use of a prohibited firearm, the unauthorised manufacture of firearms, and the selling of firearms on an ongoing basis.

The bill adds two more serious firearms offences to the presumption against bail, which is dealt with in section 8B. These offences include those connected with a prescribed person involved in a firearms dealing business, which is dealt with in section 44A of the Firearms Act 1996, and the offence of shortening of firearms, which is dealt with in section 62 of the Firearms Act 1996. The offences attract a maximum penalty of 14 and 10 years imprisonment respectively. Under the Firearms Act 1996 a "prescribed person" means a person who within the last 10 years has had their firearms dealers licence revoked, or has been convicted of an offence prescribed by the regulations, or has had their application for a licence or permit refused because they are a danger to the public, or they are subject to an apprehended violence order, a firearms prohibited order or a good behaviour bond. The shortening of a firearm is a serious offence because the modification is done in order to enhance performance or to facilitate the hiding of the weapon.

Given the parallels between section 36, which deals with unregistered firearms and attracts a presumption against bail, and section 62, it is appropriate to include it in section 8B of the Bail Act. The changes are necessary in order to ensure that the legislation is consistent with regard to serious firearm offences of similar gravity.

Item [2] makes a statute law revision amendment that updates cross-references to provisions of the Crimes Act 1900, which were amended by the Crimes Legislation Amendment (Gangs) Act 2006. Item [3] limits the number of bail applications that may be made by an accused person. Currently there is no limit on the number of times an accused person with access to money who can fund ongoing legal representation can apply to the Local Court for bail. The changes are necessary to guard against unnecessary, repeated bail applications that serve only to inflict further anguish upon victims. Provisions already exist to limit the number of applications for bail in the Supreme Court. These provisions will be extended to bail applications in the Local Court.

Under the amended provisions, the court will not be able to proceed with a second bail hearing unless the applicant had no legal representation the first time he made an application for bail, or the court can be satisfied that new facts or circumstances have arisen since the previous application. The changes strike an appropriate balance between offering greater protection to victims of crime and preserving the rights of an accused to apply to a court for bail. The proviso recognises that an accused will often lack the necessary skills to present the case well and should not be prejudiced through an initial inability to obtain representation.

The changes will also prevent what is known as "magistrate shopping"—the process of going from magistrate to magistrate, or judge to judge, with hope of obtaining a different outcome. The bill will also introduce an obligation on legal practitioners not to make applications for bail on behalf of their clients if the application would not meet these requirements. This will ensure that lawyers act in a responsible manner in

advising and representing their clients in making bail applications and will not pursue unnecessary claims. This will help guard against repetitive bail applications that have no chance of success and can greatly disturb the victim and induce worry and anxiety at the prospect of the defendant's release.

These reforms are part of the Government's ongoing work to ensure that the State's bail laws are the strictest in the nation, and that the people of New South Wales receive the highest standards of protection by the courts in assessing whether there is a danger of defendants re-offending while at liberty and awaiting trial. I commend the bill to the House.

Debate adjourned on motion by the Hon. Don Harwin and set down as an order of the day for a future day.

CROWN LAW OFFICERS LEGISLATION AMENDMENT (ABOLITION OF LIFE TENURE) BILL 2007

Bill introduced, and read a first time and ordered to be printed on motion by the Hon. John Hatzistergos.

Second Reading

The Hon. JOHN HATZISTERGOS (Attorney General, and Minister for Justice) [11.33 a.m.]: I move:

That this bill be now read a second time.

The Government is pleased to introduce the Crown Law Officers Legislation Amendment (Abolition of Life Tenure) bill 2007. This bill introduces fixed term appointments and compulsory retirement for a range of statutory offices in the New South Wales justice system. These statutory offices are: the Director of Public Prosecutions, the Deputy Director of Public Prosecutions, the Solicitor for Public Prosecutions, Crown Prosecutors, Public Defenders, and the Solicitor-General. The law currently provides most of these offices with life appointments.

Life tenure is an anachronistic concept. Appointments for life are a remnant of a bygone age that has well and truly passed; they are out of step with community expectations and are all but extinct in Australia. Life tenure fails to provide an incentive for continuous performance improvement. It also fails to acknowledge that turnover can be appropriate, particularly in positions as difficult, demanding and high profile as those covered by this bill. In fact, New South Wales is Australia's last bastion of life tenure for senior legal officers such as the Director of Public Prosecutions. Most other Australian jurisdictions have recognised that fixed terms for these positions are appropriate and desirable. Overwhelmingly, the law in the Commonwealth and the other States and Territories either specifies a term of appointment for these positions, or allows for fixed terms. In many cases, these are long-standing provisions that received bipartisan support.

The position in New South Wales is an anomaly. This bill will address this anomaly and bring New South Wales into line with the rest of Australia. Fixed terms will further enhance the accountability of statutory officers by providing an opportunity for continuous improvement. The Government has consulted widely and openly on the concept of fixed term appointments with current office holders, the Law Society, the Bar Association, the judiciary and victims groups. I then commissioned the Hon Greg James QC to review stakeholder submissions and prepare an independent report making recommendations as to the term of any future appointment of the offices in question. In preparing his report, Mr James reviewed the submissions, engaged in further discussions and correspondence with stakeholders, and reviewed comparative and other research material. The amendments in the bill reflect the views and advice of Mr James and many stakeholders on the appropriate architecture of a fixed term scheme for these offices.

I would like to make the very important point, however, that the changes the Government proposes will not affect current office holders. The bill will also ensure that the approach taken to future appointments is consistent with the approach taken to other senior statutory appointments in New South Wales. New South Wales has already introduced fixed terms for the Crown Advocate, the Ombudsman, the President of the Mental Health Tribunal, the Independent Commission against Corruption Commissioner and the Privacy Commissioner, the Senior Public Defender has a seven-year term and the Deputy Senior Public Defender has a five-year term. It is appropriate that statutory offices such as the Director of Public Prosecutions, Crown Prosecutors, Public Defenders and the Solicitor General are treated in the same way.

I will now outline the key provisions in the bill and deal firstly with amendments to the Director of Public Prosecutions Act 1986. Schedule 1 to the bill makes amendments to the Director of Public Prosecutions Act 1986. The Director of Public Prosecutions Act currently provides the Director of Public Prosecutions, the Deputy Director of Public Prosecutions and the Solicitor for Public Prosecutions with life appointments. These offices are appointed by the Governor and the appointment only ends when the office holder dies, resigns or is removed from office by the Governor. The statutory grounds for removal from office are limited to circumstances such as incapacity, bankruptcy, or a conviction for an offence carrying a penalty of imprisonment of 12 months or more.

New South Wales is the only Australian jurisdiction to provide the Director of Public Prosecutions with an automatic grant of life tenure. All other Australian jurisdictions either specify a term of appointment or allow for fixed terms for the Director of Public Prosecutions. The maximum terms of appointment range from five years in Western Australia to 20 years in Victoria. Tasmania, the Northern Territory and the Australian Capital Territory all have a compulsory retirement age for the Director of Public Prosecutions as well. When the Victorian provisions regarding the appointment of the Director of Public Prosecutions were enshrined in the State Constitution in 1999, Mr Merton MP, member of the Liberal Opposition commented:

> The notion of appointing a DPP for life has disappeared. None of us now believes the life appointment of a DPP is appropriate.

The bill will amend law of New South Wales to reflect this contemporary realisation. Clauses 4 and 5 of schedule 1 of the bill amend the Director of Public Prosecutions Act to provide a non-renewable fixed term appointment of 10 years for the office of Director of Public Prosecutions, with compulsory retirement at the age of 72. A 10-year term compares favourably with terms offered to Directors of Public Prosecutions in other Australian jurisdictions and is of sufficient length to attract a suitably qualified candidate to the office. A 10-year term also ensures the Director of Public Prosecutions will continue to be eligible for the judicial pension at Supreme Court level. As non-renewable term for the Director of Public Prosecutions avoids the possibility or perception that an office holder might modify his or her behaviour in order to secure reappointment. It also ensures regular turnover, which the Government believes is necessary given the pressures and high profile nature of this office. It was supported by a number of stakeholders during consultation.

The compulsory retirement age of 72 mirrors the retirement ages for judges, which is again appropriate given the Director of Public Prosecutions enjoys the same salary as a Supreme Court judge and is covered by the judicial pension scheme. The bill allows a shorter term of appointment to be made if the office holder is over 62 years of age, so that he or she retires no later than 72. Clauses 4 and 5 of schedule 1 also amend the Director of Public Prosecutions Act to provide the offices of Deputy Director of Public Prosecutions and Solicitor for Public Prosecutions with a renewable fixed term appointment of seven years, with compulsory retirement at the age of 65. A shorter term of appointment may be made so that that the office holder retires no later than 65.

A fixed seven-year term for a Deputy Director of Public Prosecutions and the Solicitor for Public Prosecutions provides certainty and compares favourably with terms attached to similar offices in other jurisdictions and New South Wales. Enabling the terms to be renewed provides an incentive for performance improvement and allows for some continuity and development in these offices. A compulsory retirement age of 65 restores the retirement age for these offices, which was originally instated in the Director of Public Prosecutions Act. It will provide a mechanism for some turnover at an appropriate stage in these highly demanding offices. Clause 11 of schedule 1 provides that these officers' right of return to public sector employment, which is currently exercisable upon resignation, will also be exercisable once their term appointment has expired. Clauses 9 and 10 of schedule 1 make amendments to the provisions governing the pension of the Director of Public Prosecutions that are consequent on the introduction of a compulsory retirement age of 72 for the Director of Public Prosecutions. Clause 2 of schedule 1 provides that these amendments will not apply retrospectively to a person holding the office of Director of Public Prosecutions, Deputy Director of Public Prosecutions or Solicitor for Public Prosecutions at the time of the bill's assent.

I turn to amendments to the Crown Prosecutors Act 1986. Schedule 2 to the bill makes amendments to the Crown Prosecutors Act 1986. The Crown Prosecutors Act currently provides that Crown Prosecutors are appointed for life. Their appointment only ends when they die, resign or are removed from office by the Governor. The statutory grounds for removal of a Crown Prosecutor are identical to those applying to statutory offices under the Director of Public Prosecutions Act. The Commonwealth and Victoria are the only other Australian jurisdictions to have a statutory office of Crown Prosecutor or equivalent. In both jurisdictions, Crown Prosecutors are appointed for renewable fixed terms. In the Commonwealth, Special Prosecutors are appointed for fixed terms of up to five years, renewable. In Victoria the Chief Crown Prosecutor and the Senior

Crown Prosecutor may be appointed for a fixed term of between 10 and 20 years, renewable, Crown Prosecutors may be appointed for up to 10 years, renewable, and Associate Crown Prosecutors for up to five years, renewable. Clause 4 of schedule 2 to the bill amends the Crown Prosecutors Act to provide that Crown Prosecutors may be appointed for a term of seven years, renewable at the expiry of the term.

Clause 5 of schedule 2 provides a statutory basis for the appointment of a Senior Crown Prosecutor and Deputy Senior Crown Prosecutors, also for renewable fixed terms of seven years. These positions currently exist in practice and are recognised for the purposes of Statutory and Other Officer Remuneration Tribunal determinations. However, they are not referred to in the Crown Prosecutors Act. Both the amendments in clause 5 of schedule 2, as well as those in clauses 6 to 12 and clause 14, ensure that the Crown Prosecutors Act reflects this administrative structure. Crown Prosecutors, Deputy Senior Crown Prosecutors and the Senior Crown Prosecutor will also be subject to compulsory retirement at 65. This is provided for in clause 6 of schedule 2 to the bill. Fixed but renewable terms of seven years will provide these office holders with certainty and security, but also promote conscientious performance. A retirement age of 65 restores the position under the original Crown Prosecutors Act and will ensure turnover in these offices at an appropriate time. A retirement age of 65 also accords with superannuation considerations and was supported by several stakeholders during consultation.

Clause 15 of schedule 2 provides that the existing right of Crown Prosecutors to return to public sector employment—currently exercisable upon resignation—may also be exercised at the expiry of a term appointment. Clause 16 of schedule 2 makes provisions of a saving and transitional nature. Importantly, it provides that the compulsory retirement and fixed term amendments will not apply retrospectively to a person holding the office of Crown Prosecutor at the time of the bill's assent. Furthermore, existing Crown Prosecutors that take up another Crown law office for a term will be able to revert to their life appointment as a Crown Prosecutor following resignation from or expiry of the term appointment. This is to ensure that Crown Prosecutors are not discouraged from applying for other statutory offices. In relation to amendments to the Public Defenders Act 1995, schedule 3 to the bill makes amendments to the Public Defenders Act 1995. The Public Defenders Act currently provides that the Senior Public Defender is appointed for a renewable fixed term of up to seven years. A Deputy Senior Public Defender is appointed for a renewable fixed term of up to five years. Public Defenders hold office until they die, resign or are removed from office by the Governor. The statutory grounds for removal of a Public Defender are similar to those applying to Crown Prosecutors and statutory offices under the Director of Public Prosecutions Act. A Public Defender who is appointed to the position of Senior Public Defender or Deputy Senior Public Defender maintains their status as a Public Defender and reverts to that office at the expiry of their term of appointment to the more senior post.

Clauses 5 and 6 of schedule 3 to the bill amend the Public Defenders Act to provide the offices of Public Defender, Deputy Senior Public Defender and Senior Public Defender with a renewable fixed term of seven years, with compulsory retirement at the age of 65. A shorter period of appointment may be made so that the office holder retires no later than this age. Renewable terms of this length will again provide office holders with security and independence, but at the same time ensure they have an incentive to strive for continuous performance improvement. The proposed retirement age of 65 restores the retirement age for Public Defenders prior to 1990 and will serve the purpose of achieving some appropriate turnover in the office. Clause 10 of schedule 3 to the bill extends to Public Defenders, Deputy Senior Public Defenders and the Senior Public Defender the right to return to public sector employment upon either resignation or expiry of their term appointment. Clause 11 of schedule 3 to the bill inserts provisions of a savings and transitional nature. They ensure that people holding the office of Public Defender, Deputy Senior Public Defender or Senior Public Defender at the time of the bill's assent will not be subject to the amendments and will continue to hold office under the current arrangements. Furthermore, existing Public Defenders who take up another Crown law appointment for a term will be entitled to revert to their life appointment as a Public Defender on resignation from or expiry of the fixed term appointment. Again, protecting the life tenure of current Public Defenders aims to ensure that they seek appointment to other Crown law offices.

I turn to amendments to the Solicitor General Act 1969. Schedule 4 to the bill makes amendments to the Solicitor General Act 1969. The Solicitor General Act currently provides that the Solicitor General may be appointed on such terms and conditions as the Governor determines. The Act therefore allows for fixed term appointments, although no maximum term is specified. The Act specifies the basis upon which the Solicitor General is deemed to have vacated office, including where the Solicitor General resigns, becomes bankrupt, becomes mentally incapacitated or engages in other paid work outside the duties of his or her office. Most other Australian jurisdictions enable the Solicitor General to be appointed for a fixed term and several set a maximum term of appointment. For instance, in both the Commonwealth and Western Australia the Solicitor General is appointed for a fixed term of up to seven years, the Queensland Solicitor General is appointed for a fixed term

of up to five years, and in both Tasmania and the Northern Territory the Solicitor General is subject to compulsory retirement. The statutory functions of the Solicitor General are very similar to the functions of the Crown Advocate under the Crown Advocate Act 1979. The Crown Advocate Act provides that the Crown Advocate may be appointed for a fixed term of up to seven years, renewable. There is no discernible reason why the position of the Solicitor General should not also be subject to a fixed term.

Clauses 2 and 3 of schedule 4 to the bill amend the Solicitor General Act 1969 to provide the Solicitor General with a renewable fixed term appointment of 10 years, with compulsory retirement at the age of 72. A renewable term of this length will attract candidates of sufficient calibre. A term of 10 years and a retirement age aligned with that of judges is also appropriate given that the Solicitor General, like the Director of Public Prosecutions, is a member of the judicial pension scheme. Clause 6 of schedule 4 makes amendments to the provisions governing the Solicitor General's pension entitlements that are consequent on the introduction of a compulsory retirement age of 72. Clause 7 of schedule 4 extends to the office of Solicitor General the right to carry over accrued public sector entitlements, as well as a right to return to public sector employment upon resignation or expiry of the term. The amendments in clause 7 of schedule 4 also provide that the amendments in the bill will not apply retrospectively to the person holding the office of Solicitor General at the time of the bill's assent.

As to the amendments to the Anti-Discrimination Act 1977, schedule 5 to the bill makes an amendment to the Anti-Discrimination Act 1977 in order to give effect to the compulsory retirement provisions in this bill. Specifically, it exempts each of the offices in question from the prohibition on compulsory retirement in the Anti-Discrimination Act. The bill also replaces the term "Australian legal practitioner" with the term "Australian lawyer" in the Director of Public Prosecutions Act, the Crown Prosecutors Act, the Public Defenders Act and the Solicitor General Act. This will ensure that lawyers who do not have a practising certificate, such as judges, are eligible for appointment to these positions. It will also ensure that people who are inadvertently late in renewing their practising certificate are not automatically vacated from office as a consequence. These amendments are made by clause 3 of schedule 1, clause 3 of schedule 2, clause 4 of schedule 3 and clause 1 of schedule 4 to the bill.

As to the process of appointment and reappointment, the bill inserts a provision in each of the relevant Acts confirming the power of the Attorney General to issue guidelines regarding the appointment and reappointment of the statutory offices in question. In this regard, I refer members to the amendments in clause 1 of schedule 1, clause 2 of schedule 2, clause 2 of schedule 3, and clause 5 of schedule 4. In order to uphold the integrity and independence of these offices, it is crucial that the process of appointment and reappointment is fair, transparent, and objective. The proposed guidelines will help achieve this objective. In developing these guidelines, I will, as with the development of this bill, take into account the advice of Mr Greg James, QC, and the views of stakeholders who have provided constructive suggestions on this issue. The Government is keen to ensure that the appointment and reappointment process is a fair one that is based on considerations of merit and performance.

In conclusion, the introduction of fixed terms for these statutory office holders is timely and appropriate. It will ensure there is incentive for people in these offices to perform and allow for some turnover in highly demanding positions. It will also bring New South Wales into line with other jurisdictions and with the approach taken to other senior statutory appointments in New South Wales. The Government believes this is a sensible and modern approach. It is consistent with the approach around the country and will ensure the community can have confidence in our State's senior legal officers and their independence. I commend the bill to the House.

Debate adjourned on motion by the Hon. Don Harwin and set down as an order of the day for a future day.

MOTOR DEALERS AMENDMENT BILL 2007

Second Reading

The Hon. PENNY SHARPE (Parliamentary Secretary) [11.51 a.m.], on behalf of the Hon. John Della Bosca: I move:

That this bill be now read a second time.

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

Leave granted.

I am pleased to introduce the Motor Dealers Amendment Bill 2007. The bill introduces a number of changes to the record-keeping requirements for motor dealers and will cut red tape across the sector. The Iemma Government is committed to reducing red tape for small business. An important priority of the State Plan is to help business by cutting the regulatory burden wherever possible. Strong, profitable businesses, particularly small businesses, are integral to job creation and in powering the New South Wales economy.

To assist in identifying areas where excessive regulation could be cut, the Government established a Small Business Regulation Review Taskforce in 2006. The task force looks at a sector of the New South Wales economy and makes recommendations on where paperwork can be minimised. I am pleased to inform the House that one of the very first areas looked at by the task force was the motor vehicle retailing and servicing sector. This sector was selected as it contains a very high proportion of small businesses. According to the Australian Bureau of Statistics, more than 96 per cent of the 20,000 businesses involved in motor vehicle retailing and servicing have fewer than 20 employees, and nearly half are what are often termed mum and dad operations.

The retailing side of the sector employs more than 2,500 people. Its significance to the New South Wales economy is shown by the more than 300,000 new motor vehicles sold across the State in the year May 2006 to April 2007. For many people, the purchase of a motor vehicle is the second-largest expense they will incur after the purchase of their home. The cost of cars, together with the risks for consumers, requires that motor dealing be regulated. However, this does not mean that we should let the industry become crushed under the weight of unnecessarily complex paperwork and outdated regulation.

Under the Motor Dealers Act and Regulation, dealers are required to keep a number of prescribed forms. These forms include a variety of different registers of the vehicles they are buying, selling and transferring. These registers include information about the vehicle, its odometer reading, any defects where relevant, the vehicles identifiers and any other relevant information. The data stored in the registers is vital for investigating consumer fraud and to help stamp out the trade in stolen cars and spare parts. The legislation also requires dealers to attach certain prescribed forms to motor vehicles to provide important information to consumers about the vehicles, such as the vehicle details, whether they are subject to a statutory warranty and whether they have previously been written off.

Currently, there are 19 separate prescribed forms under the Act. The task force recommended that the Office of Fair Trading look at each of these to identify opportunities for simplification and reduction. I am pleased to advise that this process has indeed been fruitful. The Motor Dealers Amendment Bill 2007 includes a number of changes to the law that will significantly reduce the burden for dealers, result in the abolition of four of the 19 prescribed forms and reduce the usage of one other. Under the current arrangements, dealers are required to complete a form each and every time they transfer a vehicle to another dealer, whether they are a retailer or a wholesaler. These inter-trade dealing forms contain information that helps Fair Trading and the police to trace a vehicle's history and includes information about its odometer reading, identifiers, where it came from and who it has been on-sold to.

During the work of the task force it was discovered that the Roads and Traffic Authority is collecting the same information when the registration of the vehicle is transferred. This means that, generally speaking, when a dealer transfers a vehicle to another dealer, he or she must provide this same information twice and complete two separate lots of forms. The task force identified this unnecessary duplication as an area for change, and the Motor Dealers Amendment Bill 2007 will abolish the need for dealers to complete inter-trade disposal forms. The change will not impact on the law enforcement capabilities of Fair Trading, the Roads and Traffic Authority or the Police Force. Fair Trading has already been in contact with the authority about the information it collects to ensure that required data is collected and both the Police Force and Fair Trading will be able to access the authority's database when conducting investigations.

I am advised that each year dealers across the State undertake around 600,000 inter-trade vehicle transfers. A cut in the red tape associated with these types of transactions will have an immense impact on the industry. The Office of Fair Trading has indicated that the changes will bring about an estimated $1.17 million saving for dealers in processing, printing, handling, storage and retrieval costs associated with this high number of transactions. This change is a win-win for industry and consumers alike. Dealers will be free of unnecessary red tape and will be able to spend more time doing what they do best—operating their small business and getting on with the job. Consumers can be assured that the strong audit trail for motor vehicles in inter-trade transactions will continue, and they may also benefit from any cost savings passed onto them by dealers.

I turn to the other area of significant change for dealers under the bill—the forms prescribed specifically for demonstrator vehicles. Demonstrator vehicles are very popular among consumers and dealers. They offer the benefits of buying a recent model car at a reduced price. They are, however, essentially used vehicles and the Government sees no reason that they should be treated any differently from other used vehicles. Currently, demonstrator vehicles require their own separate forms. By treating them in the same way as all other types of second-hand vehicles these demonstrator vehicle specific forms can be abolished, and the costs of maintaining the demonstrator registers for dealers as well. The information collected on demonstrator vehicle specific forms is the same as that collected on the generic forms used for other types of used vehicles. This includes the odometer reading of the vehicle, its identifiers and any defects that the consumer needs to know about.

All of the forms also contain information for consumers about their warranty rights and important advice on a vehicle's title and whether it has been previously written off. By treating demonstrator vehicles in the same way as all other used cars are treated for the purposes of the prescribed forms and warranty provisions under the Act the whole process will be simplified for consumers and dealers and it will ensure that separate arrangements exist only for used cars and new cars. Dealers will still be able to market demonstrator vehicles, which as I noted previously are often considered favourably by consumers. The definition of a demonstrator will also be retained under the Act to prevent dealers from marketing any used car as a demonstrator and misleading consumers. Dealers will also still be able to access the stamp duty benefits associated with demonstrator vehicles through the Office of State Revenue.

The main change for consumers will relate to warranties. The arrangements for statutory warranties for demonstrator vehicles differ slightly from those in place for other used cars. However, in the main, used vehicles currently attract a statutory warranty of three months or 5,000 kilometres, as do those demonstrator vehicles that have travelled more than 15,000 kilometres at the

time of sale. While there are differing statutory warranty provisions for those demonstrators that have travelled less than 15,000 kilometres at the time of sale, the manufacturer's warranty that is provided with demonstrator vehicles is far more generous than any statutory warranty that can be provided. In the case of three of Australia's largest vehicle retailers—namely, Holden, Toyota and Honda—the manufacturers warranty offered is three years or 100,000 kilometres. Others such as Mitsubishi offer even better terms.

I am advised that the changes will also bring the records required to be kept for demonstrators more in line with other jurisdictions such as the Australian Capital Territory and Queensland, while still offering greater protections than those offered in other States such as Western Australia, where in certain cases consumers can rely only on the manufacturer's warranty for their ex-demonstrator vehicle, and South Australia, where there are no statutory protections for demonstrator vehicles. In consultation with the Office of Fair Trading about the bill the Motor Traders Association has indicated that it does not believe that dealers will move away from their current marketing practices involving demonstrator vehicles, including the use of manufacturer's warranties.

The changes set out in the Motor Dealers Amendment Bill will have a significant and immediate impact on reducing red tape for Motor Dealers. However, the Government is going further. Already changes to the Motor Dealers Regulation are being developed that will further reduce the forms that dealers are required to keep. These proposed changes include combining the separate registers that car market operators fill in when selling vehicles with or without title guaranteed. Under the current arrangements dealers must fill in separate forms when a Register of Encumbered Vehicles check has been carried out or when one has not. The simplified register will allow dealers to indicate on the form whether title is guaranteed and will cut printing, storage and retrieval costs in half as only one form will be used instead of two.

It is also proposed to merge two other forms into a single simplified document by way of regulation. Separate forms are used for motor vehicles that are sold without a statutory warranty depending on whether the vehicle does not attract a warranty or is exempted from the warranty provisions altogether. In either case, the information the dealer must fill in is virtually identical. As in the case of vehicles sold at a car market, the proposed merging of the two forms will create significant savings for dealers. An added advantage for consumers is that the proposed new simplified and merged form will include information about the title of the vehicle as well as advice on written-off vehicles and whether a pink slip is required. Not all of this information is currently contained in such detail across the two separate forms.

As I have mentioned, the proposed cuts to the recordkeeping requirements for licensed motor dealers has been discussed with the Motor Traders Association. The changes have also been discussed with the Road and Traffic Authority, the New South Wales Police Force, the Institute of Automotive Mechanical Engineers and the chairperson of the Motor Vehicle Industry Advisory Council. All have indicated support for the measures, which are designed to cut red tape without affecting the strong consumer protection mechanisms under the Act.

Ultimately it is proposed that the entire package of reforms will reduce the number of forms the dealers will be required to complete from the current 19 to 13. At the end of the process a number of forms will be streamlined and merged, while unnecessary duplication will be cut. I am pleased to note that this is the third announcement in recent months that the Iemma Government has made to reduce red tape in the Fair Trading portfolio, particularly for small business. The three-year licence renewal scheme for builders will commence in July. Changes to the continuing professional development arrangements for a number of licences, as well as these important cuts to red tape in the motor vehicle retailing sector, demonstrate the Iemma Government's commitment to slash over-regulation for traders. The changes let businesses get on with the job of providing services to their customers, creating jobs and helping to boost the New South Wales economy for the benefit of everyone. I commend the bill to the House.

The Hon. CATHERINE CUSACK [11.52 a.m.]: The Motor Dealers Amendment Bill 2007 makes minor amendments to the Motor Dealers Act by enabling demonstrator vehicles to be treated as second-hand vehicles for paperwork purposes. Instead of having a separate category of forms for demonstrators, second-hand vehicle forms can now be used. This will not affect the special way in which the forms are displayed on vehicles, and I note the Minister's assurance to the Motor Traders Association that existing warranty and stamp duty arrangements for demonstrators will not be changed.

Secondly, the bill reduces some unnecessary paperwork associated with inter-dealer trade. The form known as Form 7 requires a notice of disposal to be lodged with the Office of Fair Trading. A recent review found the form duplicates information already being lodged with the Roads and Traffic Authority. As shadow Minister for Fair Trading I lead for the Opposition and advise the House that we will support this legislation. At the same time, I express our disappointment as to how the bill lacks substance. We do not share the Government's high opinion of its reforms, which are technical and timid and will do precious little to relieve the burden of red tape that confounds the motor industry.

The motor industry in New South Wales is a vital and important part of our economic and social infrastructure. In New South Wales 20,000 businesses employ 84,600 people, with 29 per cent in retailing and 71 per cent in the services sectors. But it is an industry that is in serious trouble. I recently attended a Melbourne Institute briefing that commented on the relative growth being experienced in some sectors usually perceived to be marginal, such as manufacturing, which is operating at around 8 per cent profitability. On the other hand, it is quite clear that the motor industry has slumped. The motor industry's profitability is reported to be currently below 3 per cent. As the *Australian* newspaper reported on 1 October 2007:

(Tony) Pensabene (of the Melbourne Institute) says the industry has experienced such levels before, in the early years of both this decade and last, but was rescued on each occasion by a surge in demand for Australian-built vehicles. This does not appear likely now, and a major restructuring to cut costs is the only obvious alternative.

It is difficult for the motor retail and services industry to restructure to improve productivity whilst it is trussed up like a chook in State-based red tape. That is why I say with considerable passion that this tepid, vanilla legislation is a big disappointment to an industry that has been hurting for some years now; it has been the least profitable sector in the Australian economy and it now faces further challenges unless genuine regulatory reform can be delivered. Failing that, small businesses, particularly in the motor repair industry, are simply going to be wiped out, and it looks like in the future the industry will franchise its services in order to cut costs.

In the motor repair industry there are 9,000 non-employing businesses and a further 8,620 people employed in 1,330 businesses that have fewer than 20 workers. The pressure on small businesses is unreal and the failure of Fair Trading and this bill to take a single measure to relieve their distress caused by red tape is a disgrace, and this Government ought to be ashamed of its pitiful efforts. For consumers there are two issues that drive regulation in the motor industry: the first is the cost of the purchase of a motor car, for which consumers require some special protection. For Australians the motor car is our basic unit of transport. It is the only transport in most of the State and for most of us it is the largest or the second largest purchase we will ever make, depending on whether or not we buy a home. But, unlike the family home, we have to register it, feed it $50 to $100 a week in petrol, service it, repair it, trade it in and replace it.

Secondly, consumers need to be protected from criminals. Unlike the family home, the motor car and spare parts industries are targeted by organised crime. In contrast with other legal consumer goods, cars and spare parts are the currency of international crime rings and terrorism. I will come back to this later in my remarks.

[*Interruption*]

If the Hon. Amanda Fazio thinks that home invasion is part of the currency of international terrorism, I think she needs to swot up a bit more on what are the challenges facing law enforcement. The reason why this bill is so weak is partly due to the flawed methodology of the New South Wales Government's Small Business Regulation Review Task Force Report on the Motor Vehicle Retailing and Services Sector dated August 2006. The recommendations of that task force led to the measures in this bill. The starting point for the task force inquiry into regulatory burdens in the motor industry should have been to ask what is the purpose of regulation? What are we trying to achieve? What can the Government and industry reasonably do to achieve these goals more effectively and efficiently? What are the measures of efficacy and efficiency? What is our baseline position and what are we aiming to improve when our policy recommendations are implemented? How will we know if and when those goals we set have been achieved?

The committee should have understood that regulation is but only one tool used by government to achieve outcomes and it cannot be considered in isolation from other policy instruments. What I am talking about is not rocket science; it is a structured approach to developing effective public policy. The task force on the motor industry would make an excellent textbook study of how not to develop public policy. For example, had the task force asked itself what is the purpose of all this regulation, it would have conducted its inquiries differently. One part of the answer is to reduce the opportunities for organised crime, particularly in relation to car rebirthing and trade in stolen vehicles and parts. This one goal generates more paperwork for business than any other public policy objective for the motor industry. Yet the Regulation Review Task Force did not include any representatives from law enforcement.

The task force was chaired by Loftus Harris, the Director General of State and Regional Development; and Government representatives included Roger Wilkins, then Director General of Cabinet Office; John Pierce, the Secretary of NSW Treasury; and Michael Coutts-Trotter, then Director General of Commerce and now Director General of School Education. Industry representatives were drawn from Australian Business Limited, Australian Industry Group and the New South Wales Small Business Development Corporation—all worthy people, but so far there is not one person on the task force who knows a thing about the car industry, let alone law enforcement issues. The Motor Traders Association and the Service Station Association were seconded for the task force but, in effect, they were making a submission that reflected the views of their members and were further constrained by the research methodology, which was to just go out and ask businesses what they thought the problems were.

Someone at the secretariat collated the list and then just deleted anything to do with generic regulation, such as taxation, industrial relations, WorkCover and all the other perceived rules and regulations that the bureaucrats decided were misconceived or poorly understood at the coalface. I think it is great that the coalface was consulted, but it is insufficient to ask small businesses what is the problem; there still needs to be a proper

methodology for reviewing all the anti-crime regulation that is to be complied with but is not necessarily understood by business.

The Government should have appointed a police representative to the task force to ensure this type of regulation and paperwork was being successfully reviewed. It is not as if the police do not want to be involved. To the contrary: police are virtually screaming with frustration at the loopholes and inefficiencies in regulation in government-operated databases that allow large-scale organised rackets to operate. Given much of the paperwork being filled in by the motor industry is to assist law enforcement, how could the State Government not have asked the police? I note that a number of the task force recommendations failed after the event when the police were belatedly consulted and explained why these reforms would not work.

I turn to the measures in the bill, particularly in relation to deleting prescribed Form 7 concerning inter-dealer vehicle trades when it was discovered that the Roads and Traffic Authority and the Office of Fair Trading were asking businesses for the same information.

Pursuant to sessional orders business interrupted and set down as an order of the day for a later hour.

QUESTIONS WITHOUT NOTICE

FIRE BRIGADES EMPLOYEES UNION WAGE CLAIM

PUBLIC SECTOR WAGES

The Hon. MICHAEL GALLACHER: I direct my question without notice to the Treasurer. Is the Treasurer aware that the New South Wales Fire Brigades Employees Union is seeking a 6.7 per cent increase in wages for its members? Given the Treasurer's 2007-08 budget papers in relation to public sector wages state that "future wage increases will be limited to a net cost of 2.5 per cent per annum", will he be supporting the Fire Brigades Employees Union's case for this wage increase?

The Hon. MICHAEL COSTA: It is clear that the Opposition does not understand the proposition of a net cost. A net cost means that once we look at the claim and net it against any productivity savings, the overall cost to the budget should be 2.5 per cent. That is the Government's wages policy and it will be applied across the public sector.

McARTHUR EXPRESS TRUCKING COMPANY

The Hon. PENNY SHARPE: My question is directed to the Minister for Industrial Relations. Can the Minister inform the House about the collapse of the trucking company McArthur Express and outstanding entitlements owed to New South Wales owner-drivers?

The Hon. JOHN DELLA BOSCA: I thank the honourable member for her question and interest in this important issue. The House may recall that last month the trucking company McArthur Express went into administration. As a consequence, about 700 employees, subcontractors and owner-drivers were left out of pocket in outstanding entitlements amounting to hundreds of thousands of dollars. For 430 employees compensation was provided through the Commonwealth Government's General Employment Entitlements and Redundancy Scheme, better known as GEERS.

However, for the owner-drivers based in New South Wales, Victoria, Queensland, South Australia and Western Australia it is sadly a different story. The Federal Workplace Relations Minister, Joe Hockey, has refused to extend the General Employment Entitlements and Redundancy Scheme to these employees and once again tried to shirk his responsibility and pass it on to the New South Wales Government. His reason for the flick pass is that the New South Wales Industrial Relations Act provides certain protections for owner-drivers under chapter 6. Chapter 6 exists to provide crucial protections for these vulnerable workers who under common law are not considered employees. It has nothing to do with compensation as Mr Hockey is attempting to assert as part of his mean and deceitful ploy to dud contractors. Mr Hockey ignores the obvious fact there are at least four States where McArthur Express owner-drivers are out of pocket and this alone demonstrates the need for real national leadership over this issue.

The Hon. Michael Costa: Mike Bailey understands it.

The Hon. JOHN DELLA BOSCA: Exactly, Mike Bailey understands. However, Mr Hockey wrongly believes that because New South Wales has had longstanding protections for owner-drivers New South Wales taxpayers should somehow cough up for the failings of the Federal Government's corporations laws.

The Hon. Duncan Gay: Point of order: Mr President, yesterday I sought a ruling from you about this particular Minister referring to Federal matters, where he has a conflict of interest. You will recall that I quoted from the code of conduct, which you brought forward, that indicated that members of Parliament must take all reasonable steps to declare any conflict of interest between their private financial interests and the discussions in which they participate in the execution of their office. This may be done through declaring their interest on the Register of Disclosures of the relevant House or through declaring their interest when speaking on the matter in the House or a committee. Mr President, I am indicating that this Minister needs to declare his conflict of interest in this whenever he goes into the Federal area because his spouse is a candidate at the Federal election.

The PRESIDENT: Order! I have heard enough.

The Hon. Duncan Gay: Mr President, you ruled yesterday on Standing Order 65, which relates to the question not the answer.

[*Interruption*]

The PRESIDENT: Order! I have heard enough. I place all members on a call to order for the first time. The standing orders of this House refer to pecuniary interest not to conflict of interest, and they prohibit members from voting in a division or serving on a committee inquiring into matters in which they have a direct pecuniary interest not in common with the general public or matters of public policy. The disclosure of pecuniary interest by a member is designed to prevent any potential conflict of interest developing between a member's public and private interests.

There are a series of rulings regarding pecuniary interest disclosures. In 2002, President Burgmann ruled that members do not have to answer for the actions of their families, only in relation to their own pecuniary interests. The code of conduct states that members of Parliament must take all reasonable steps to declare any conflict of interest between their private financial interests and decisions in which they participate in the execution of their office. It states further that this may be done through declaring their interests on the Register of Disclosures of the relevant House or through declaring their interest by speaking on the matter in the House or in committee proceedings. The fact that a member's spouse, child, mother, grandparent, nephew or cousin is standing for election to another Parliament does not amount to a conflict of interest and does not require disclosure in the pecuniary interests register.

The Hon. JOHN DELLA BOSCA: Mr Hockey has— [*Time expired.*]

The Hon. PENNY SHARPE: I ask a supplementary question. Can the Minister please elucidate his answer?

The Hon. JOHN DELLA BOSCA: I thank the honourable member for her supplementary question. Mr Hockey has confirmed his view to me in a letter I received from him last week. This is not only absurd but also presents more worrying concerns for all State-covered employees. Joe Hockey is now implying that only employees caught under WorkChoices are eligible for the General Employment Entitlements and Redundancy Scheme benefits. If they are not, they are on their own in the creditors' queue.

The Hon. Catherine Cusack: It is a State Government responsibility.

The Hon. JOHN DELLA BOSCA: If the honourable member were to listen to the answer, she would stop pursuing that foolish line of reasoning. The sole requirement is that one must be an employee with entitlements. It does not matter whether the industrial instrument that gives them those entitlements is Federal or State. If that has changed, Mr Hockey should officially advise State Governments and should reargue the Commonwealth's case in the High Court. That is the exact point on which the Commonwealth's case turned.

If Mr Hockey is as genuinely concerned about the workers at McArthur Express as he claims he is, he should take immediate action. He could alleviate the stress and anxiety of the families who have been out of

pocket for some weeks now with the simple stroke of a pen. Perhaps he should approach John Howard for advice. John Howard found no difficulty in bailing out his brother Stan when the National Textiles Company collapsed in February 2000 and left 340 employees high and dry. No State has an entitlements scheme for employees or contractors because, as Joe Hockey, John Howard and Peter Costello have said, it would significantly harm interstate competitiveness. That is why the Commonwealth Government established the General Employment Entitlements and Redundancy Scheme and that is why it must look after those affected by the collapse of McArthur Express. Mr Hockey's inability to understand his portfolio or to comprehend the damage WorkChoices has done is one reason his Government is facing such a serious defeat and he is facing such a challenge from Mike Bailey to hold his North Sydney seat.

SCHOOL ZONE FLASHING LIGHTS TENDER

The Hon. DUNCAN GAY: My question without notice is directed to the Minister for Roads. Does the Minister recall informing the House on 27 September this year that he was not aware which organisation was the successful tenderer to install flashing lights at 400 schools across New South Wales? That is a $46.5 million program that the Minister told the House would begin immediately. Is the Minister aware that a Roads and Traffic Authority spokesman has since told the media that a tender has not yet been let? Can the Minister confirm once and for all whether a tender has been let?

The Hon. ERIC ROOZENDAAL: I am advised a probity auditor has been involved at every stage of the procurement process, including the expressions of interest, the tender and the selection of those companies providing the technology for the first rollout of flashing light technology to the first 100 sites. It would be interesting for the House to understand that we had an expression of interest that then went to a tender process, which I believe seven companies were successful in, and they all provided technologies that were then rolled out across the State so they could be properly assessed for technical specifications, reliability, visibility and effectiveness. That is how it works. It is unfortunate that the shadow Minister fails to understand the basic running of government, and judging from his conduct today he clearly does not understand the rules of this House either.

Seven companies were selected in November 2006 to provide the different types of flashing lights for the 100 schools zones trialled. I am advised the names of the successful tenderers were made available to the 35 respondents on 10 November 2006 and have been available, if sought, from the Roads and Traffic Authority [RTA] since that date. The authority has commenced the next step. The New South Wales Centre for Road Safety is assessing and selecting the next school zone sites to receive this technology. This is about getting more sites equipped later this year and ready for the first term in 2008. I am advised these sites can be accommodated from the existing tender.

There will also be a further selection or tender process to provide flashing light technology for the remaining school zones. Obviously the successful companies will be determined at the time in an open and public process. The next stage of procurement will again be overseen by a probity auditor, as it should be. It is important to explain to the House a probity auditor has been present right through this process to ensure that the insinuations and the typical smear that the honourable member is now renowned for will have no basis whatsoever. The reason a probity auditor is engaged by the Roads and Traffic Authority—and that is an independent probity auditor especially brought in—is to ensure fairness—

The Hon. Duncan Gay: What sort of smear is there in asking who are the companies?

The Hon. ERIC ROOZENDAAL: You are the king of smear in this place. Your conduct today, attacking the wife of another member, demonstrates you are the king of smear. The reason a probity auditor is engaged by the Roads and Traffic Authority is to ensure fairness to all participants in the procurement process. That is as it should be, and the authority assures me that it underpins the process. The process allows the authority to get on with the job while maintaining strict probity.

The Hon. Duncan Gay: Who are the companies?

The Hon. ERIC ROOZENDAAL: You can ask the Roads and Traffic Authority, it is available. I am happy to table the list, if you like.

The Hon. Duncan Gay: I am asking you.

The Hon. ERIC ROOZENDAAL: I will table the list, which has been available since November last year. It is right here.

The Hon. Duncan Gay: The successful companies, who won the tender?

The Hon. ERIC ROOZENDAAL: I just answered that. The honourable member does not listen. I will table the list if he likes. The rollout of our $46 million school zones project is part of our ongoing commitment to improving school zone safety around the State. We are getting on with the job of making school zones safer with the latest flashing light technology. Combined with our 40-kilometre-an-hour speed limits in school zones, combined with pedestrian fencing, overhead passes, signalised lights and crossings, we are committed to improving road safety in all of the school zones around New South Wales as part of our commitment to improving safety for school kids. I remind all members of this House and the general public to slow down in school zones because schoolchildren do not have the same traffic sense as adults and they sometimes act in erratic ways and run across the road when they should not or cross the road where they should not. Drivers need to exercise extra caution at all times in school zones.

CALLAN PARK

Reverend the Hon. FRED NILE: I wish to ask the Treasurer, representing the Minister for Planning, a question without notice. Is it a fact that the Callan Park Act requires any educational services on the site to be offered on a not-for-profit basis? Is it a fact that Sydney University will need to run Callan Park as a profit-making, commercial operation in order to be justified? How does the Government propose to resolve this legal conflict to ensure Callan Park is used in accordance with the Callan Park Act?

The Hon. MICHAEL COSTA: I will take that question on notice but I have received some advice from somebody who knows about these matters. It appears the matter is easily resolved. I think it is not-for-profit educational facilities or universities. As the honourable member knows, some of the reforms the university sector has undertaken have a profit component within them. However, I will get that confirmed by the Minister and provide advice to the honourable member.

LICENCE LAWS FOR OLDER DRIVERS

The Hon. LYNDA VOLTZ: My question is addressed to the Minister for Roads. Will the Minister update honourable members on the issue of older drivers and the community discussion paper released by the Roads and Traffic Authority on this matter?

The Hon. ERIC ROOZENDAAL: The issue of older drivers in our community is emotive and complex. We need to achieve a balance between mobility and the continuing independence of older people. The Government also has to ensure their safety and the safety of other road users. That is why a discussion paper is out for public comment. I welcome broad debate and discussion in the community on this important matter before any decisions are made. My mind is very open on this issue of over-85 drivers.

The Hon. Greg Pearce: Your mind is empty.

The Hon. ERIC ROOZENDAAL: I acknowledge that the Hon. Greg Pearce's mind is empty. The proposals put forward by the Roads and Traffic Authority are for public debate about providing more choice and less testing for older drivers than the current system. This issue affects a lot of people. Around 90,000 people aged over 80 hold a New South Wales driver's licence. The Australian Bureau of Statistics estimates Australia's senior population will double over the next 30 years. The Roads and Traffic Authority has issued a discussion paper aimed at making it easier for drivers aged over 85 to stay on our roads. I note the Deputy Leader of the Opposition's support for this proposal. His media release of 24 July says this proposal is, "a sensible approach" and, "one put forward by the Liberals-Nationals Coalition." I thought what fantastic news, but I knew it was too good to be true. He went on to say, "This time the Iemma Government is finally on the right track, introducing real and workable road safety measures" and "The proposed changes are also good news for elderly drivers in the country."

However, while the Deputy Leader of the Opposition appears to be supporting this policy, his leader, the member for Ku-ring-gai, has made it his mission in the past few months to travel the State and scare older communities, in direct conflict with the shadow Minister's position. He has made it his mission to misrepresent this proposal despite his own shadow Minister's glowing support for it. The *Australian Senior* magazine said

that State Opposition leader Barry O'Farrell believes people power can defeat the Roads and Traffic Authority. Who sets the Opposition's road policy? Does the member for Ku-ring-gai even know what the Hon. Duncan Gay is up to? Does he even care what the Hon. Duncan Gay is up to and that he set Coalition policy on this matter on 24 July? He forgot to tell his leader and his party.

Now the Hon. Duncan Gay is attacking the policy he championed only two months ago. On 11 October the Newcastle *Herald* said that the Opposition's roads spokesperson, Duncan Gay, said a lot of people were angry and had every right to be. So, we see the Duncan Gay flip-flop, otherwise known as saying whatever comes into his head at the time. It is such a distinguished way of managing a shadow portfolio. Which one is it? Does he support the proposal? Has he changed his position on the policy because Barry told him to? Can he remember what he said earlier or does he make it up as he goes along? The Iemma Government will take into account many concerns when deciding whether to proceed with changes to over-85 driver rules. I am very open-minded on this issue. Drivers want a choice when they turn 85, and this will offer them a choice.

GAMING TAX REVENUE

Dr JOHN KAYE: I ask a question on behalf of Ms Lee Rhiannon, who is unwell today and is unable to be here. The question is directed to the Treasurer. Can the Treasurer confirm that he has discussed changing the gaming tax rates during his negotiations with Tabcorp about Star City's sole casino operating licence? Has the Government offered relief to the operator of Star City from a significant increase in gaming tax in return for Tabcorp relinquishing the exclusivity of its licence, thereby opening the door to a second casino and an even richer revenue stream for the Government? Will the Treasurer guarantee that any increased revenue as a result of changes to the current arrangements with Star City Casino will be hypothecated to increasing the current 2 per cent levy on casino gaming revenue that is currently allocated to the Responsible Gaming Fund?

The Hon. MICHAEL COSTA: Obviously I am not going to outline the current negotiations. They are still in flux. Clearly the negotiators have one objective and that is to maximise the benefits, both economic and social, for the community of New South Wales, so I will not go into that. It is surprising that the Greens are relying on uninformed media commentary because it appears that most of the information contained in that question comes from self-serving articles placed in newspapers to try to influence the outcome of the negotiations. Certainly we are in negotiations with the casino on its exclusivity. I hope that those negotiations will conclude in the next month or so. I give the House an assurance that any outcome that is concluded will be one that best serves the taxpayers of New South Wales.

I suggest the honourable member be careful about accepting propositions put by parties that are trying to influence negotiations by public pressure. It does not surprise me with this particular member that he can confuse things and get his facts wrong. He issued a press release recently attacking me and one line of it is worth putting on the record. Members from country electorates would take a particular interest in this. He said, based on his climate change mythology, "Prolonged drought would hit the economy of New South Wales like a tsunami." I would have thought that if you had a drought you would not have a tsunami because of the water that is involved.

Dr John Kaye: You don't know what a simile is. "Like" means similar to.

The Hon. MICHAEL COSTA: It is a simile. How can you have a simile about no water that contains water? Are you a complete idiot or what? "A prolonged drought would hit the economy of New South Wales like a tsunami and bring economic prosperity to a crashing halt." What a bunch of idiots these people are! Can you believe them?

Dr John Kaye: Point of order: I do not think that the phrase "a bunch of idiots" is parliamentary language.

The PRESIDENT: Order! I ask honourable members at all times to use parliamentary language. Has the Minister finished his answer?

The Hon. MICHAEL COSTA: I withdraw that comment. There is not a bunch of idiots; there is only one!

BUDGET FISCAL RESPONSIBILITY

The Hon. GREG PEARCE: My question is directed to the Treasurer, and Minister for Infrastructure. When will the Treasurer produce a budget result that achieves the key elements of the Government's fiscal

strategy under the Fiscal Responsibility Act, including to maintain general government sector net debt as a share of gross State produce at or below the June 2005 level?

The Hon. MICHAEL COSTA: That is a good question for the estimates committee and I look forward to responding on that day.

SOUTH COAST ECONOMY

The Hon. HENRY TSANG: My question is directed to the Minister for Lands, Minister for Rural Affairs, and Minister for Regional Development. Can the Minister update the House on the Iemma Government's commitment to the economy of the South Coast?

The Hon. TONY KELLY: It is always a pleasure to visit the South Coast. From its beaches and ports, through to the glorious hinterland and wonderful food industry, the South Coast is a wonderful part of New South Wales. The South Coast's economy is also on the move across a whole range of industries. I am pleased to advise the House that the Iemma Government, along with our Federal Australian Labor Party team, is committed to investing in infrastructure to facilitate economic growth of this vital region. Just yesterday the Federal shadow Minister for Transport, Roads and Tourism, Martin Ferguson, announced $15 million funding to start the $50 million Bega bypass on the Princes Highway. Mr Ferguson stated:

> This is an important strategic regional road to underpin Bega's thriving economy.

I would hope that all sides of politics welcome this important announcement. I am glad to report that the policies and programs of the Iemma Government are also driving economic growth in the South Coast region. During a recent visit to the far South Coast, I had the pleasure of announcing funding of $350,000 for infrastructure upgrades and repairs for the fishing port of Eden. The funding for the port is part of the Iemma Government's annual minor port program, which is managed by the Department of Lands.

Ports are an important gateway to economic growth for this State's coastal community. If the ports are busy then the surrounding region will benefit. The Department of Lands is responsible for the maintenance and improvement of 25 minor ports and 21 river entrances along the New South Wales coast—from Tweed in the north through to Eden in the south. These public assets, worth more than $2 billion, are maintained by the department through an annual $2.8 million program.

The investment in the port of Eden is just the first step in the Iemma Government's plan to secure the future of this great fishing and tourism port. Importantly, part of the $350,000 will go towards the preparation of design and tender documentation for major concrete repairs to the main mooring jetty. This will lay the ground for a major upgrade of the wharf—with some $2 million to be spent over the next few years. Our investment in Eden is a vote of confidence in the Eden community and the port that has served them since the nineteenth century. It will not only provide a boost to the fishing industry, but also help the tourism industry that over recent decades has been increasingly important in terms of economic growth and jobs for the region.

Further up the coast I visited the town of Nowra. A town on the move, Nowra has a number of growing businesses that are driving jobs and economic growth in the region. While in Nowra, I announced grants that helped two local companies expand their operations and will bring in a total of 35 new jobs to the area. The assistance was provided through the Illawarra Advantage Fund for the Nowra avionics company Partech Systems Pty Limited, and for the Box Built packaging company to expand its Bomaderry factory. Partech Systems has outgrown its existing premises and is building a new facility in the Shoalhaven Aviation Technology Park. The company is growing its business in high-tech, export-oriented areas, which more importantly will provide 22 new local jobs.

Box Built packaging was the winner of the 2006 Business of the Year Award at the Shoalhaven Business Awards. The Box Built packaging company has already completed its new building and the upgrade of its existing plant. The expansion means the company can branch out into cardboard, plastic and metal packaging crates. The net result has seen the creation of 13 new very welcome jobs in the Shoalhaven. The State Government assistance has helped these two companies through a major restructure and development phase. This work has seen new contracts, additional employment and building expansion that is a boon for the whole region. The Iemma Government will continue to invest in the people and businesses of the South Coast.

CONDONG AND BROADWATER SUGAR MILLS FUEL STOCKS

Mr IAN COHEN: My question is directed to the Minister for Primary Industries. A Parsons Brinckerhoff report on the availability of fuel for the Condong sugar mill cogeneration plant identified the

available harvest area for the Condong mill as the coastal area between the Tweed and Clarence rivers and concluded that the various fuel stocks would meet the requirements of the mill under most conditions but that the mill could close on a temporary basis if shortfalls occurred. However, the virtually identical cogeneration facility at the Broadwater mill is also dependent on the same supply area, making the conclusions of their report a complete nonsense. Both mills are currently being brought online and reportedly having big problems with all aspects of the operation. In light of this report and in light of the large amounts of State and Federal Government funding will the Minister guarantee that no native forests will be used? [*Time expired.*]

The Hon. IAN MACDONALD: I knew there would be a sting in the tail and it would deal with that particular issue. I am not aware that the companies are experiencing the sorts of problems suggested by the member in his question. Members might be aware that the Government has a strategy in relation to biomass plants. These plants are very good. They will provide power to the grid and assist in the operation of the mills—a very good idea.

These mills use what one could describe as the residues of forestry operations. I think it is probably a good idea that as we go into the future we maximise the value of this residue biomass in all areas of the State for the purposes of cogeneration. I know that a number of plans and proposals are being put forward that will utilise biomass from all sources. Given the fact that some of these forests are harvesting on an approved basis—it is not as though this is a non-approved activity in the production of timber—it is a good idea that there be the accretion of residues. These residues might well provide the basis for cogeneration, rather than be used for some other purpose. Economically, that could prove to be a win-win for both the environment and the industry.

So there is the possibility of residues being used. That, I believe, would be economically viable and would not be environmentally unsustainable; the residues are already used. It would be problematic, however, if we were to simply chop down trees for residues. But I do not know of any instance in which residues would be used in that way. I think it would be disastrously uneconomic to propose using them in that way. I will look at the proposal suggested by Mr Ian Cohen. Let us be clear here: We want to encourage cogeneration. It is a sustainable form of energy production, and I believe the usage of residues to achieve that is quite legitimate.

BICANIC AND AIKMAN ASSAULT POLICE CHARGES REVIEW

The Hon. JOHN AJAKA: My question is directed to the Attorney General, and Minister for Justice. Can the Attorney advise the House on the progress of the review that he requested the Director of Public Prosecutions conduct in relation to the downgrading of charges laid against Aaron Bicanic and Scott Aikman, who recently received good behaviour bonds for assaulting Wollongong police? Was the Office of the Director of Public Prosecutions found to have breached its internal guidelines in downgrading the charges, against the wishes of the two officers involved, one of whom tendered a victim impact statement? If so, what action has been taken in response to this breach?

The Hon. JOHN HATZISTERGOS: The issue the honourable member refers to was the subject of some discussion last week. A number of sentences set out penalties for attacks on officers, particularly in relation to rock throwing. I think the matter to which the honourable member refers relates to the case of Kayserian, who was sentenced to two years periodic detention—

The Hon. Michael Gallacher: No, Bicanic and Aikman. These are the blokes who assaulted police and got good behaviour bonds.

The Hon. JOHN HATZISTERGOS: I will take the question on notice and return to it at the end of question time.

NOXIOUS WEED CONTROL

The Hon. CHRISTINE ROBERTSON: My question is addressed to the Minister for Primary Industries. Will the Minister update the House on what funding is being provided to help control noxious weeds across New South Wales in the next financial year?

The Hon. IAN MACDONALD: I thank the Hon. Christine Robertson for her question. I know she has a great interest in this matter coming, as she does, from the Tamworth region. Members would be aware that uncontrolled weeds can wreak havoc in communities. They pose problems on roadsides, around people's properties and gardens, and, within the agriculture sector, can pose an enormous risk to both plant and animal

health. Weeds also represent a significant environmental challenge. The statistics say it all. Weeds pose a threat to 45 per cent of the biodiversity of New South Wales, and are the single biggest threat to biodiversity after land clearing.

In New South Wales alone, 127 individual weeds threaten 204 species, including both flora and fauna. Weeds cost Australian agriculture about $4 billion per annum. Around $1.2 billion of that cost is in New South Wales alone, and the State's figure blows out to $2 billion when we include the impact on water and the natural environment. That is why it is so important that we maintain our funding of programs to combat serious weeds.

I am pleased that the Iemma Government will this financial year invest $8.159 million for noxious weed control activities to be carried out by councils across New South Wales. Noxious weeds grants include $224,000 for the Hunter region, $330,000 for the Murray-Darling, $156,500 for upper Macquarie, $61,500 for the Central Coast, $204,000 for the Far North Coast, and $92,500 for Cooma-Monaro. This latest funding round includes a 2.2 per cent increase in weed control coordination grants in the 2007-08 financial year, and it increases to almost $80 million the amount provided by the Government in noxious weeds grants over the past 11 years.

Make no mistake: this new funding will play a significant role in helping councils battle this problem. The funding will be allocated to councils and other weed control authorities to tackle weed issues at the grassroots level. This latest round of Iemma Government noxious weeds grants will help local government, county councils and regional weed advisory committees deal with weeds in their own areas. It is about local people solving local problems at the local level. The grants will finance noxious weed control campaigns and community education programs, as well as help combat new weed incursions and train weeds officers.

Part of the challenge of maintaining an effective weeds control program is keeping track of new weed outbreaks. That is why I am pleased to point out that this latest funding also includes $100,000 specifically aimed at assisting the control of new weed incursions. High-priority weeds on our New South Wales hit list include fireweed, alligator weed, parthenium weed, prickle bush, Chilean needlegrass, serrated tussock, St John's wort and giant Parramatta grass.

Groups and individuals can make submissions for the noxious weeds grants. The submissions are reviewed by the Noxious Weeds Advisory Committee. The committee is made up of representatives from the New South Wales Farmers Association, the Shires Association, the Local Government Association, rural lands protection boards, catchment management committees and various government departments. Once projects are approved the State Government provides funding of up to a dollar to match every dollar contributed by the local control authority.

Another initiative I would like to share with the House on a related subject is the current development of the New South Wales Invasive Species Plan 2007-2015, which is being developed in line with our State Plan and will replace the current New South Wales Weeds Strategy. It will also incorporate the management of weeds, vertebrate pests, and freshwater and marine aquatic pests. The new plan will provide a clear set of objectives with key priority actions to deliver effective, measurable outcomes in managing this range of pests in New South Wales. The Department of Primary Industries is developing the plan and consulting with a wide range of industry and community stakeholders. Members of the public have also been encouraged to make submissions on the new plan, and they have the opportunity to do so until Friday of this week.

BEGA BYPASS FUNDING

The Hon. MATTHEW MASON-COX: My question is directed to the Minister for Roads. Can the Minister enlighten the House as to the total cost of the Bega bypass, in the light of Federal Labor's pledge to pump $15 million into the project without any consultation with local stakeholders and in the absence of a detailed plan? What will be the amount of the New South Wales Government's contribution to the bypass, and when will it be built?

The Hon. ERIC ROOZENDAAL: My heart warms to know that the Opposition has finally discovered the importance of roads in New South Wales. As members would be well aware, I have throughout the sittings of Parliament sought the Opposition's assistance to encourage the Federal Coalition Government to put some funds into New South Wales roads. I point out that the New South Wales Government's successful lobbying of Mark Vaile has forced him to give a commitment to the Pacific Highway. This is yet another demonstration of the Government's effectiveness in getting funds from Mark Vaile. The thing about Mark Vaile

is that he is a decent human being who actually listens. He wants to work with the New South Wales Government, in contrast to some of his colleagues opposite.

I am aware of the announcement Martin Ferguson made this week in relation to funding for a Bega bypass. Martin Ferguson is doing a great job as the Federal shadow Minister for Transport—of course, at the end of the election period, he will become the Federal Minister for Transport. In fact, his performance in this portfolio puts Jim Lloyd and the Howard Government to shame. Did I hear someone ask, "Jim who?" Put very simply, Lloyd will be just a footnote in the history of politics given that he will be defeated by an able Labor candidate in the Federal seat of Robertson. And we all know who the Labor candidate for that seat is! We have an excellent candidate, Belinda Neal, running against Jim Lloyd, who has disappeared off the political agenda as he desperately struggles and scurries around like a rat to try to protect his seat and cover-up the inaction of the Howard Government over many years. The Howard Government only seems to be interested in roads around election time.

The Hon. Duncan Gay: Point of order: My point of order relates to relevance. The question referred to a Bega bypass, and the Minister has not yet got within a bull's roar of that.

The PRESIDENT: Order! I ask the Minister to be generally relevant.

The Hon. ERIC ROOZENDAAL: It is a disgrace—

The Hon. Michael Gallacher: You hide behind *Hansard* to say bad things about Big Jim!

The Hon. ERIC ROOZENDAAL: Big Jim? He is a legend in his own underpants!

[*Interruption*]

How do I deal with such obscene gestures? It is a disgrace that it has taken an election to kick the Howard Government into taking action on a road as important as the Pacific Highway. I know that Martin Ferguson and Kevin Rudd have a genuine interest in regional road issues, and the Australian people agree with them. I look forward to working with Martin Ferguson and Kevin Rudd, who will be part of the new Federal Labor Government.

The Hon. MATTHEW MASON-COX: I ask a supplementary question: Will the Minister answer the question as to what contribution the New South Wales State Government will make to this road and when it will be built?

The Hon. ERIC ROOZENDAAL: I refer to my previous answer.

NARRABEEN LAGOON CATCHMENT CROWN LAND

Ms SYLVIA HALE: I direct my question to Minister for Lands, Minister for Rural Affairs, Minister for Regional Development, and Vice-President of the Executive Council. What proportion of the Crown land in the catchment of the Narrabeen Lagoon will be reserved for permanent environmental protection, and how will the Government ensure that permanent protection? Further, what plans does the Government have for any Crown land in the catchment area that is not to be given permanent protection?

The Hon. TONY KELLY: I know Ms Sylvia Hale has a great deal of respect for my memory and my ability to recall matters, but I remind her that 53 per cent of the State of New South Wales is Crown land. I do not recall specifically the issue that has been raised but I will provide an answer in relation to it in due course.

CORRECTIONAL CENTRES EDUCATIONAL PROGRAMS

The Hon. KAYEE GRIFFIN: I direct my question to the Attorney General, and Minister for Justice. Will the Minister advise the House on whether prisoners in New South Wales are undertaking to participate in educational programs offered in correctional centres and how this will assist them in their rehabilitation?

The Hon. JOHN HATZISTERGOS: With the Higher School Certificate soon to begin, it is timely to update the House on the significant education programs underway in corrective centres around New South Wales. Many inmates enter prison with poor literacy, numeracy and work skills—that is an unfortunate reality.

Most have had a fragmented school experience, very limited employment history and negligible work experience. The Government is serious about reducing reoffending, and that is why education programs in corrective centres are one of the core aspects of the State Plan. We know that if offenders come out of prison without skills or education they will be unlikely to get a job and more likely to commit further crime and end up back in prison. Education and work skills will stay with these people for life. It is an investment to help reduce reoffending and we hope it will pay dividends.

To help address education and skills issues in 2006 and 2007, the Government will be spending over $20 million on education programs—an increase of $7 million over that provided in the last three years. I am pleased to report that this investment is getting results. In 2006 and 2007 there was a monthly average of 4,718 enrolments by inmates in accredited educational courses in correctional centres around the State. In 2006 and 2007 these inmates successfully achieved 216 nationally recognised full certificate completions; just under 15,000 nationally recognised Statements of Attainment; 87 certificates awarded at certificate II level—the equivalent of School Certificate level qualification; 20 awarded a certificate III and IV level—the equivalent of Higher School Certificate level qualification; and seven inmates successfully completed pre-tertiary courses through universities.

Education in correctional centres in New South Wales is provided through the Adult Education and Vocational Training Institute, a registered training organisation with the New South Wales Department of Education and Training. The institute has 209 teachers employed by Corrective Services, delivering more than 80,000 teaching hours each year in 31 correctional centres across New South Wales. Inmates undertake a basic skills assessment that identifies literacy and numeracy skill deficits when they are processed into a correctional facility. Many offenders need to undertake treatment programs to address the offending behaviour—sex offender, drug and alcohol and violence prevention programs, to name a few. Often the offender does not have the skills necessary to be able to begin the program immediately. To deal with this, the Adult Education and Vocational Training Institute offers programs to help offenders develop the basic skills needed to participate in these offence-related courses. In this way the Adult Education and Vocational Training Institute works from the very beginning of the offender's time in prison to help him or her prepare for successful rehabilitation.

The Government's effort to reduce reoffending through programs and education is in stark contrast to that which it inherited. I recall a former Coalition Minister, the Hon. Michael Yabsley, referred to education programs as "useless activities which were implemented to help [inmates] get out [of jail] earlier". Under the Yabsley administration, expenditure on educational and other programs for inmates was slashed by 62 per cent. In fact, there were no permanently employed teachers in New South Wales prisons during that period. More recently, the previous shadow Minister for Justice said the programs available in correctional centres were "lifestyle programs" and that inmates should not have access to them. It is a shame that the Hon. John Ryan was dumped from the Liberal Party ticket for election to this Chamber; he saw merit in having such programs in correctional centres. The standing committee that he chaired reported:

> … 70 per cent of inmates in New South Wales prisons committed their most serious offence whilst under the influence of illegal drugs or alcohol. It makes sense that if we can address some of those matters we may set about the process of preventing crime.

Unlike our opponents, we are committed to helping prevent future crime by reducing the rate of reoffending. And one of the best ways of achieving this is to give inmates skills and education that will help them get jobs. [*Time expired.*]

EPURON WIND FARM PROPOSAL

Dr JOHN KAYE: I direct my question to the Minister for Primary Industries, Minister for Energy, Minister for Mineral Resources, and Minister for State Development. On 8 October 2007 did the Minister say on ABC radio, in respect of the Epuron proposal for a 1,000 megawatt installed capacity wind farm at Silverton, in Western New South Wales:

> Despite the optimistic note in the release of this proposal, it is assessed by our experts that New South Wales is not a high wind state.

On what data or research did the Minister base that claim? Will the Minister release or make public that research? What evidence does the Minister have to prove that the $2 billion investment of Epuron's own money is a false investment? Further, why has the Minister taken such a negative attitude to a proposal that promises to bring jobs, economic prosperity and clean energy to western New South Wales?

The Hon. IAN MACDONALD: This is a classic example of a few comments being taken out of context—the Greens do this time and time again—and it has been done probably as a result of a statement by

Tim Flannery on the television program *Lateline* that I was opposed to the project. Let me make it very clear that I am not opposed to the project and I did not oppose the project in the interview conducted with me on ABC television at Randwick on that day.

The New South Wales legislation provides for renewable energy targets, and projects that achieve those targets can be sourced from any locations in Australia that are linked with the grid. Accordingly, projects in South Australia, Tasmania, Victoria and Queensland can qualify for our scheme. Prior to my assuming the role of Minister for Energy, technical advice was provided to the Department of Energy that New South Wales was behind the other States in being able to efficiently produce wind energy to the market and that we should therefore source projects to meet the targets from other parts of Australia. The argument was not about whether this project was viable; it was about our legislation and the ability of external providers to meet those targets. That is what the discussion was about. It was not about whether or not I opposed this project.

I did say that there would be a number of difficulties with such a project. Any project of such a large size way out in the Mundi Mundi Plains at Silverton near Broken Hill would have to meet the difficulties of transmitting power to major areas and into the grid. The costs would be lower if it were a localised project that serviced Broken Hill, but it is not a locale-based project. Power has to be put into the grid and sent elsewhere, perhaps to Adelaide or Sydney. If the project is located way out in the Mundi Mundi Plains, that would involve huge transmission costs. I have been several times to the Mundi Mundi Plains, which are magnificent. The area may have large generation capacity and reasonable wind efficiency ratings, but I am not sure. The project is open for evaluation. I do not oppose the project, but I did raise the issue that the long distance to send the power to the grid could involve considerable transmission costs. That is what I said and I do not resile from that.

The New South Wales Government is encouraging wind power in a number of areas. We have a wind power station at Lake Carcoar and are looking at a number of other proposals. We do not oppose wind power, but to effectively and efficiently use wind power we will not discount projects in the southern part of the continent in areas of high wind velocity, whose power comes here on a national grid. That includes wind power stations that use the roaring forties wind on the west coast and winds in most parts of Tasmania, Victoria and South Australia. That is our position, no more or less. We do not oppose wind power, and we do not oppose this project.

Dr JOHN KAYE: I ask a supplementary question. Will the Minister table advice on the transmission distribution costs associated with the Epuron project? Will the Minister table advice on wind velocity and wind resource quality in relation to the Epuron project at Silverton?

The Hon. IAN MACDONALD: Again Dr John Kaye has missed the point. I do not rule out this particular project. I have pointed out that large transmission costs may be involved. By the way, I am meeting with Epuron.

Dr John Kaye: That would be a first.

The Hon. IAN MACDONALD: It is not a first. I have met with solar energy companies. I do not have a difficulty with such projects. I pointed out that this 1,000 megawatt proposal based out at Broken Hill may have large transmission costs in distributing the power. Environmental factors would be dealt with in a development approval. The situation is that New South Wales legislation is based on scientific assessments of wind resources in this State.

PARLIAMENT HOUSE SECURITY FUNDING

The Hon. DON HARWIN: My question without notice is directed to the Treasurer. What is the Treasurer's justification for refusing the request by the Presiding Officers for funding to implement recommendations following the security review of Parliament House security by the Australian Security Intelligence Organisation? What is his reasoning for suggesting that the Parliament resubmit the proposal as part of the 2008-09 budget process? Further, given his statement that this would ensure it is "considered in the context of all of the Government's priorities for funding", does he consider that the security of the Parliament, members, staff and visitors, including schoolchildren, is not a funding priority?

The Hon. MICHAEL COSTA: Mr President, as you would be aware because you were involved in the meetings, the Government did not refuse any request. We made available initial funds and said that the rest should be dealt with in the normal budget process. The reason for that is fiscal responsibility, which is something the Opposition does not understand.

SCHOOL UPGRADE AND MAINTENANCE

The Hon. AMANDA FAZIO: My question is addressed to the Minister for Education and Training. Could the Minister outline the latest practical initiatives to upgrade and maintain New South Wales schools?

The Hon. JOHN DELLA BOSCA: Students and teachers across the State have returned to school this week for term 4, after another round of maintenance and school upgrade projects were completed while they were away on vacation. During the spring school holidays a major schedule of more than 660 capital works and maintenance projects worth more than $48 million were commenced to make our schools cleaner, safer and more modern. This means that about 500 public schools across the State are receiving new carpets, upgraded toilets, new security fences, landscaping, lifts and ramps for students with disabilities, upgrades to administration blocks and a fresh coat of paint. This work schedule also includes upgrades to industrial arts rooms, libraries, canteens, playgrounds and science laboratories. Members would be aware that the Government is spending $2.5 million on science laboratories this year. It is the commencement of a $145 million project to upgrade 800 science laboratories around the State.

The Government is delivering projects that make a real difference to the daily lives of our students and their teachers. The Iemma Government is investing in Education and Training like no government before—$11.2 billion this year. We have almost tripled maintenance spending since coming to office. Many of the latest projects were undertaken during the holidays to minimise the disruption to students, and many more projects are about to begin. At the start of the holidays my friend and very active member for Miranda, Barry Collier, and I visited one project at Bonnet Bay Public School. The State is spending over $16,000 at the school to replace a sewer main. It is practical maintenance that is required and is part of the $650,000 worth of work going on in Miranda alone, such as carpet replacements, painting, external grounds work, roof repairs, handrails and security fences.

The Iemma Government is working hard to provide students and teachers with the best facilities to continue their good work. We are spending a record $531 million in 2007-08 on school improvements and $220 million on school maintenance. We are spending $700,000 a day to ensure that our schools are safe and efficient places to teach and learn. This is a significant and ongoing investment and I am always looking for ways to improve our initiatives so that students and teachers benefit from effective maintenance services that deliver the best value for money. The $48 million works include 111 painting projects, 55 carpet replacements, 28 new security fences and 23 toilet upgrades. Forty of the projects involve making schools more accessible for students with a disability by installing new ramps, lifts, toilets and handrails. In 2007-08 the New South Wales Government is spending a record $873 million to enhance educational facilities at public schools and TAFE colleges. We have increased the total New South Wales Education and Training budget by 87 per cent since coming to office. Capital works are up 168 per cent and maintenance is up a stunning 189 per cent, while the Commonwealth celebrates media events surrounding new flagpoles and birdbaths and demands new brass plaques to elevate the name of the Federal Minister. The Iemma Government is getting on with the job of essential maintenance in our 2,200 schools.

TAFE COURSE FEES

Reverend the Hon. Dr GORDON MOYES: I ask the Minister for Education and Training the following question without notice. Is the Minister aware that non-government school students undertaking vocational education and training courses at TAFE New South Wales are subject to very high fees? For example, a constituent whose son is studying electron technology in year 11 cannot afford to pay the associated fees. Is the Minister aware that this policy has effectively disfranchised the 30 per cent of school students in the non-government schools sector from undertaking vocational education and training whilst still at school? Does he not think that this is a form of inequity coming from a Government that is meant to have good antidiscrimination credentials? Is this policy of fees found on the TAFE New South Wales website?

The Hon. JOHN DELLA BOSCA: I would have to check the TAFE New South Wales website to answer the last part of the question asked by Reverend the Hon. Dr Gordon Moyes. I beg to differ with him, although he is a very wise man. Implicit in his question is that some form of discrimination is active in this policy. I correct him on that matter. That is definitely not the case. The Government is absolutely committed to support for the independent schools sector as well as to vocational education. The line of reasoning in the honourable member's question has some difficulties. He ought to understand that the New South Wales Government has, and always will, put in place initiatives in our public school system that underlie the quality of activities in government schools.

We have a good relationship with the independent sector. We always make sure we support initiatives the independent sector and the Catholic school system take to put in parallel proposals in their own schools. It is the policy of the Department of Education and Training and TAFE that charges are on a fee-for-service basis for all Higher School Certificate vocational education courses regardless of whether they are delivered in a government or a non-government school. These charges are not the standard TAFE fees but are rates determined specifically for secondary school students to cover items such as protective clothing and learning resources.

After consultation with non-government schools, the department has provided a cash grant to the two non-government school sectors since 2000 to cover TAFE charges. The Association of Independent Schools and the Catholic Education Commission receive the funds on behalf of their schools and then use their own processes to allocate the funds to schools where TAFE delivers vocational education courses. Each non-government school is free to determine how much of its share of the funding is issued to pay the TAFE fees and how much of the cost is passed on to parents. The department also charges non-government schools an amount to recover costs associated with the use of TAFE infrastructure, coordination and statewide program management. Put simply, there is no question of discrimination. In a policy sense, government schools and non-government schools are treated in the same way, but independent schools and schools in the Catholic school system by definition make their own decisions about how much of that funding to allocate to fees and how much they use from our recurrent grants.

I suggest that if members have further questions, they place them on notice.

NARRABEEN LAGOON CATCHMENT CROWN LAND

The Hon. TONY KELLY: Earlier Ms Sylvia Hale asked me a question about the Narrabeen Lagoon Catchment. At Belrose, Cromer and Oxford Falls, 464 hectares of Crown land has been assessed under the Crown Lands Act 1989. About two-thirds of the area has been identified as suitable for environmental protection/community purposes, with the remaining one-third set aside for further investigation. The Department of Lands will consult further with Warringah Council and the Department of Environment and Climate Change in respect of these lands. No action will be taken over these lands pending the finalisation of this review by way of a plan of management.

BICANIC AND AIKMAN ASSAULT POLICE CHARGES REVIEW

The Hon. JOHN HATZISTERGOS: During question time the Hon. John Ajaka asked me a question regarding correspondence between the Director of Public Prosecutions and me concerning the matter of *R v Bicanic and Aikman*. My request to the Director of Public Prosecutions was in a letter dated 17 September 2007 regarding the sentences imposed on those offenders at the Wollongong District Court on 4 September 2007 by His Honour Judge Conlon and, in particular, the adequacy of those sentences. Both offenders were sentenced to two years imprisonment, which was suspended pursuant to section 12 of the Crimes (Sentencing Procedure) Act 1900.

The Director of Public Prosecutions wrote to me on 26 September 2007 advising that he had received reports from the solicitor with the carriage of the matter and also the Crown Prosecutor who appeared at the sentence proceedings. He had also been provided with the material tendered on sentence and the remarks on sentence. Having examined that material, the Director of Public Prosecutions advised that he was unable to discern any material error of law or fact in the judgment or other error identified pursuant to his guidelines. He also considered the question of whether the sentences imposed were manifestly inadequate so as to disclose error in themselves and such as to attract the intervention of the Court of Criminal Appeal in the light of the statements of principle that apply to Crown appeals. The Director of Public Prosecutions advised that he was unable to identify any other basis on which the sentences could be attacked on appeal with any reasonable prospect of success. He therefore declined to order a Crown appeal.

LISMORE STORM DAMAGE

The Hon. ERIC ROOZENDAAL: Yesterday the Deputy Leader of the Opposition asked me a question in relation to the Lismore hailstorm. I have asked the Roads and Traffic Authority to do all it can to help people get back on the road. The Insurance Council of Australia has reported 9,000 insurance claims, with a damage bill of almost $15 million. But the Roads and Traffic Authority does not write-off vehicles; that is the task of insurance companies. Insurance companies assess vehicles and may choose to write-off vehicles.

My office has contacted several car insurers, and I commend insurers for their timely efforts to help the people of Lismore. I understand that NRMA Insurance has assessed about 2,700 car damage claims in Lismore. Of these, about 30 per cent, or a bit below 1,000, are expected to be write-offs. NRMA Insurance advice is that if these vehicles are still drivable, customers can keep the vehicle until they are ready to hand it over—it will not be formally written off until then. Customers then will be paid out within 48 hours. I am told most motorists are taking this option. If they want to leave their vehicle then and there they are given a taxi voucher or 14-day car hire, if they have taken this option on their policy.

NRMA Insurance has advised my office that the repairable vehicles are being referred to local repairers wherever possible. They are obviously very busy and if the customer wants the job done urgently NRMA Insurance is trying to find them another repairer in the region. In the meantime they can still drive the vehicle. I understand AAMI is taking a similar approach. This is about helping people in difficult circumstances. I certainly encourage all insurance companies to bear in mind the hardship the people of the region are facing.

Car insurance is a matter between car owners and their insurer. However, the New South Wales Government is doing all it can to help car owners affected by the storms. The Roads and Traffic Authority will waive or refund certain fees. Registration transfer fees will be waived for hail affected customers. Also, the following transactions will be processed at no fee for hail affected customers: the re-issue or remake of number plates, replacement certificates of registration and replacement registration labels. I am happy to have the Roads and Traffic Authority address any specific issues raised by concerned people in Lismore.

SCHOOL ZONE FLASHING LIGHTS TENDER

The Hon. ERIC ROOZENDAAL: Today the Deputy Leader of the Opposition asked me a question about the school zone flashing lights tender. I table a list of respondents who were successful in the expressions of interest for flashing lights.

Document tabled.

Questions without notice concluded.

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

SELECT COMMITTEE ON ELECTORAL AND POLITICAL PARTY FUNDING

Membership

The PRESIDENT: I inform the House that at a meeting held this day Reverend the Hon. Fred Nile was elected Chair and the Hon. Don Harwin was elected Deputy Chair of the Select Committee on Electoral and Political Party Funding.

UNPROCLAIMED LEGISLATION

The Hon. Tony Kelly tabled a list detailing all legislation unproclaimed 90 calendar days after assent as at 17 October 2007.

STANDING COMMITTEE ON LAW AND JUSTICE

Report: Unfair Terms in Consumer Contracts

Debate resumed from 27 September 2007.

The Hon. CHRISTINE ROBERTSON [2.33 p.m.]: I am pleased to commence debate on the thirty-second report of the Standing Committee on Law and Justice entitled "Unfair Terms in Consumer Contracts", which was tabled in this House on 23 November 2006. First, I thank my fellow committee members for their assistance in producing this bipartisan report. The five recommendations in the report and the report were adopted unanimously. The Hon. John Della Bosca, the then Minister for Commerce, referred the inquiry to the committee on 28 August 2006. The committee was asked to inquire into and report on the incidence and impact of unfair consumer contracts, the current legal and regulatory environment in New South Wales and the adequacy of that framework. The committee was also asked to consider the effectiveness of specific purpose

legislation for dealing with this issue in other jurisdictions, including the United Kingdom's Unfair Terms in Consumer Contracts Regulations 1999 and part 2B of the Victorian Fair Trading Act 1999.

The committee received submissions from a wide variety of stakeholders and held a public hearing at which it took evidence from representatives of the Office of Fair Trading, consumer advocacy groups, the banking sector and Consumer Affairs Victoria, which is the Victorian Government's equivalent of this State's Office of Fair Trading. The terms of reference for this inquiry asked the committee to examine the prevalence of four types of unfair contractual terms. These were terms that allow the supplier to vary the goods and services supplied to the consumer, terms that penalise the consumer and not the supplier when there is a breach of the contract, terms that allow the supplier to suspend services but continue to charge the consumer, and terms that permit the supplier but not the consumer to terminate the contract. The committee received a substantial amount of evidence that all four of these unfair terms are prevalent in consumer contracts. The committee was also informed that these terms and others like them create a significant imbalance between the supplier and the consumer to the detriment of the consumer.

The committee also received evidence that the widespread use of standard form contracts has contributed to the increase in unfair terms in consumer contracts. Standard form contracts are often used by the mobile phone, cable television, Internet and hire car industries. These contracts do not allow for a process of negotiation between the two parties. While standard form contracts provide a convenient and economic way for a consumer to engage a service provider, the committee was advised that they often leave the consumer open to unfair terms if the contracts are lengthy and not in plain English. The committee heard a great deal about these contracts during the inquiry. They are incredibly lengthy and contain complex legal language, which made it very difficult for members of the committee to analyse them, which demonstrated the problems they cause.

New South Wales has no specific unfair consumer contract legislation. Consumers must seek redress from unfair contract terms at either common law or under certain statutory provisions. In this report the committee has examined the effectiveness of the New South Wales Contracts Review Act 1980, the New South Wales Fair Trading Act 1987 and the Commonwealth Trade Practice Act 1974 in relation to compensation or protection from unfair contractual terms. The committee also examined the effectiveness of the common law as a remedy.

The committee heard overwhelming evidence that this State's current regulatory framework does not adequately address unfair terms in consumer contracts. The committee was informed that instigating legal action can be costly and time consuming for consumers and that this kind of litigation occurring on a case-by-case basis cannot affect systemic change. In addition, a number of legal academics and practitioners told the committee this framework has an emphasis on procedural rather than substantive fairness. That is, if the contract has been issued and agreed to following due process it does not matter if the content of the contract can be deemed unfair. That is an interesting point. The committee also examined the usefulness of industry-specific codes in providing consumers with protection against unfair terms. The committee heard evidence that, while some industry-specific codes provide useful guidance in relation to contract fairness, they are limited to the specific industries that have devised them and often do not comprehensively address the issue of unfair terms.

The majority of organisations and individuals who made submissions or gave evidence to the committee during the inquiry argued the need for specific purpose legislation to protect New South Wales consumers against unfair contractual terms. The committee was advised that national regulations to protect consumers from unfair contract terms have been canvassed by the Ministerial Council on Consumer Affairs, but that the process appears to have stalled. Most inquiry participants who expressed support for specific purpose legislation for New South Wales also favoured national legislation.

One of the reasons is that many commercial organisations now have a national base. It would therefore be incredibly difficult if different States had different regulations. Given the uncertainty about whether a national response to the issue would eventuate, those participants advocated for New South Wales to enact its own legislation. The committee has concurred with the strong majority view expressed throughout the inquiry that because national legislation is not foreseeable in the immediate future, New South Wales should proceed with its own legislation. Accordingly, the committee has recommended that the Government seek an amendment to the Fair Trading Act 1987 to establish a scheme to protect consumers against unfair contract terms.

The terms of reference required the committee to examine part 2B of the Victorian Fair Trading Act 1999 and the United Kingdom Unfair Terms in Consumer Contracts Regulations 1999. Both pieces of

legislation prevent the use of unfair terms in consumer contracts, which are both monitored by their respective consumer affairs bodies. Under part 2B of the Victorian Fair Trading Act 1999, the use of unfair terms in a consumer contract will result in the terms being deemed void, and the rest of the contract may continue to bind the parties only if it is capable of existing without the unfair terms. The Director of Consumer Affairs Victoria, Dr David Cousins, who gave evidence to the committee, also noted that part 2B provides industry with a broad standard to guide businesses.

The other role that the Victorian department carried out was to support business and other organisations in writing up their contracts in plain English so that they make sense and are fair in the long term. The department did not simply deliver a new process; it also assisted people to deliver on that process. Similarly, under the United Kingdom legislation, if a term is found to be unfair it is not legally binding on the consumer. If a service provider refuses to accept that the term is unfair, a consumer can take legal action.

The vast majority of evidence presented to the committee suggested that each of these pieces of legislation successfully limits the use of unfair terms in consumer contracts without imposing unnecessary burdens on the industries that must comply with them. The Victorian model was favoured by most of the submission makers and witnesses who advocated for the introduction of specific purpose legislation in New South Wales. A number of inquiry participants emphasised the need for consistency between jurisdictions in implementing specific unfair terms legislation—these days most organisations are nationwide; they do not belong to just one State—particularly in the absence of a national scheme. Therefore, the committee has recommended that the Government model its amendment to the Fair Trading Act to establish a scheme for the protection of consumers in relation to unfair terms in consumer contracts on part 2B of the Victorian Fair Trading Act 1999.

Given the expertise of Consumer Affairs Victoria in implementing the Victorian scheme, the committee has also recommended that the Government consult with the Victorian Government to draw upon its experiences in designing and implementing specific consumer protection legislation. The evidence the committee received during this inquiry was of a particularly high standard and many participants had useful suggestions to make about possible amendments in light of experiences in both the United Kingdom and Victoria. The committee also recommends that when developing the amendment to the Fair Trading Act the Government consider the views articulated to the committee concerning appropriate inclusions in the New South Wales scheme as set out in the report. The committee has also recommended that the Government established a task force to design the new scheme, including industry representatives, representatives of the Office of Fair Trading and other relevant stakeholders.

Before I conclude I thank everybody who worked so well on this inquiry. When we were first given the terms of reference we knew there were community issues, but we probably expected it to be a fairly routine inquiry. However, as witnesses gave us information we recognised there were quite a few issues to be worked through with individual businesses and with consumer protection organisations before we could, in a blasé way, say we must introduce this protection. We realised it was quite a complex issue. Apart from, I think, two interest groups there was a consensus from the witnesses—who were a broad cross-section of people interested in the issue—that the issue needed addressing as soon as possible.

We have had a Government response to our report and recommendations. The Government's response endorsed the report and our recommendations and has referred the recommendation that the amendment be introduced back to the department for it to further investigate the need and how it will deliver on that. The work of this committee was comprehensive and the evidence we received will strongly endorse the Government's following through on the introduction of this legislation as soon as it can. Finally, I reiterate my thanks to my fellow committee members for their bipartisan approach to the production of this unanimous report. I also thank those who contributed to this inquiry. A large number of submission makers and witnesses provided a clear and succinct analysis of the issues and their perspective on them, which greatly assisted the committee's understanding of this area of law. I thank Miss Rachel Callinan, Miss Victoria Pymm and Miss Dora Oravacz of the secretariat for their assistance in the production of this report.

The Hon. DAVID CLARKE [2.44 p.m.]: The report entitled "Unfair Terms in Consumer Contracts" from the Standing Committee on Law and Justice is important because it deals with a festering issue that has caused untold difficulty and hardship for a significant portion of the people of New South Wales. For too long there has been an unlevel field in the area of consumer contracts. For too long New South Wales consumers have had no alternative, if they are seeking to purchase goods and services, to enter into contracts that all too often placed them at an unfair disadvantage in relation to the supplier of the goods and services. For too long

consumers have been faced with the unilateral variation of price or goods and services description without notice to the consumer.

For too long consumers have been confronted with contracts the terms of which penalise consumers but not suppliers. For far too long and too often the consumer public of New South Wales has had no realistic alternative other than to enter contracts that allow the supplier to unilaterally suspend services or even terminate the contract altogether without a reciprocal right by the consumer. Hardly a day goes by without further outrageous examples coming to light of consumers being negatively impacted upon as a result of unfair terms incorporated into consumer contracts. The Legal Aid Commission has observed:

> Unfair terms in consumer contracts are an endemic problem for consumers in society today.
>
> Examples can be found across the board; in the provision of financial services to insurance car hire agreements to mobile phone contracts to computer sales and on and on. The experience of the Commission is that unfair terms in consumer contracts are so widespread and have such an impact that legislative reform is demanded.

The inquiry conducted by the Standing Committee on Law and Justice certainly found widespread evidence of a detrimental impact of unfair consumer contracts on New South Wales consumers. This was particularly evident in contracts dealing with mobile phones, cable television, gym membership and banking services. It was the clear and unambiguous view of the standing committee that the New South Wales Fair Trading Act 1987 be amended to establish a scheme for the protection of consumers in relation to unfair terms in consumer contracts. After what I believe is a thorough and detailed consideration of the legislative approach to this problem in other jurisdictions, it is the committee's view that such amendment should be based on the consumer protection contained in the Victorian Fair Trading Act 1999.

It is the standing committee's recommendation that in preparing the amendments required to the New South Wales Fair Trading Act 1987 the New South Wales Government should create a task force within the New South Wales Office of Fair Trading to develop an appropriate scheme—a task force inclusive of all relevant stakeholders, particularly consumer and industry representatives. I do not propose to traverse all the evidence that came before the committee or the reasons that led the committee to come to the conclusion it did because members can read the transcripts and the report for themselves. However, I stress that the use of unfair terms in consumer contracts is a source of great injustice to the consumer public of South Wales. It is fair to say that virtually every consumer in New South Wales will at one time or another find that unfair contractual terms contained in standard form contracts will act to their detriment. Clearly this is a problem that needs to be and should be redressed.

The Standing Committee on Law and Justice has acted in the best interests of the people of New South Wales by virtue of its inquiry and recommendations. As the deputy chairman of the standing committee, I am pleased to have been part of its deliberations. As one who endorses the committee's report, I hope that the New South Wales Government acts with speed and diligence in carrying out its recommendations.

The Hon. KAYEE GRIFFIN [2.48 p.m.]: I congratulate the Standing Committee on Law and Justice on its report entitled "Unfair Terms in Consumer Contracts". I will comment briefly on some of the headings in chapter 2 of the report that go to the heart of the concerns the committee was faced with—what kinds of terms are considered to be unfair, terms that allow the supplier to unilaterally vary goods and services, penalties against consumer but not supplier for breach of contract, terms allowing supplier to suspend services but continue to charge the consumer, terms that permit the supplier but not the consumer to terminate the contract and other types of unfair terms. Chapter 2 also relates to the use of standard form contracts. I refer to the inability to seek advice or negotiate and the imbalance in bargaining power, the lack of alternatives to standard form contracts, the additional documentation, the excessive length of the contract, the on-line format and the lack of plain English.

Those issues are of concern to all of us who have to sign contracts for a range of services that these days we take very much for granted. This has been necessary. One notes from the executive summary and other parts of the report that a significant amount of information was gathered with respect to the Victorian Government's experiences and the committee has taken that information into account in its recommendations. I congratulate the committee on this important inquiry and support the comments that the New South Wales Government should take up the committee's recommendations as soon as possible.

The Hon. CHRISTINE ROBERTSON [2.50 p.m.], in reply: I thank the Hon. David Clarke and the Hon. Kayee Griffin for their contributions to the debate. First, I comment on the functioning of upper House

committees. The terms of reference dictated that the committee investigate the Victorian and British systems with respect to this process. The committee and secretariat worked incredibly hard to ensure we had all the information necessary to deliver recommendations to suit the people of New South Wales without members actually flying to those destinations. It would have been exciting for members of the committee to visit London to gather the information but, like other committees of the upper House of the New South Wales Parliament, we did our level best to gather the relevant information without it being too much expense on the parliamentary pocket.

This is not to say that at some time in the future it will not become necessary for a committee or perhaps a subcommittee to undertake such travel, but I point out that the upper House committees of the New South Wales Parliament bring down important recommendations for the people of New South Wales in a sensible fashion. The terms of reference certainly would have suggested to other organisations that we could have enjoyed a nice holiday but we did not do so. We worked hard on the recommendations without doing that. I thank the Hon. Rick Colless, the Hon. Amanda Fazio, the Hon. Greg Donnelly and Ms Lee Rhiannon who participated diligently in the inquiry. I trust that the Government will enjoy implementing the committee's recommendations.

Question—That the motion be agreed to—put and resolved in the affirmative.

Motion agreed to.

BUDGET ESTIMATES AND RELATED PAPERS

Financial Year 2007-08

Debate resumed from 27 June 2007.

The Hon. DON HARWIN [2.53 p.m.]: The State Budget once again demonstrates many of the hallmarks of this Labor Government's poor economic record—high taxes, increased debt and the mismanagement of capital expenditure. The good economic management from John Howard and Peter Costello has delivered strong investment returns and employment growth, and these factors have helped the State remain in the black. Increased revenue from payroll tax this year, for example, is expected to contribute an additional $391 million to the State's coffers.

Despite record high tax revenue, however, the chronic infrastructure and service delivery problems plaguing our State continue to worsen. This year's budget once again reveals an underspend in the capital works budget of over $200 million. The failure of this Labor Government to properly manage infrastructure projects over the past financial year has meant that the upgrading of public schools and hospitals, construction of new roads and the improvement of our public transport system have been delayed. There has been an even greater underspend in the maintenance budget, which means that vital hospital, school and police equipment has not been repaired.

This failure to properly manage existing revenue for infrastructure maintenance and improvement is to be compounded by the saddling of future generations with a massive increase in debt. The Labor Government is going to more than double the level of total State sector net debt from $15 billion last financial year to around $39 billion by 2011. Much of this waste and mismanagement evident in this year's budget has already been detailed in this place by my colleague the Hon. Greg Pearce in his contribution to the debate on the Appropriations Bill. Consequently, I wish to take this opportunity to focus my remarks on increasing spending on government advertising.

In Labor's first 12 years in power in New South Wales a staggering $1 billion was spent on taxpayer-funded advertising in which political achievements and policies were promoted under the guise of community messages and information campaigns. During this period the six State governments combined have spent more than double the amount on government advertising than their Federal counterparts. Advertising by the New South Wales Labor Government has been a major factor in that enormous expenditure.

In the last financial year alone New South Wales government agencies spent $111.7 million on advertising. This represented an increase of 21 per cent on the previous year. According to the Department of Commerce, slightly more than a quarter of its expenditure was on routine advertising for job vacancies and tenders, referred to as non-campaign spending. The remaining 73 per cent was spent on specific advertising

campaigns, amounting to a whopping $81.5 million. The Auditor-General's report on government advertising, released last month, noted that campaign advertising has steadily increased by a total of 37 per cent over the three years since 2003-04. Furthermore, the report notes that "since savings have been achieved through lower media placement costs this increase in spend suggests an increase in advertising activity". Of course, it is hardly surprising that the amount spent by the State Government on advertising reached an unprecedented peak in the last financial year, the one that included the last election. The Auditor-General's report noted:

> It is common for government advertising campaigns to be seasonal or cyclical … however … we found a change in the quantum of government campaign advertising prior to the election.

An examination of government advertising by media type in 2006-07, for example, reveals that the spend on television advertising represented 50 per cent of expenditure, dramatically up from the 43 per cent in each of the two preceding years. And what was all that television advertising about? In the month before the election voters were bombarded with advertisements spruiking nursing recruitment, water policy, roadworks safety and various State plans.

It is worth detailing the appalling cost to taxpayers of some of the Government's more blatant self-promotion campaigns over the past four months. The State Plan advertisements cost $4.4 million; NSW Means Business cost $1.7 million, CityRail timetables cost $720,000, police recruitment cost $1.1 million, the industrial relations High Court challenge cost $350,000, A New Direction cost $890,000, Let's Get NSW Moving cost $817,000 and the State Infrastructure Plan cost $227,000. Rather than wasting obscene amounts of taxpayers' money on promoting itself to voters ahead of an election, these funds should have gone towards delivering front-line services for reducing the dramatic maintenance backlog in this State.

Unsurprisingly, the Auditor-General found that "the current guidelines are not adequate to prevent the use of public funds for party political purposes" because they "do not require decision makers to judge if advertising campaigns contain material that is party political". In his recommendations the Auditor-General called for the publication of an annual whole-of-government report on government advertising that includes total expenditure figures on both campaign and non-campaign advertising, as well as a list of campaigns over $50,000, by agency, with the total cost of each. Clearly there is a need for reform in this area. Such reform is long overdue and has been prevented by the resistance of the State Government.

When Bob Carr was Opposition Leader during the lead-up to the 1995 State election he promised legislation that would prevent the blatant use of taxpayers' money for political messages under the guise of government advertising. As Premier, however, he never delivered on that commitment, and on at least three occasions his Government voted to defeat such legislation when introduced by the Opposition. Some months ago my leader, Barry O'Farrell, introduced a bill that would subject large government advertising campaigns to the independent scrutiny of the Auditor-General. The Government is yet to indicate its support for the reforms proposed in the bill. We will not hold our breath.

The reform of government advertising has recently been undertaken in the Canadian province of Ontario and also in Manitoba. The scrutiny and assessment models evident in the various Canadian jurisdictions are worth examination. I have recently returned from a Commonwealth Parliamentary Association study tour to Canada and during my visit I met with the Auditor-General of Ontario. After a decade of debate on the issue of government advertising, the provincial Parliament in Ontario passed legislation under which the Auditor-General assumed new duties and responsibilities regarding the review of government advertising. Specifically, the Auditor-General is responsible for ensuring that government advertising campaigns do not feature content that is or may be interpreted as being partisan. The relevant Act states:

> An item is partisan if, in the opinion of the Auditor-General, a primary objective of the item is to promote the partisan political interest of the governing party.

The Auditor-General of Ontario's recent review explains that government advertising can be considered to be furthering partisan political aims and promoting the governing party's interests when it fosters "a positive impression of the government". Last year perhaps one of the biggest and most blatantly political advertising campaigns that the State Labor Government ran was its Water For Life blitz featuring the actor Jack Thompson. That one campaign cost the people of New South Wales more than $2 million. Anyone who watched the cricket during summer could hardly have missed it.

Launched in May 2006 in support of the Government's Metropolitan Water Plan, the one-minute television advertisements ostensibly encourage people to take advantage of rebates on rainwater tanks and

water-saving devices such as water-efficient washing machines. Only about 10 seconds of the advertisements, however, were devoted to such rebates. The majority of the advertisements, or about 35 seconds of them, was concerned with promoting the Government's water plan—in other words, with fostering a positive impression of the Government and its policy on water supply in the months before an election. In the advertisements, paid for by taxpayers, Jack Thompson told viewers:

> The New South Wales Government is taking action to secure Sydney's water supply: massive recycling for industry; accessing groundwater; reaching deeper into our dams; and a desalination plant as our insurance policy if dam levels fall even further … it would be state-of-the-art technology, using green energy—it wouldn't create any extra greenhouse gases.

It is impossible to imagine that material being deemed by an independent auditor as anything but promoting the partisan interests of the governing party. Having spent millions of taxpayers' dollars spruiking its desalination plant ahead of the election, the Government is now having to increase water bills by one-third over the next four years. The biggest component of the bill increases is accounted for by the $100 to $110 per household needed to fund the fixed costs that will be levied on Sydney Water by the consortium constructing the plant, regardless of whether the facility will need to produce any water for the city. Clearly, government advertising remains a burden on taxpayers and a drain on the already poorly managed budget. It needs to be curtailed and subjected to more stringent, independent scrutiny, like that in Ontario, to prevent partisan abuse.

Mr IAN COHEN [3.03 p.m.]: I wish to contribute briefly to the budget estimates take-note debate. First I want to raise serious concerns about the Government's appalling failure in the budget to address areas of dire need in Aboriginal Affairs. I refer in particular to the response to the "Breaking the Silence" report of the Aboriginal Child Sexual Assault Taskforce. The New South Wales Government has refused to fund recommendations of the task force, which it set up to look into child sexual assault in communities across New South Wales. The resulting report found levels of abuse up to four times the national average. As the task force chair stated, it painted a stark picture of intergenerational abuse and social disadvantage.

The Government has made 88 recommendations to be implemented in response to the 300-page report. However, there has been no funding attached to these recommendations. The Government tells us that it will be dealt with at an administrative level. But there is no indication in the budget papers where that money will come from and where it will go. It is outrageous that the Government should be made aware of this most grave issue yet it chooses to deal with it by administrative and policy measures in an already overstretched government. It may as well say, "We aren't going to do anything," because that is exactly what will happen.

Initiatives involved in following the recommendations would require between $20 and $40 million in funding per year. In terms of a budgetary allocation, that is a very small amount. It would be a small price to help prevent the abuse and potential deaths of some of the most vulnerable children in our society. The Government cannot even get its story straight about how much money is being spent. Some public announcements have put the figure at $30 million, while others have suggested $40 million. But there is absolutely no transparency or indication as to which budgets the money is coming from and what programs it is going towards.

Newspaper reports claimed that a number of Ministers from the previous Parliament, including the Hon. Bob Debus, fought for this funding to be made available but that the Treasurer chose to ignore the request. This budget did not contain a cent of additional funding to tackle child sexual assault in Aboriginal communities. We hear rumours and innuendo about debates within Cabinet, and of course it is all second-hand. I would certainly like to ask the Treasurer to come clean, to make a clear statement about the budget allocation in this important area. Whilst it can be extremely amusing in the House, it concerns me that the Treasurer has a reactionary attitude towards many of the things the Greens say.

However, in terms of sexual abuse in the Aboriginal community it is the Treasurer's responsibility to make available the necessary funds, appropriately timed and properly channelled, to support this worrying situation, which is a stark reminder of the mistreatment we mete out to those most vulnerable in our community. I say to the Treasurer: This is not the Northern Territory, it is New South Wales. The Minister has every opportunity to address the issue. If he does not clearly state the appropriate funding source and its direction, he will have failed rather miserably. I imagine the Treasurer would take some delight in the discomfiture experienced by me and others very concerned about these matters. However, he has a very responsible position in the State and he should act immediately.

This is an appalling situation. Rather than providing new money, I am led to believe that the Government is undertaking a cynical exercise in counting heads when Aboriginal people access mainstream

services—which is the right of all people in New South Wales—and counting this expenditure as addressing the recommendations of the task force. I would have hoped during the time I have been in this Parliament we would have taken significant steps forward on these issues. But getting this information—or, more correctly, this lack of information—shows how the Treasurer's office is able to withhold and stymie the provision of appropriate aid to those most in need. It is absolutely vital that we get an answer to this situation, which is quite unconscionable in this State at this time.

With regard to the environment, the budget delivered commitments made over the last two years but little else in terms of new initiatives. Funding for the enlarged Department of Environment and Climate Change at $977 million has remained stable. However, without new programs and policies the Government will be unable to deliver on its State Plan environmental targets. The 2007-08 budget leaves untouched many important issues. Serious work remains on limiting emissions and adapting to climate change. When we have a budget designed by a Treasurer who is an ongoing recidivist—

The Hon. Charlie Lynn: Economic irrationalism.

Mr IAN COHEN: I note the comments by the Hon. Charlie Lynn but I am concerned not so much about economic rationalism here—

The Hon. Charlie Lynn: Irrationalism I said.

Mr IAN COHEN: I know you said irrationalism but the debate outside the Parliament has clearly moved ahead of values within the Parliament and we have a very significant issue to deal with. The New South Wales Government is falling far short in dealing with climate change and greenhouse gas emissions. The Treasurer and his department have failed to acknowledge the great economic benefits and the environmental and climate change developmental advantages that would accrue by looking more broadly at the issues and not just relying on coal-fired power stations, the coal industry and the export coal market.

The Government has an opportunity but, pale and strained after three long terms in office, it is tired and running out of ideas, inspiration and enthusiasm. People such as the Treasurer should not be allowed to freely bag innovative alternative electricity generation and to hold coal as the great panacea for the economic ills of this State. The creative talent of the Government has melted away over the last few years. A very ordinary mindset is doing little to benefit the people of New South Wales.

The Government's management of Crown land is in a shambles, with no funding for weed and feral animal control and bushfire management. Instead, the Government aims to sell off and commercially develop the Crown land estate. We are hearing about the sell-off of Crown land all along the coast and the Government flogging off Crown land assets in many inland areas. The Department of Lands is obviously moving with the imprimatur of the Treasury and the Hon. Michael Costa to capitalise and sell-off valuable assets, whether small pockets of coastal real estate or travelling stock routes, to make a quick dollar rather than planning for the future. New Aboriginal-owned national parks protecting iconic red gums along the Murray River remain off the agenda. Invasive species remain a problem across the State. Uncontrolled urban land clearing is undermining efforts to secure the survival of a threatened species.

A positive in the budget—I do give credit where credit is due—includes $8.5 million to buy land for new national parks. This fund could be built upon by further investing in new national parks along the Murray and Murrumbidgee Rivers in the State's south. We have heard recent debate outside the House about amelioration of logging practices in the river red gum areas and I will continue to work on that issue. The Government is very slow to create reserves in that area of the State. Another $17 million to buy water for our stressed and dying rivers and wetlands was welcome, as was funding to establish long promised parks in the Southern Highlands between the Blue Mountains and the Australian Capital Territory, and $5 million for satellite imagery to clamp down on illegal land clearing. I am concerned, however, that the level of funding for compliance monitoring of land clearing has declined.

The Environmental Trust, with $92 million, continues to play an important role in delivering major environment programs. The $10 million increase to $51 million in the funding package for the timber industry in north-west New South Wales is supported, provided it leads to reduced forestry impacts. Unfortunately, the Government is locking in unachievable timber allocations and planning to entrench ironbark lobbying for firewood, which is a very cheap and bargain basement use of such a wonderful resource. The main concern is that the 2007-08 budget papers lack detailed information on departmental performance and spending. There are

issues about energy generation and energy consumption in this State and the Government is promising green energy for its newfound desalination plant. We need that renewable energy without the desalination plant. [*Time expired*.]

The Hon. JENNIFER GARDINER [3.13 p.m.]: I take this opportunity to underline the breadth and depth of the crisis in the New South Wales health system and its public hospitals ever since the Carr-Iemma Labor Government came to office and, in particular, the problems besetting country and coastal hospitals. The slow-burning crises that have enveloped the Royal North Shore Hospital, and recently burst out into the wider domain, symbolise the multitude of systemic problems that exist in the health system in this State. Today, for example, the Baradine Aged Care Association again tried to get the ear of the elusive Minister for Health, the Hon. Reba Meagher, to put visiting rights at the hospital out to tender. The Baradine community has been asking the Greater Western Area Health Service to give visiting medical officers rights to the hospital but the area health service has been adopting a gap-filling exercise, appointing one locum and then another. There are doctors who are prepared to serve the Baradine district community but the Greater Western Area Health Service bureaucracy is a barrier to that happening, and that is being replicated across the State.

The problems in the system currently oversighted by Ms Meagher beset the smallest of our New South Wales communities as well as the once great teaching hospitals that are needed both by country and coastal patients and by the residents of this capital city. This State's hospitals suffer from overcrowded and understaffed emergency departments, difficult working environments for clinicians and other hospital staff, closure of hospital beds and lack of staff. The encircling of the health system by the Carr-Iemma Government's obsession with a culture of secrecy has created a pervasive fear that permeates the system so that people do not feel free to speak out when things go wrong, and even when things go right. There is no-one to speak to. An abolition of any semblance of transparency is evident in the system that was put in place by now Premier Iemma. It was Mr Iemma who abolished the remaining health boards and created the super area health services when he was Minister for Health. I was amazed to read recently that the Director General of NSW Health, Ms Debora Picone, has been reported as saying:

> It's absolutely critical that senior clinicians are given more power to make decisions. They should have control over their own budget … I think we've got to listen to what the people on the shop floor—

A good old Labor expression! I continue:

> … are telling us and at the moment they're saying they need some relief around the staffing levels.

Gosh! Who was it who took away the power of clinicians to make their own decisions? Who was it who centralised budgets to remote metropolitan office blocks? Who stopped listening to what people at the front line are saying? It was Ms Picone's political masters who set up the system that is now collapsing all around us. The great architect of the most dramatic of the centralist policies now in place was none other than Morris Iemma when he was Minister for Health. Debora Picone knows that as well as anyone because she was a health bureaucrat under his administration.

There are some mind-bendingly obvious problems. The professor of clinical education at the University of Western Sydney, who is also a senior physician at Campbelltown and Camden hospitals—hospitals that have had their place in the sun or the shade—has come up with the idea that the Iemma Government should undertake a reform of hospital rosters:

> … so that the busiest times - after hours and weekends - are not the least staffed.

One would have to ask what sort of management is in place under this Government that cannot figure that out? The New South Wales Chairman of Australasian College for Emergency Medicine, Dr Tony Joseph, who is also head of trauma at Royal North Shore Hospital—a hospital with its own trauma—said there needs to be a major shift in the culture of NSW Health. That is needed so that emergency medicine is treated as a specialty in its own right. Again that is an obvious requirement.

Dr Joseph also said that other specialties and senior clinicians at the front line should have a say in how their departments are staffed. The Opposition agrees with that view. Dr Andrew Keegan, New South Wales President of the Australian Medical Association and a visiting medical officer at Nepean Hospital, said that senior doctors need more incentives to work at our public hospitals. The Opposition agrees with that view also. He summed up the crisis in our hospitals by saying, "For many people 10 per cent of your income and 90 per cent of your hassle comes from the public system." That is an extraordinary indictment of the whole system. The systemic problems—which, quite rightly, have led to many calls for the Minister for Health to

resign, and if she does not resign the Premier should sack her—have emergency department doctors acknowledging that patients' lives are at risk because of the lengthy delay before they are examined and then the lengthy wait for a bed to be found so that they can be admitted to hospital.

Hospitals have been exposed as having filthy toilets and other unsanitary conditions. That is an indication of a system under pressure and falling apart. I have been in a hospital where the stench of faeces has prevailed for days on end and urine on ward floors has had to be cleaned up by visitors because of a lack of cleaning staff or irrelevant cleaning rosters. There are cases where stressed junior doctors are left to cope alone on weekends and at night. Cases have come to light of patients being misdiagnosed, resulting in life-threatening situations. In addition to the tragedy that highlighted the problems at Royal North Shore Hospital, women suffering miscarriages in hospitals have received inappropriate and insensitive care. Families have come forward to talk about the awful consequences of hospital-acquired infections. That is another sign of a system that is not working, to which we have become accustomed even though we have a right to expect a properly run health system.

Across the State there are endless examples of hospitals in crisis. In the Tweed, for example, there is a lack of beds in the wards for the rapid population growth. As I have said in the House before, the population growth in that area is not an issue that has emerged in recent years. It has been predicted since the 1970s, as far as I am aware. The Labor Government has failed to honour its commitment to provide 30 new general ward beds at Tweed Hospital. The lack of radiation therapy services is an ongoing issue in various parts of the State. Again, demographic trends indicate the need for such services across the State, including the north-west, the far North Coast and central-west New South Wales.

Again, the State Government has shown lethargy in attending to those sorts of issues. I refer to the appalling waiting lists, with 250,000 people across the State on the public dental health waiting list. Many communities, such as at Foster-Tuncurry, do not have a public hospital at all. Whilst the Government has announced the provision of 20 public beds at Cape Hawk Community Private Hospital, the community needs the Government to finalise the contractual arrangements with the hospital so that the project can go ahead, and the population, which now exceeds 25,000 people with a rapid growth rate and up to 90,000 people during the school and other holidays, can join the ranks of the other communities across the State that have a public hospital, even if they are not functioning properly.

Grafton Base Hospital has been chronically under-resourced for years, particularly its emergency department and operating theatres. I recall addressing, together with the member for Clarence, a very large public rally one very hot day almost one year ago at which unanimity was expressed by the Grafton district community about the need for the Government to address the problems at the hospital. I am extremely happy that Prime Minister Howard and the Federal Minister for Health, Mr Abbott, have announced assistance for that hospital because of the failure of the State Government over a very long period to do the right thing. It is incumbent upon the Labor Government to set up a local hospital board and get the funds flowing into Grafton Hospital again. The same applies to Murwillumbah District Hospital, which I visited recently. The local community is incredibly anxious about the downgrading of that hospital. If it were not for the limited time I have available in this debate, I could go on and mention 20 to 30 hospitals under stress. [*Time expired.*]

The Hon. KAYEE GRIFFIN [3.23 p.m.]: The 2007-08 budget meets the Iemma Government's election commitments to expand and improve vital public services throughout New South Wales. It delivers increased investment in Health, Community Services, Disability Services, Housing and Emergency Services. The Government has allocated $44.6 billion in the 2007-08 budget for general government services. Today I would like to highlight a number of areas of the budget, particularly Health and Education and assistance to families. I believe this budget will help the people of New South Wales and ensure that the ongoing demand for a range of services is met.

In Health the Government will increase spending to $12.5 billion, an increase of 7.1 per cent, with a focus on prevention and early intervention strategies, including investments in breast screening, eyesight testing for preschoolers and assisting the elderly to stay out of hospital. The Government will continue to invest in meeting growing demand for acute hospital services, mental health services, dental services, renal services, cancer services and expanding after-hours general practitioner clinics. The budget will see a greater investment in disease prevention, health promotion activities and delivering better access to health services. New initiatives in this year's Health budget include $54 million for improved access to hospital and community-based treatment through 456 community-based bed equivalents and hospital beds. Also, $6 million will go towards five intensive care beds and three neonatal intensive care cots.

The retention of nurses is of paramount importance. Nurse recruitment is a high priority for the Iemma Government with $35.8 million being spent over four years for the recruitment, training and retention of nurses. This investment in nursing will ensure that our great nurses have the training and support they need to continue to provide first-class care in our hospitals. Monies have also been allocated for vital programs and services to assist in keeping our elderly healthy and at home for longer. Other examples of delivering services include money being spent in the mental health area, on after-hours general practitioner clinics, as I have mentioned, and on dental health and healthy living programs. The budget delivers on the Iemma Government's election commitments to nursing, mental health, enhanced rural clinical services and the statewide Eyesight Preschooler Screening programs.

The Government will continue to cut waiting lists for elective surgery, improve services in emergency departments, increase access to health services in regional and rural areas and enhance funding for mental health. This funding will ensure that our doctors, nurses and allied health professionals can continue to respond to the increasing demands on our health system. Mental Health also receives a boost of 11 per cent, or $105 million, with a focus on expanding beds and services across the field. The total Mental Health budget in the 2007-08 State budget is $1.05 billion. Investments in Mental Health have meant that a number of programs can be implemented. Some of these initiatives include the Mental Health Enhancement Program where an additional $17.7 million will be used to continue the expansion of mental health beds and community-based services. These funds also will be used towards the expansion of services, including psychiatric emergency care centres and the provision of specialist mental health beds in emergency departments and rural critical care services in regional and rural hospitals.

Other programs include the Mental Health Community Initiatives Program, to which $10 million has been allocated, thereby increasing spending on this program to $40 million, and $1.6 million for the $5.6 million Specialist Mental Health Services for Older People in the Community Program. This program will improve support and assessment of older people in residential care facilities. Funds have also been allocated for Youth Mental Health Services, which provides services for young people who suffer from mental illnesses and those who have drug and alcohol issues. Other initiatives include rehabilitation programs, which involve recovery programs, education, training and employment services for people with a mental illness. Families and carers will also receive assistance through the Family and Carers Mental Health Program. This program is part of the Government's commitment to support families and carers in the ongoing support and care of people with a mental illness.

A statewide 24-hour mental health access telephone service will be established. This will provide a single, statewide referral service to assist in improving access for people with a mental illness to specialist care. An increase of $5 million for the Housing and Accommodation Support Initiative would increase the funding of this program to $29 million in this financial year. The funds will be used for an additional 100 high-support places and more than 150 places for the new Health Accommodation Support Initiative in the home for people with mental illnesses. Also, $425,000 will be made available to further support the implementation of psychological assessment and depression screening for all pregnant and postnatal women.

The Iemma Government is continuing to deliver on its election commitments to help prevent and treat mental illnesses. Mental health is an important issue for this State although it is sometimes overshadowed. But these initiatives will ensure that people with a mental illness will receive adequate and appropriate care for their situation. The State's Education and Training budget has increased by more than half a billion dollars this financial year. The Iemma Government is committed to ensuring the State's public school students have top-class programs and resources that will see them continue to excel.

The budget will provide for five new trade schools and a record investment in school maintenance and capital upgrades. The Education and Training budget now contains $11.2 billion for school and TAFE funding to enhance learning for students in New South Wales. This funding allows the Government to meet its election promise to deliver high-quality education in safe, clean and efficient schools and TAFE colleges. The budget reinforces our commitment to raise literacy and numeracy skills in our students. It also develops useful strategies to address skills shortages throughout the teaching field.

A record $617 million dollars has been allocated for the construction of new school and TAFE facilities, including the commencement of 24 major new building projects in schools and 11 major new building projects in TAFE. A further $256 million will be spent on school and TAFE maintenance, with more than $1 billion scheduled over the next four years. The budget also allows for the implementation of five new trade schools at Penrith, Wyong, Sutherland, Tamworth and Nambucca Heads, in addition to trade school upgrades at Queanbeyan, Colyton and Ballina high schools and Casino TAFE.

An additional $280 million will be spent over four years under the Building Better Schools Program, which enhances school learning environments by the construction of new halls, the upgrading of toilet blocks, science labs and electrical systems, and the installation of security fencing. And amount of $157.8 million will be spent over four years on the new technology initiative, Connecting our Classrooms, which will ensure that by 2011 every New South Wales public school has an interactive whiteboard, video conferencing and tools that enable the sharing of information in interactive environments.

The Learn or Earn Program will receive $69 million over four years in recurrent and capital funding to provide for an additional 5,850 training places at TAFE, the establishment of 15 additional trade schools across the State and the expansion of the Group Training Program to employ an additional 3,500 apprentices. Also, a network of 10 New South Wales Skill Centres will be established to assist the Training our Workforce Program, which will increase training opportunities for workers in skills shortage areas and regional areas, all at a cost of $46.8 million over four years.

Other highlights of the Education and Training budget include the allocation of $531 million to build and enhance school facilities and information technology, which is part of a four-year investment in public education and training infrastructure, and also the completion of five new schools. These schools are part of the program of 10 new schools to be constructed over three years under a public-private partnership arrangement estimated at $106 million. An amount of $22 million also will be spent over four years to enhance the retention and quality of permanent teachers by providing additional support in their first year of teaching. This is an additional $36 million per year for the Teacher Professional Support Program and $3.2 million for the Institute of Teachers, which improves and monitors teaching standards and the development of teachers. The Education budget will ensure that New South Wales students continue to receive a high standard of education.

In 2007-08, the fifth year of the $1.2 billion funding package to the Department of Community Services, the budget provides for 275 additional caseworkers, bringing the total increase under the five-year funding and reform package to 1,025 caseworkers. The Government will invest $7.6 million over four years in the Positive Parenting Program and the 24-hour Parent Hotline to assist families before their problems become acute. In addition, $16.8 million will be invested over four years to support victims of family and domestic violence. Further implementation of the Government's record $1.3 billion Stronger Together disabilities package will include continuation of programs to strengthen families, promote community inclusion and improve existing services. This is just a small portion of what the Iemma Government's 2007-08 budget has delivered. I know this Government is working hard to provide the people of New South Wales with the best possible resources and services to make this State the best it can be.

The Hon. MELINDA PAVEY [3.33 p.m.]: It saddens me to speak again in this House about mismanagement of the New South Wales economy by a State Labor administration that, at the March 2007 poll, was given another four years to run New South Wales—a decision that will continue to cost the people of New South Wales dearly. I preface my comments by drawing attention to the amount of money that is coming into New South Wales by virtue of the goods a services tax and other taxes imposed upon the citizens of New South Wales—the highest taxed State in Australia. To put it into perspective, 12 years ago when the Greiner-Murray and Fahey-Armstrong governments left office, the State budget equated to about $22 billion. The present State budget revenue is about $45 billion. This Government has twice the money but has twice the problems and only half the infrastructure and investment in emergency services, education, police and health.

Today I will concentrate on matters that are of concern and interest to me in my role as Chair of the Opposition's North Coast task force and in my responsibility as shadow duty member for Port Macquarie and for the State seat of Monaro. In June 2007, 56,640 people were waiting for elective treatment in our public hospitals—an increase of 2,375 from the position in June 2006. A very alarming increase. Nowhere is this impact felt more than on the North Coast. Since the late 1980s the resource distribution formula has been used by the Department of Health as a guide for the allocation of funding to regions across New South Wales. It is a population-based funding formula—and I am sure the Hon. Christine Robertson knows this formula very well—and it attempts to ensure equitable access to health services.

Measurements of need are the primary component of the resource distribution formula. However, an analysis of the formula's technical papers reveals that for 2007 the North Coast Area Health Service is severely underfunded to the tune of $58 million. We want to know where that $58 million is going and why it is not coming to the North Coast. According to the resource distribution formula 2005 paper, the North Coast should be receiving 7.6 per cent of the State's health budget, but it is getting only 7 per cent—a shortfall of $58 million.

The annual report of the North Coast Area Health Service states that the North Coast has the fastest growing population of any area in New South Wales. The fact that the resource distribution formula is a population-based measurement means that any decision to divert money away from a thriving area contravenes the very basis upon which the formula was founded. By 2011 it is predicted that the proportion of people on the North Coast aged 65 years and over will increase from 19 per cent to 21 per cent of the total population. That age demographic has the highest growth rate in the North Coast Area Health Service; again, highlighting the impact such underfunding will have on that demographic.

I note that all the North Coast-based members have written to the Auditor General requesting an investigation into the latest resource distribution formula calculations because we have only been able to obtain information up to 2005—the Minister for Health will not release any more details. The Auditor General has advised that he will consider that request as part of his investigative framework for 2007-08.

Mental health services on the North Coast also demand greater attention. Coffs Harbour has 30 mental health beds with 20 rehabilitation beds. Unfortunately, Port Macquarie has only 10 mental health beds. The Tweed and Byron network has 25 mental health beds, as does the Richmond network. Severe pressures are being placed on mental health services on the North Coast and the problems with the resource distribution formula are impacting upon the services that mental health teams are able to provide.

The dental health crisis in the North Coast region is extremely serious. Only $4 million extra has been allocated for dental services in the budget for the entire State. The Northern Rivers Social Development Council has attacked the State Government's budget commitment to dental health. It said that the New South Wales Health Department's own statistics show that children in our region have the worst dental health in New South Wales. The Government must listen and the crisis must be addressed.

New South Wales preschools have the lowest participation rate in the country at 60 per cent compared to 90 per cent in other States. Every academic research paper on the subject points out that the most important years of a child's life are between birth and five. Again, there is no real commitment in this budget to improving that scandalous situation. The Department of Education and Training believes there is no need for new schools and school maintenance on the North Coast. The principal at the primary school that my son attends was surprised that 35 extra students arrived to enrol at the school and there was a scramble to provide demountable classrooms. The Department of Education and Training projections suggest that no new schools will be required. That is why we have a crisis at Lake Cathie. About 250 potential students have been forced to attend private schools or to travel to Port Macquarie or further because the department did not have the foresight to build a school at Lake Cathie. The area is being starved of new schools.

School maintenance is also a problem throughout the region. Tuncurry Public School has been waiting for five years for repairs to rusting demountable toilets at a cost of $20,000; Tweed Heads Public School has been waiting for 24 years for old carpet to be replaced; Kempsey West Public School has been waiting 10 years for toilets to be repaired; and Byron Bay Public School has been waiting for more than 10 years for an external paint job and the removal of large and dangerous trees. The State Government is receiving huge amounts of money but it does not have the capacity to fix these problems.

The North Coast is also in the grip of a major housing crisis. The Northern Rivers Social Development Council—which has some very good members—attacked the State Government for its lack of commitment to public housing in the State budget. The council said it was disappointed about the lack of action on the latest challenge facing the region. A recent survey published in the *Sydney Morning Herald* showed that nine of the top ten towns experiencing rent stress are on the North Coast. The percentage of residents paying more than 30 per cent of their salary in rent are: Bellingen, 54.3 per cent; Coffs Harbour, 52.1 per cent; and Hastings, 51 per cent. Housing affordability is a major crisis on the North Coast and the Government is not responding.

The Government must quickly and efficiently get on with the job of fixing the Pacific Highway. It should stop wasting money and playing politics. It is the State's responsibility to build roads. The Commonwealth Government is providing the money and the State Government must match the commitment made by Deputy Prime Minister Mark Vaile only last week. Towns must be bypassed and trucks must be removed from main streets to provide a safer and more efficient road network.

The North Coast is also suffering because of the Government's lack of commitment to providing adequate police resources. The New South Wales average is one policeman for every 444 residents. On the North Coast the figure is one policeman for every 603 residents. In the Tweed electorate, which is experiencing

major population growth, the situation is even worse. It has one policeman for every 730 residents. We need police services 24 hours a day, seven days a week in many of these growing areas and we must also support the police in doing their job.

The State Government squandered another opportunity in this budget to complete the Queanbeyan hospital. The project has been dragging on and the costs have blown out. According to the Government, the project will not be completed until 2008. Given its past failings, that deadline probably will not be met. I acknowledge the contribution of the Federal member for Eden-Monaro, Mr Gary Nairn, in coming to the rescue of the Braidwood and Bungendore communities to deal with their water and sewerage facilities. Good on him! The State Labor Government and the State member for Monaro have failed the residents of those towns. The State Government has also failed to make any funding commitment for the Bega bypass. Yet again Gary Nairn came to the rescue to help those communities to get these vital facilities. If the sewerage system at Braidwood had not been upgraded, Sydney's water supply could have been impacted upon ultimately.

The member for Port Macquarie has squandered many opportunities to help his electorate. He probably now has one of the safest seats in New South Wales, but he is not translating that and his connections with the Labor Party into achieving major outcomes such as a commitment to the Oxley Highway. He is too busy running down the community council and its representatives. He is not doing the hard yards in delivering on the Oxley Highway. Former Minister for Roads the Hon. Carl Scully promised that the highway would be completed and that $80 million was available for that purpose. Yet only one-quarter of that money has been budgeted and we have seen no timetable for completion. I ask the member for Port Macquarie to use his connections for good and not to cause trouble in the local community. [*Time expired.*]

The Hon. PENNY SHARPE (Parliamentary Secretary) [4.43 p.m.]: The Iemma Government has justified the trust that the New South Wales people placed in it at the State election. This Government is delivering on its promises to drive new and improved services while maintaining Labor's record of sound management of the New South Wales economy. It is this sound economic management that enables us to deliver on our promises in health and education, such as our election commitments to create more trade schools and after-hours general practitioner centres. It is sound economic management that enables the Government to provide record funding to areas such as mental health, where the Government will spend more than $1 billion.

I am delighted that the Government's record school and TAFE spending includes more than $1.25 billion for equity programs in public schools. This funding includes $922 million to assist government school students with special learning needs; more than $107 million for English as a second language programs; recurrent funding for rural education programs totalling almost $83 million; more than $67 million for indigenous students; and $88 million for school communities facing substantial socioeconomic disadvantage.

Social and cultural factors can inhibit access to education just as surely as geography. It is vital that government schools cater for the needs of students whose first language is not English or who face other cultural barriers to their participation. In the 2007-08 budget year, the Iemma Labor Government will support some 82,300 English as a second language students across 738 schools, plus a further 6,500 newly arrived students. In addition, more than $24 million will be provided to more than 1,000 community organisations to support programs involving approximately 43,000 students. This funding helps to support community language schools and Aboriginal community education and training programs.

There is a significant and unacceptable gap between the average achievement of students from low socioeconomic backgrounds and the average achievement of all students. Being poor should not predetermine the outcomes of schooling for individual students or groups of students. The aim of the Priority Schools Funding Program is to reduce the achievement gap between students. The focus is on improving student literacy, numeracy and participation outcomes. The program involves 574 schools, which represents approximately 145,000 students. A total of 80 schools are targeted as centres of innovation for improved teaching and learning practices through specialised programs and new approaches.

I will give the House just one concrete example of what priority schools funding can achieve. At Bass Hill Public School, where 68 per cent of students are from a background other than English, priority school funding was used to improve student numeracy outcomes. Teachers undertook professional development and new resources were purchased to increase the use of practical, hands-on maths activities in the classroom. The assistant principal was also released from other duties to assist classroom teachers to implement new learning strategies and parents became more involved in the school. In one year, basic skills test results in numeracy for year 3 students went from 6.2 points below the State average to 2.1 points above, and year 5 results also

improved from 5.1 points below to only 2.1 points below. Such results demonstrate that we can help all students regardless of their background by helping their schools.

However, for some of the most disadvantaged children in this State, not even the best education system in the world can provide enough support. They need community care around the clock. Some of our most vulnerable children and young people are those whose parents are either not able or not willing to care for them. Currently in New South Wales more than 10,000 children cannot live at home, and that number is expected to rise to 12,000 by 2010. Of course, ideally no child should have to live away from home. That is why the Iemma Government is investing $226.9 million in this budget in prevention and early intervention programs, including the Brighter Futures Program, which seeks to solve family problems before they reach crisis point. However, for children who cannot safely live at home, it is vital that alternative care arrangements meet their needs. Many of these children have a high level of special needs as a result of their experiences.

The Iemma Government has committed to a reform program for out-of-home care that will give children in care better access to the education, counselling, health services and the specialist therapy they so desperately need. A total of $435.1 million has been allocated for out-of-home care in this budget. That represents an increase of $70 million, or a massive 18.3 per cent on the 2006-07 financial year.

In addition to the rollout of five-year funding agreements for non-government organisations, this money will fund an extra 75 caseworkers and support staff for children and young people who cannot live at home. Caseworkers play a critical role in supporting both children in out of home care and their foster carers, who require assistance to meet the many challenges foster care can present. I have previously been a foster carer for three wonderful young women in their teens who were not able to live at home. Their individual histories would shock most people yet their resilience is a constant reminder to me that all individuals deserve a chance and that we as a society need to constantly find better ways to support children and young people who find themselves in this situation. I am pleased to see the Government is taking its responsibilities in this area seriously. These children and their carers deserve all the support we can give them.

As I have said, this budget delivers for all the people of New South Wales. I am privileged to be the duty member of the Legislative Council for the electorates of Bega, Willoughby and Sydney. These are three very different electorates—one regional, one suburban and one lying at the very heart of the Sydney central business district. All will benefit from this budget. As the Premier has highlighted, the Iemma Labor Government will fund key capital works projects worth almost $50 billion in the next four years, which is a 56 per cent increase over the previous four years. We are investing in new and upgraded schools and TAFE colleges, health and hospital facilities, roads, cycleways and public transport throughout New South Wales.

In the Bega electorate, on the South Coast of New South Wales, the Iemma Government is delivering on its commitment to improve local roads. The sum of $9 million is being invested for the new Pambula bridge and $3.5 million will be spent on upgrades to the Princes Highway. This includes funding for planning for improvements to the highway at Victoria Creek and a truck parking area at Eden. Our commitment to improve the vital health services that local working families rely on is also being made good in Bega, with $1.9 million to be invested to provide new operating theatres at Bega hospital. In addition, more than $1.7 million has been allocated to provide a new rehabilitation unit at Moruya hospital.

Local students and teachers will benefit from the record spending in education. Upgrades to Bega High School will include improvements to the administration block, visual arts area, staff facilities, sports courts and car parking. Other local projects in Bega that will be supported under this budget include $500,000 for supported accommodation for people with a disability; $1.5 million for upgrades to the Eden cargo storage area; $27,000 for a new flood boat for Eurobodalla State Emergency Service; a new fire engine for Eden fire station; and $50,000 for upgrades to Coronation Drive and Grant Street, Broulee.

In the Willoughby electorate, on Sydney's north shore, commuters will benefit from the Iemma Government's commitment to improve Sydney's rail system. In addition to $5.5 million on routine maintenance and other rail station works, $26.1 million will be spent on an upgrade to the North Sydney rail station. In the Roads portfolio, $10 million will be spent in Willoughby on major works at Falcon Street and the Lane Cove Tunnel. This includes $5.2 million towards a pedestrian bridge, underpass and ramp at Falcon Street, and a further $4.8 million will be allocated to the Lane Cove Tunnel and associated road improvements.

In the long term, the challenge posed by climate change necessitates that we also facilitate alternative forms of transport to the car, so today, on national ride to work day—I congratulate my colleagues who rode up

Hickson Road this morning—I am delighted that over $250,000 will be spent on cycleways in Willoughby, including $175,000 for the Chatswood to North Sydney cycleway and $83,000 for the Artarmon to St Leonards cycleway. Other budget highlights for Willoughby include $309,000 for new and upgraded public housing and $111,000 for stage 1 of the Chatswood High School upgrade.

Finally, in the Sydney electorate, the Iemma Government's record infrastructure spending includes $25 million for a major refurbishment at the Australian Museum. This project includes $23.6 million for a major refurbishment of the museum laboratories and exhibitions. Close to a million dollars will go to new security systems, $420,000 will go towards the museum's public programs and $3.1 million will be provided for roofing repairs. Other projects in the Sydney electorate to receive funds include $5 million for a Town Hall station capacity investigation, $3.5 million for an easy access upgrade at St James station, $3.5 million for the development of a community health facility on the Redfern police station and courthouse sites, $9.7 million for new public housing and to upgrade existing public housing, $2 million for the acquisition of artwork for the Art Gallery of New South Wales and $2.4 million for floodlights at Moore Park.

In the Roads portfolio, more than $33 million will be provided, including $10 million for an upgrade of the Sydney Harbour Bridge. Other road projects in the Sydney electorate include $4 million for repainting the Darling Harbour bridge, $2.1 million for upgrading lighting on the Kings Cross Tunnel and $1.3 million for bus priority treatments on the Bondi Junction to Hurstville route. I am sure members will agree that the benefits of these projects will extend beyond the Sydney electorate to the broader community. I commend the budget to the House.

The Hon. MARIE FICARRA [3.53 p.m.]: It gives me pleasure to respond to this budget take-note motion. The budget allocations reflect on the performance of this Government. In the first two years we have experienced growing hospital waiting lists. Emergency departments are in chaos, with emergency medical specialists deserting the State due to poor award conditions that have been outlined many times by the Australian Medical Association and by the doctors concerned. In particular, Dr Tony Joseph put his head on the chopping block. He and his colleagues made it quite clear that we will be in dire straits if the Government does not address the position of emergency medical specialists in New South Wales. They are leaving for interstate. Trainees are now considering changing to other specialties.

We have seen Sydney Harbour Bridge meltdowns due to lack of trained maintenance. We have had seven major ferry accidents. Motorists continue to experience traffic gridlocks all over Sydney. Thousands of bus services have been cut. There have been reductions in the numbers of pupils attending public schools because families have lost confidence in the public school system. Public transport patronage has fallen to pre-Olympic levels. The number of police stations has been cut from 500 in 2005 to 450 in 2006, and the restructuring continues. There has been a capital works budget underspending of $213 million. In addition, $90 million of taxpayers' money has been spent on blatantly political government advertising designed to get the Government re-elected. Let us look at the budget, but let us look at what has been done with the money.

In the lead-up to the March election the Premier promised that taxes and charges would not increase. However, in the first six months of this Government more than 700 State charges and levies were increased and in some instances by more than 15 per cent—well in excess of inflation. These tax increases come on top of electricity and water price rises as well as a hike in train fares and, now, bus fares. Those who can least afford it, families and small businesses, are always hit the hardest by the high-taxing Labor governments in Australia. New South Wales leads the charge as the highest-taxing State in Australia. The only certainties from a Labor budget are record tax revenues and infrastructure delays and blowouts. New South Wales is still struggling to fix the infrastructure and service delivery problems that have plagued the State from more than a decade of Labor mismanagement. Labor's previous 12 budgets are littered with broken promises, delayed projects, blowouts or projects that have never materialised.

If Labor put as much effort into delivering projects as it does into media announcements, we would be in a much better position. This Government just cannot be believed on infrastructure or capital spending. Last year it could not even manage to spend what it allocated. There has been an underspending in the capital expenditure budget of $213 million. That means capital works such as school upgrades or new roads and hospitals have not been built because of Labor's inability to manage infrastructure projects. The Premier and the Treasurer have also underspent on maintenance by $236 million, which means vital hospital, school and police equipment have not been repaired. In the meantime, Labor has saddled future generations with a massive increase in debt. Out total debt will more than double, from $15 billion in 2006 to around $39 billion in 2011.

Let us look at some of the infrastructure portfolios. Ten years after Labor promised an integrated public transport ticketing system for Sydney, nothing has changed. Labor's singular greatest failure is the broad public transport issues Sydney faces, whether it is road, rail, bus or ferry. Sydney needs an integrated transport system to ensure that freight and passenger networks are adequate for current and future needs. The Minister for Transport certainly has a challenge ahead of him when we look at his ongoing failures with the rail system.

Commuters are sick of hollow pledges and reannouncements as they suffer the ongoing failures of the rail system. The Government reannounces audits but never puts a fair dinkum plan in place. Commuters are tired of all the talking. They just want a reliable, clean and safe rail network. Let me turn to the reversal of the Government's longstanding promise to build a new central business district rail link, which is heading towards the same fate as other Labor rail projects such as the high-speed rail links to Newcastle, the Central Coast and Wollongong, links to Bondi Beach, and the Epping to Parramatta rail link. Three weeks ago the Government shelved the crucial north-west rail link that was already delayed by seven years. This means the 22,000 residents in the 7,500 new homes that are part of the new development in Oran Park in Sydney's south-west will not get a rail link until 2020. These rail projects are further examples of doomed Labor planning and infrastructure.

I turn now to water supply infrastructure. Twelve years of flawed Labor planning means that Sydney residents are still under the threat of permanent water restrictions. Labor governments have stood by while leaky water mains waste millions of litres a year and rainwater falling in Sydney runs out to sea. Melbourne recycles more than four times the amount of water that Sydney does. Better planning for the future growth of our city has never been a priority for this Government. An example is the Government's continued lunacy in pursuing an expensive and environmentally damaging desalination plant at Kurnell. The State Labor Government lurches from failure to failure in water management, whether it be over the desalination plant, a lack of stormwater harvesting infrastructure planning, a network of leaky pipes, or water contamination.

Sydney families will now have to pay an extra $73 million for the Labor Government's desalination obsession. It is why Sydney Water is now arguing for a 33 per cent increase in residential water bills and a 46 per cent increase for small businesses—$130 a year extra on the average water bill. A cost blow-out after just three months is another reminder of the Government's inability to deliver major projects on time or on budget. In New South Wales 750,000 children attend State schools and some schools have been waiting 15 years for repairs to dangerously run-down or damaged buildings. Today the Minister announced a small project with a paltry amount but much more is needed. The Government can always find millions of dollars for government advertising or to delay politically damaging road changes on the Lane Cove Tunnel, but Labor can never find funds to adequately fix maintenance problems in our schools, whether it is a lack of planning for the supply of electricity, roads, housing, and the list goes on and on.

The Auditor-General in his report criticised the Government for having insufficient control over its advertising, saying that most of it was party political in nature. Since 1995, $1.08 billion has been spent on government advertising. The New South Wales Government is the seventh biggest spender on advertising in the country. The Government spends more than Toyota, McDonald's, Coca-Cola, Myer and the Commonwealth Bank. The Government is a joke and people of New South Wales know it. They regret they voted Labor but, unfortunately, it is too late and they will have to wait until 2011. At that time the Coalition will fix Labor's problems, although we hope the Government might have improved by then and there will be less to fix by the time we come to government. However, we fear that the Government will continue to stumble from one crisis to another.

The Hon. CHARLIE LYNN [4.03 p.m.]: I congratulate my colleague the Hon. Marie Ficarra on her excellent, succinct summary of the failures of the Labor Government. As she has covered the difficulties facing New South Wales, I will just give a snapshot of south-western Sydney. In particular, I will refer to the impact of the budget on Camden, the hub of the south-west. To the north-west Camden is the link to the Nepean and the Blue Mountains, to the east it is the link to the Sydney central business district, to the south-west it is the access to the Southern Highlands, and to the south-east it is the access to Wollongong and the Illawarra. It represents the country-city divide between Camden and the city.

Unfortunately this area has been ignored. In the planning of the Sydney transport system, which is troubling us so much today, there have basically been two eras. First there was the Wran Government era. The then Federal Minister for Transport, Peter Nixon—a member of the Fraser Coalition Government—gave New South Wales a number of transport corridors for the future. Then Neville Wran came to power and sold them off for short-term gain, which is Labor Party practice. Because the price of land in Sydney has risen so much, it has been impossible to recover that land. The Wran era destroyed the vision of the Federal Coalition at that time.

The next era was the Carr Labor era, which came up with Transport 2010. Transport 2010 had a sound basis, but it did not include Macarthur—one of the great growth areas in New South Wales. It went only as far as Liverpool.

Today a number of the linkages with Camden have been neglected. For example, commuters must first travel on Narellan Road. During the last four years of Labor Government extra lanes have been constructed. It took longer to build those extra lanes than it took to build the entire M7! Narellan Road is a typical example of Labor planning. It starts off with two lanes, it goes to three lanes, it then goes back to two lanes, it expands to three lanes, it then goes through a school zone—I have never seen schoolchildren trying to cross that road—then it goes back to two lanes before it comes to the M5. Every morning the traffic is at gridlock in this area, 70 kilometres out of Sydney.

I refer also to the M5. During the morning and afternoon peak hours between Campbelltown and Liverpool the M5 is a parking lot: vehicles are stationary. It is 55 kilometres out of Sydney! This happens because Camden residents have to commute to work. They do so because the Government has not put in place any plans for job creation in Camden. Every day people have to travel towards the city or to the north to go to work. Their options for public transport are zero. There is no rail link between Camden, Campbelltown and Macarthur. The journey on a bus from Camden to Campbelltown takes 1¼ hours. Commuters then have to travel for a further hour on an overcrowded train to the city. Generally, the train is running late. This is the future. This is as good as it will get for the residents of Campbelltown. Because Narellan Road is gridlocked and the M5 is gridlocked, a lot of people try to use Camden Valley Way.

The Hon. Tony Catanzariti: It's been abandoned, Charlie.

The Hon. CHARLIE LYNN: No, Camden has been abandoned by Labor. Camden Valley Way was a goat track when Labor came to power. I will cite a couple of figures relating to the usage of Narellan Road. In 1997 under the Carr Government there were 9,920 vehicles a day on Camden Valley Way. In 2006 there were 20,340. So the usage of the road has more than doubled in 11 years without any significant work being done on the road at all. What is the Government doing for Camden this year? Nothing! There is nothing in the budget for Camden. The traffic statistics on Camden Valley Way are horrific. The Government should be aware of them. Between 2000 and 2006 there were four fatalities, 128 injuries and 179 non-casualties. This is really serious stuff.

Every day these people are consigned to what is virtually a goat track between Camden and Liverpool, yet there is nothing in the budget for the Camden council area this year. So there is no hope. There is nothing for the residents of Camden to look towards, except the hazardous journey they are consigned to each day. One of the most vocal advocates of getting Camden Valley Way fixed—and it must be fixed—is the Mayor of Camden, Chris Patterson. I believe Chris Patterson is one of the most dedicated, professional mayors in this State. He is a mayor for the people—for everybody. Regardless of who you are or what your background is, if you go to Chris Patterson he will take on your problem and do something about it. He is there for everybody.

The Hon. Tony Catanzariti: Is he a Lib?

The Hon. CHARLIE LYNN: He wasn't, but he is now, because he realised that the only hope for Camden is to have a Liberal member there who will represent the local community. He is very good. Indeed, he will be the next Liberal member for Camden. There is no doubt about that. The Camden Valley Way upgrade is extremely urgent. I urge the Government to acknowledge the fact that there is no hope for the people who travel to the city on Narellan Road and the M5, and to do something to fast-track the upgrade, to get money from some hollow log somewhere and fix Camden Valley Way. The Government must bring its plans forward; otherwise it will consign a lot of its own voters. Because the Government is not representing them, we have to represent them, to assist them to get to and from work on a daily basis.

Transport in south-western Sydney is the big problem. In its planning the Government needs to look at promoting the area as a jobs growth area, so that people do not have to travel out of Camden every day to get work. If the Government did that, it would go a long way towards solving the biggest problem facing south-western Sydney: a lack of transport. A lack of transport means there are more vehicles on the road and more pollution. Indeed, the area has the worst air quality in the Sydney Basin. The Government needs to promote south-western Sydney as a jobs growth area, upgrade Camden Valley Way, and provide a three-lane highway. That is before the motorists even strike the tunnel of toxins, the M5 tunnel, to get to work each day. Everything funnels into that tunnel.

The Government must give the residents of south-western Sydney hope. They have no serious public transport options; they are simply gridlocked on a daily basis. I urge the Government to get behind the Mayor of Camden, Chris Patterson, and fast-track the solution to Camden Valley Way. When that is done, it needs to look at providing an extra lane as well as a breakdown lane on the M5. Otherwise the quickest way for people to get to their jobs will be to walk across the tops of vehicles as they are parked in what will be one of the world's largest parking lots. [*Time expired.*]

The Hon. MICHAEL VEITCH [4.13 p.m.]: I take great delight in speaking to this budget take-note debate. Since Morris Iemma became Premier the Government has cut taxes on 15 occasions and reduced workers compensation premiums on four occasions—changes worth a total of $9.9 billion over the forward estimates to 2010-11. The Iemma Government has removed the vendor duty on the sale of investment properties, at an estimated cost of $409 million in 2007-08. It has increased the land tax-free threshold from $330,000 to $352,000, at an estimated cost of $54 million in 2007-08. The Government has introduced three-year averaging of land values and the tax-free threshold for land tax from the 2007 land tax year, at an estimated cost of $47 million in 2007-08. It has provided payroll tax concessions of up to $144,000 a year for businesses newly liable for payroll tax that relocate to, or expand in, regions of New South Wales with higher than average unemployment, at an estimated cost of $6 million in 2007-08.

The Iemma Government has abolished the hire of goods duty from 1 July 2007, at an estimated cost of $70 million in 2007-08. It has extended the First Home Plus stamp duty concessions on a pro-rata basis to first home buyers using shared equity schemes, saving a first home purchaser buying a 50 per cent share of a $500,000 home $8,995 in transfer duty and $941 in mortgage duty if the full $250,000 is borrowed under a mortgage. The Government has abolished mortgage duty for owner-occupied housing from 1 September 2007, saving a homeowner almost $2,000 on a new mortgage of $500,000. This will cost approximately $138 million in 2007-08. The Government has made four cuts to workers compensation premiums totalling 25 per cent. The cost of these cuts is estimated at $701 million in 2007-08.

The Iemma Government will also reduce the land tax rate to 1.6 per cent from 1 January 2008, saving land tax payers with $500,000 in taxable land around $140 a year, or 5.6 per cent. The estimated cost of this measure is $110 million in 2007-08. The Government will abolish lease duty from 1 January 2008, at an estimated cost of $21 million in 2007-08. It will abolish mortgage duty for investment housing from 1 July 2008. The duty will be totally abolished from 1 July 2009. The Government will also abolish over the next five years unlisted marketable security duty and transfer duty on business assets other than land.

The tax cuts alone will save New South Wales taxpayers around $887 million in 2007-08, with around $700 million further savings to business in reduced workers compensation premiums. Of course, the New South Wales Government could reduce taxes further if it received a fairer share of GST revenue from the Commonwealth. New South Wales' economic activity will generate around $14.3 billion of GST revenue, but New South Wales will receive only $11.9 billion in GST grants from the Commonwealth.

I would like to compare this outstanding level of achievement with the achievements of the last Coalition Government in New South Wales. Since 1995 the Labor Government has reduced the State tax burden by an average of $104 million each year. When the Coalition was last in office the New South Wales tax burden increased by an average of $134 million each year. For example, when the Labor Government was elected in 1995-96 the payroll tax rate was 7 per cent and the threshold was $550,000. The rate is now 6 per cent and the threshold is $600,000. The payroll tax rate reductions are estimated to save New South Wales businesses around $990 million in 2007-08. The threshold of $600,000 means that only approximately 10 per cent of New South Wales employers are liable for payroll tax.

I also wish to highlight the abolition of mortgage duty. From 1 September 2007 mortgage duty will be progressively abolished on all new housing finance commitments for owner-occupiers. This brings forward the start of mortgage duty abolition more than two years in advance of the schedule confirmed in last year's budget. From 1 September 2007 homeowners in New South Wales no longer pay mortgage duty on their home loan. This means a saving of $1,141 on a $300,000 mortgage and $1,941 on a $500,000 mortgage.

The budget cost of mortgage duty abolition in 2007-08 is expected to be $138 million. This is the first tranche of a three-stage abolition schedule. Mortgage duty will be abolished for residential property investors from 1 July 2008, at an estimated cost of $148 million in the 2008-09 budget. Mortgage duty will be abolished on all other mortgages, including those on commercial property, from 1 July 2009, at an estimated budget cost of $107 million annually.

I would also like to highlight the $7.2 million provided for the continuation of a multipurpose health service on the Merriwa District Hospital site and $420,000 allocated to the upgrade of the Singleton District Hospital emergency administration department. Other projects in the upper Hunter electorate include Dungog High School, which will receive a new classroom block, including special education facilities, to replace demountables, a new library, a new administration area, and the refurbishment of the existing library into classrooms. As part of the Transport budget $2 million will be invested in Hunter rail cars. The Iemma Government will invest $1.6 million in the supply of new public housing and the upgrade of existing public housing in the Hunter electorate.

In the Goulburn electorate, $2.5 million will go towards the Hume Highway safety improvements at Towrang and Carrick Roads, which were recently opened; $700,000 to begin works on a $12.6 million upgrade of Bowral Police Station; $1 million to supply new public housing and the upgrade of existing public housing in Goulburn; $700,000 towards Sheepwash Road pavement reconstruction; $380,000 to install a roundabout on Old South Road and Range Road; and $100,000 to install traffic signals on the old Hume Highway and Bessemer Street.

In my own electorate of Burrinjuck, $20 million will be spent on the duplication of Sheahan Bridge on the Hume Highway at Gudagai. Tenders have been let for that project, which will help improve the safety and traffic flow across the Murray Bridge River on the Hume Highway. Other projects in Burrinjuck include $3 million for planning the Barton Highway Murrumbateman Bypass; $2.2 million for the Midwestern Highway Grubbenbun Creek Bridge replacement; $1.6 million for the Burley Griffin Way pavement reconstruction; $3.141 million towards the upgrade of Wyangala Dam; $1.1 million for the Midwestern Highway Mandurama Creek Bridge replacement; $665,000 for the supply of new public housing and the upgrade of existing public housing in Burrinjuck; and $322,000 for a new fire engine for the New South Wales Fire Brigade's Young fire station.

This is a progressive, outstanding budget for the taxpayers of New South Wales and it is a vast improvement on previous Coalition State government budgets. We are managing well with the limited GST revenue we have received back from the Federal Government.

Debate adjourned on motion by the Hon. Catherine Cusack and set down as an order of the day for a future day.

MOTOR DEALERS AMENDEMENT BILL 2007

Second Reading

Debate resumed from an earlier hour.

The Hon. CATHERINE CUSACK [4.23 p.m.]: I turn to the measures in the bill, particularly in relation to deleting prescribed Form 7 concerning inter-dealer vehicle trades where it was discovered that the Roads and Traffic Authority and the Office of Fair Trading were asking businesses for identical information twice. There are some 600,000 inter-dealer vehicle trades each year. Deleting Form 7 will mean that instead of filling out 1.2 million forms that give the Government information in duplicate, dealers will only need to fill out 600,000 of the Form 7 equivalents. The Office of Fair Trading and the New South Wales Police Force will access the data they need through the Roads and Traffic Authority.

Although welcome, the amendments make a very minor dent on the red tape experienced by motor vehicle dealers in New South Wales. The Minister claims that by relieving dealers of the obligation to fill out the same form twice there will be savings to consumers of $1.17 million. This figure seems to have been plucked from thin air. I speak as a person of limited experience in working in stock control for a new car dealer. From the sheer volume of paperwork I was required to process and file, I can assure the House one less form would have been welcome. It would have given me an extra three or four minutes for morning tea. I am not at all sure where the Minister's $1.17 million is going to come from. It sounds suspiciously like Labor Party hubris to me. Indeed, the State Opposition finds the Minister's claims of an all-out attack against red tape are exaggerated to the point of comedy.

If we were having this debate at the Sydney Cricket Ground I would say a more accurate description of the bill is that it tidies up a few technical errors in the Government's own bowling action. The Labor Party has managed to complete an over of spin bowling without being cited for chucking. If we were at the Sydney

Cricket Ground the Minister's extravagant claims about this bill, including that it slashes red tape, would probably result in a very stiff fine for "over-celebration". Barely a few minutes into the attack against red tape, the Minister is already attempting to declare a victory without having achieved anything of genuine significance. The Office of Fair Trading is eagerly pulling up stumps and heading back to the pavilion for an early lunch. Meanwhile the industry players slaving away in the field all know the attack on red tape has barely begun and there is a great deal of work left to be done.

The Motor Dealers Act 1974 is 122 pages in length but none of the Act is affected. We are simply talking about a couple of forms prescribed in the regulations. Over the past 33 years it has been the subject of 42 separate Acts amending the principal Act and goodness knows how many additional upgrades and changes through regulation. This is but one Act that is administered by the Office of Fair Trading that the industry has to comply with. There is also the Motor Vehicle Repairers Act, the Business Licences Act, the Financial Institutions Act, and the general provisions of the Fair Trading Act.

The Roads and Traffic Authority legislation, particularly in relation to vehicle registration, also governs the industry. To protect its customers from fraud perpetrated by criminals selling dodgy second-hand vehicles into the market, there are more provisions and paperwork policed under the Crimes Act. Motor Dealers have to comply with State industrial legislation, including State awards, and occupational health and safety, and are obliged to live with a dysfunctional WorkCover scheme—which is another story that I understand was raised with the inquiry but needs to be dealt with in another way. There is planning law, environmental legislation, and local government inspections and enforcement of such laws. Motor dealers also confront a host of differences in all this legislation between States. As we know, there is an enormous cross-border trade in motor vehicles—and this is not confined to cross-border communities. Then there is Federal legislation governing customs, trade practices and taxation.

This regulation purports to protect consumers. While that is a worthy ideal, anybody with a cursory knowledge of the motor vehicle industry and established motor dealers would know that the best consumer protection is found in the competitive forces of economics. Car dealers rely heavily on repeat business and word of mouth. They place a very high value upon their reputation with their customer base. It is in the dealer's interest to have positive relationships with clients so that new business can occur through different members of a family purchasing replacement vehicles following previous sales. That is the reality of how the car industry works. In my conversations with motorcar dealers these points are repeated over and over again. Often there is an additional statement such as:

> I wish politicians would get it through their thick heads that this is the toughest most competitive industry in Australia and we wouldn't be in business if we weren't doing the right thing by our customers.

I have researched the Department of Fair Trading quarterly reports on successful prosecutions under the Motor Traders Act for the period 2006-07. The results support the assertion that licensed motorcar dealers value their reputation and there are very few offences under the Act. For the 2006-07 year there were 32 offences proven in court, with fines totalling $278,965.00. Of those fines 87 per cent were imposed against individuals and businesses found guilty of operating as an unlicensed motor dealer. In other words, they were not motor vehicle dealers at all; they were rogues outside the industry. Of the 13 per cent of fines that did apply to licensed dealers, a third of the value of the fines, or $12,558, was imposed against four dealers for displaying a car in a place other than the authorised location. This smacks of over-zealousness on the part of the Office of Fair Trading. I note that this issue was raised during the task force review of red tape in the motorcar industry. I would like to quote from a submission made by James McCall, the Chief Executive of the Motor Trades Association, on this issue:

> One further issue that the MTA would like to highlight is that there have been instances where enforcement officers have been overbearing and difficult to deal with. Licence holders are reluctant to report this type of behaviour as they feel that they will be targeted in the future by Officers from the same department for complaining.
>
> The Association understand that there are plenty of stories the other way round where traders get hot under the collar with these officers. There is always a common thread in that many of the traders are good businesses with good staff and the only time they have any disagreements with anyone is when they are being inspected by Fair Trading.
>
> The Association is not saying every officer is in this category at all, but they do exist.
>
> Business and Government will always need to work together day to day and be able to communicate amicably. It seems that lately there is very little goodwill being shown by some officers. Cases such as where a vehicle is being moved to allow another to be taken for a road-test by a potential purchaser and when the vehicle is sitting on the street an infringement is issued to the business for "*not display vehicle on licensed premises*" are not uncommon.

> Short of people formally complaining about individual cases there is very little that can be done. However the MTA asks that this be kept in mind when holding discussions with other businesses (such as real estate agents) that are regulated by Fair Trading.

Cars are arranged on motor vehicle premises in such a way to make them easy for inspection by customers. When a car needs to be removed from the back row, the dealership needs to access the road. They are entitled to do so, as much as anyone else. However, in the course of moving cars to access a vehicle at the rear, along comes the Fair Trading inspector and imposes a fine. That explains some of the fines shown in the figures. As to further offences by motor dealers, two dealers were licensed to sell on consignment and one dealer was an auto-dismantler who was not correctly accounting for spare parts. Only one licensed dealer was convicted of an offence other than the offence of not displaying a vehicle on licensed premises, that is, an odometer offence. He was a wholesaler, so the victims of his crime were licensed motor vehicle retailers, not consumers.

I have not analysed the infringement notices issued under the Act or under regulation, as these are less serious and details of breaches and offences are not given on the Department of Fair Trading website. I have described the more serious matters that have been determined in court. Given the amount of regulation and scrutiny by the Department of Fair Trading and the media, the service record of licensed motor vehicle dealers is remarkably positive and compliant; indeed, it is a great credit to the industry. What is required now in the battle against the red tape that engulfs licensed motor dealers is for the Minister to stop hugging and praising the Office of Fair Trading and instead tell the Minister's team to get back out there on the field and earn some wickets. For example, the Motor Trades Association has proposed three-year licences for motor dealers. The present bureaucracy of annual licence renewal is devoid of any logic or outcomes. Although it is the simplest reform imaginable—and was proposed during the inquiry—it has been ignored in the bill. It is ironic that the Minister, in her speech on motor dealers, did not refer to the introduction of these licences. She did refer to the introduction of three-year licences for builders, but not for motor dealers. Why?

When the House enters the Committee stage, the Liberal and Nationals parties will test the resolve of the Government to fight red tape. Even though the Minister referred to three-year licences in her agreement in principle speech, I am advised the issue may be outside the leave of the bill . The Opposition will, therefore, seek the support of members for an instruction to allow an amendment to the bill to provide for three-year dealer licences. I believe such an amendment has already been circulated. The Liberal and Nationals parties are raising this issue of three-year licences as a symbolic gesture of support for the need to reduce the burden of regulation on the motor vehicle industry. We seek to highlight that the Government has ignored or overlooked simple practical reforms that must be considered and acted upon if meaningful relief is to be given to the industry.

Before concluding my remarks I would like to return to the issue of organised crime. A very small number of very nasty criminals are laughing at law enforcement officers and driving proverbial trucks through loopholes that have been ignored by the State Government. Licensed motor vehicle dealers are a major target of these organised criminals and they have inadequate protection against them. The total number of car thefts nationally has fallen from 127,000 in 2000 to 64,000 in 2006. But the term "car theft" is a generic one for a collection of very different types of crime. There are the kids who joy-ride and account for the vast majority of stolen vehicles. This type of crime has been dramatically cut by improvements to vehicle security by car manufacturers—for example, deadlocked car doors and steering locks that make it almost impossible to progress beyond breaking into a car. The car is undriveable without a key. Joy-riding and vandalism is an impulsive crime associated with juveniles and the offender gains very little.

The other type of car theft buried in these statistics is professional theft, whereby a vehicle is targeted for financial gain, often stolen to order by organised criminals and never recovered. Although vehicle theft nationally has halved in the past six years, the number of unrecovered cars for the same period has experienced only a slight fall, from 15,000 to 13,200. A recent analysis by the University of Sydney, as reported by the *Australian,* estimated that half the stolen vehicles are dumped in bushland or places such as the Georges River, 20 per cent are rebirthed, and 30 per cent are stripped for parts. A small number of vehicles are illegally exported to the Middle East. If we assume that the dumped vehicles have been stolen by joy-riders and we eliminate them from the figures, that means about 6,600 vehicles are being stolen annually by organised criminals—around 4,000 for rebirthing and 2,600 for car parts.

I do not have information on the profitability of rebirthing and the resale of stolen car parts. But if criminals were making $15,000 per vehicle, that would make this a $100 million racket annually that is operated at the expense of thousands of victims who have had their cars stolen or have purchased shonky cars that are worth thousands of dollars less than they believed at the time of transaction. The rebirthing industry is highly organised and national police intelligence suggests it is centred in motor repair shops, spare parts and wrecking businesses in New South Wales. Further information provided to me by people in the motor industry suggests

the fulcrum of organised car theft in Australia is in the Bankstown area of Western Sydney. I was disappointed during budget estimates that the Minister said she had heard nothing at all about this matter. Even though she is a local member, she has no information. It was a completely new idea to her.

The *Australian* newspaper reported on investigations into links with terrorism in the Middle East. The currency of international crime is drugs, weapons and stolen car parts. A car part stolen in Sydney is an untraceable and internationally tradeable commodity in the hands of criminals. It is an incredibly serious situation to contemplate Australian links to global terrorism. Yet that is precisely what a Melbourne court was told last year during proceedings against 13 men charged with planning a terrorist act. The alleged crime was to be financed, in part, through car rebirthing. It is an incredibly serious matter. One of the great difficulties facing our retail and services industry is the refusal of the Government to run its own anti-crime systems properly. The State is fighting crime by imposing vast tracts of paperwork on business, and this shifts all the pressure and all the risk onto the legitimate industry.

For example, the dysfunctional operation of the Register of Encumbered Vehicles Scheme, which is operated by the Department of Fair Trading, must be addressed and stronger anti-crime measures taken to eliminate highly organised trade in stolen motor vehicles and spare parts. A reliable register of encumbered vehicles would prevent crime, reduce rip-offs, and relieve the red tape burden. Yet again in this debate we have heard nothing but excuses as to why this cannot be done and no commitment to actually fix the problem. The Register of Encumbered Vehicles Scheme is the State Government's one-stop shop for checking the status of a vehicle before purchase. It integrates vehicle registration information from various databases, including those of the Roads and Traffic Authority, which records vehicle registration information; the Police Force, which shows if a car has been stolen; and financial institutions and companies, which show whether a car is being used as security for a loan.

It is essential that a check be made with the Register of Encumbered Vehicles prior to purchasing a motor vehicle that is registered in New South Wales. The people of this State rely on the accuracy and efficacy of this database. Unfortunately there are loopholes large enough to drive a stolen truck through, and this is helping criminals and unethical persons to conceal crucial information about a vehicle's history. For example, the Register of Encumbered Vehicles does not capture interstate written-off vehicle data. I know the Department of Fair Trading has received numerous complaints on this issue. The Roads and Traffic Authority captures this information but it is not communicated to the Register of Encumbered Vehicles. So a business or consumer purchasing a second-hand car may not be aware that it was once a repairable write-off in Queensland. The New South Wales Government has this information. It is in the hands of the Roads and Traffic Authority, which has given the car a new registration number. But it is concealing this information from consumers by not making it available through the Register of Encumbered Vehicles. This is a major rip-off because a repairable write-off is worth less than half the amount a buyer pays for it.

Many vehicles sold in roadside sales are repairable write-offs in another State that have been re-registered in New South Wales. One case involved a very expensive 2006 model that was sold at the end of 2006. It had very low kilometres, so it seemed to be a very valuable car. Subsequently, through an information trading agent, it was discovered that it was a write-off in Queensland. In those circumstances I would never buy a repairable write-off and I would never recommend anybody buy one. I do not even know why we have repairable write-offs. I think the entire category needs to be eliminated because these vehicles are not what they appear to be, and the structural damage and the internal problems that are not visible even to Roads and Traffic Authority inspectors can be quite catastrophic. Apart from being a massive financial rip-off to the unfortunate consumer who purchases one of these vehicles, he or she will find himself or herself in a very dangerous motor vehicle.

If these repairable write-offs are not banned, the Roads and Traffic Authority should issue registration papers for the vehicles in red ink, with the words "Repaired write-off" in 20-point font, underlined and stamped on every page of every document associated with that vehicle. As I said, these vehicles are sold on roadsides—another practice that rips off consumers and which this Government has failed to stamp out. Some words of advice on the website of the Office of Fair Trading caution consumers against this type of purchase, but I do not believe the sale of these vehicles should be allowed in the first place. Such vehicles are meant to be illegal but we seem to have a compliance system that is paralysed. The system is very good at picking up the licensed vehicle dealer for leaving his car parked on the street when he is meeting other vehicles but it is not very good at stamping out the organised crime of selling unroadworthy cars.

As I said, I know of a case study of organised crime that has been ignored by the Government. Queensland appears to be one State in particular where these repairable write-offs are being sourced. I will

return to this issue in the House because action against these rorts would relieve the industry and consumers, and it would reduce the need for useless paperwork: crimes would then be prevented at the source. The two pitiful and technical amendments before the House show that, contrary to the claims of the Minister, the Iemma Government is not at all serious about deregulation. The Motor Vehicle Act is an antique and difficult piece of legislation and it needs a far more meaningful review by experts, not by bureaucrats.

Unfortunately, the Parliamentary Secretary will say that most of my remarks have been ancillary to this debate. That is probably right, because the Opposition is focusing on the core problems at the heart of the issue while this very out-of-touch Government nibbles at the edges of the problem with legislation such as this bill. It is so minor and so technical, I wonder why this is not just in a statute law bill: it barely justifies being a piece of legislation in its own right. I look forward to seeking leave in the Committee stage to move an amendment to provide for three-year licences, and I call on the Government to outline a genuine program to reduce the regulatory burden and stamp out rip-offs in order to assist our ailing motor industry.

Dr JOHN KAYE [4.42 p.m.]: The Greens support the Motor Dealers Amendment Bill 2007. We support the reform of unnecessarily complex regulation when it does not compromise consumer protection or consumer safety. We understand that this legislation passes that test. This legislation is the result of the work of the 2006 Small Business Regulation Review Taskforce, and we understand that the industry and consumers were consulted during the review.

On behalf of the Greens I make one observation. Office of Fair Trading reviews and the subsequent legislation that takes account of those reviews seem to take a very long time to occur. For example, there are a number of other outstanding areas being reviewed or that are in need of review. These include the Residential Tenancies Act, the Retirement Villages Act, regulation of mortgage brokers, regulation of credit lenders, and the Consumer, Trade and Tenancy Tribunal. It appears to have taken a year for the Government to produce a 66-page response to the first round of submissions on the Residential Tenancies Act. That is a fairly long time for an important response that the community was waiting for. The Government has promised uniform legislation on responsible credit but we are yet to see that. In her reply the Parliamentary Secretary might address the status of other recommendations from the task force. The Greens have no problem with this bill and we support it.

The Hon. PENNY SHARPE (Parliamentary Secretary) [4.45 p.m.], in reply: I thank all members who contributed to the debate. The Motor Dealers Amendment Bill 2007 introduces a number of changes to the record-keeping requirements for motor dealers and will cut red tape across this important sector. Under the Motor Dealers Act and regulation, dealers are required to keep a number of prescribed forms. These forms include a variety of different registers of the vehicles they are buying, selling and transferring. The data stored in the registers is vital for investigating consumer fraud and to help stamp out the trade in stolen cars and spare parts—something this Government takes very seriously.

Currently, there are 19 separate prescribed forms under the Act. The Small Business Regulation Review Taskforce recommended that the Office of Fair Trading look at each of these to identify opportunities for simplification and reduction. The bill includes a number of changes to the law that will significantly reduce the burden for dealers and result in the abolition of four of the 19 prescribed forms and reduce the usage of one other. It is important to note that the change will not impact on the law enforcement capabilities of the Office of Fair Trading, the Roads and Traffic Authority or the police. The Office of Fair Trading has already been in contact with the authority about the information it collects to ensure that required data is collected, and both the police and the Office of Fair Trading will be able to access the authority's database when conducting investigations.

The Office of Fair Trading has indicated that the changes will bring about an estimated saving of $1.17 million for dealers in processing, printing, handling, storing and retrieving costs associated with this high number of transactions. This change is a win-win for industry and consumers alike. The changes set out in the bill will have a significant and immediate impact on reducing red tape for motor dealers. In addition to the Roads and Traffic Authority and the New South Wales Police Force, the changes have also been discussed with the Motor Traders Association, the Institute of Automotive Mechanical Engineers and the chairperson of the Motor Vehicle Industry Advisory Council. All have indicated support for the measures, which are designed to cut red tape without affecting the strong consumer protection mechanisms under the Act.

Members opposite have raised a number of issues during their contributions and I will touch on some of them now. The reforms in the bill follow a number of others arising from the review of the task force that

have either been implemented or are being implemented. For example, the Government has already removed the requirement for motor vehicle repairers to comply with specified equipment lists, and it continues to work with State, Territory and Commonwealth bodies on the implementation of a national seamless, single online search facility for business names and numbers as well as trademarks.

I understand that the Office of Fair Trading this year will commence a review of the trade certification categories for vehicle repairers following the finalisation of national discussions on mutual recognition of repairers' qualifications. The Government has opted not to implement the recommendation of the task force that changes be considered to the record-keeping requirements for auto-dismantlers. The records kept by auto-dismantlers are required particularly by the New South Wales Police Force in its fight to combat motor vehicle theft and rebirthing. It is essential in these investigations to be able to trace the path of a vehicle and its parts to prevent criminal gangs from breaking up a vehicle and on-selling the parts or using the parts and identifiers to give a vehicle a new identity.

The New South Wales Police Force has advised that the current record-keeping requirements are absolutely necessary to investigate these matters. The police also note that the current requirements are not particularly burdensome. The Government is committed to ensuring that the police have whatever tools are required to investigate crime, particularly car theft. For this reason, we have followed the advice of the New South Wales Police Force and decided that the current requirements are necessary.

The task force also recommended that New South Wales work with the other States and Territories as well as the Commonwealth to progress the implementation of an online single entry-point business name, business number and trademark search facility. The New South Wales Government, through the Council of Australian Governments [COAG] and the Small Business Ministerial Council, has been working hard on achieving a national approach to deliver a seamless, single online registration system. On 13 April this year, the Council of Australian Governments agreed on a process for developing a model to deliver that system. The Small Business Ministerial Council is now working on a business model for the project and is expected to report back to the Council of Australian Governments by the end of this year. New South Wales, of course, will continue to participate in this process.

Finally, the issue of consumers being able to check information about interstate vehicles through the New South Wales Register of Encumbered Vehicles [REVS] service and three-year licences have also been mentioned during debate on the bill. Although the Small Business Regulation Review Taskforce did not raise these issues I am happy to address them now. The New South Wales Register of Encumbered Vehicles service is working with the Commonwealth and other States in developing a national Personal Properties Securities Register, which will take over all the similar State-based systems including the New South Wales Register of Encumbered Vehicles. The Council of Australian Governments approved that project in principle, and the Commonwealth Government has provided budget funding for the project and is proposing implementation during 2009.

The Commonwealth Government has recently confirmed that it will implement national exchange of vehicle and drive information systems access as part of a national personal properties securities system. This was a key consumer protection issue raised by the Ministerial Council of Consumer Affairs and is a measure that will benefit consumers, dealers and financiers.

The benefits include the provision of additional information on the history of interstate vehicles to show whether they have been written off or stolen in a particular State. That will be invaluable for consumers. They also provide additional validation of engine and identifier and chassis numbers of vehicles being purchased from outside New South Wales. This will offer financiers, dealers and consumers additional protection when purchasing interstate registered vehicles and help to combat car rebirthing and the trade in stolen vehicles. As with the other multi-jurisdictional projects I have mentioned today, New South Wales will continue to be a strong participant in this very worthwhile national project.

I will deal with three-year licensing in more detail in Committee. However, while it is being implemented for some categories of licences, at this stage it is not considered appropriate for the motor vehicle retailing sector. Licensees are currently required each time they seek to renew their licence to declare that they have not been convicted of any criminal offences that would prevent them from holding a licence. They are also required to declare if they have acted as a consignor for vehicles or operated their trust accounts in the previous 12 months. Should licensees move to three yearly renewals, these vital annual checks would no longer be possible. As a result, it could be a significant period before any anomalies in a trust account are discovered or

before a person with links to criminal activity is detected as working in an industry in which there are strong links to organised crime, particularly in relation to motor vehicle theft and rebirthing.

A member opposite said that the Minister for Fair Trading was not aware that Bankstown is the centre of car rebirthing. The Minister is responsible for Fair Trading, Youth and Volunteering; she is not the Minister for Police and does not receive operational briefings on police matters. Of course, that does not mean that the Minister does not take such matters seriously. The continuation of annual licensing is a vital law enforcement and consumer protection measure designed to ensure that any concerns are detected early and that action is taken at the first possible opportunity. A move to three-year licences would put consumers at risk and impede the fight against car theft. I commend the bill to the House.

Question—That this bill be now read a second time—put and resolved in the affirmative.

Motion agreed to.

Bill read a second time.

Suspension of Standing Orders: Instruction to Committee of the Whole

The Hon. CATHERINE CUSACK [4.57 p.m.]: I move:

> 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 have power to consider an amendment to provide for a periodic licence of three years.

I foreshadowed this amendment during the second reading debate. The Parliamentary Secretary addressed the issue in part in her reply. She suggested that the registration of encumbered vehicles scheme and three-year licences were not raised with the Small Business Regulation Review Taskforce. I refer her to the task force report published in July 2006. Appendix C contains a letter from the chief executive officer of the Motor Traders Association. It is the letter I quoted earlier regarding the registration of encumbered vehicles scheme and it also deals with three-year licences. Not only was the issue raised with the task force but it also included reference to it in the appendices to its report. The relevant section states:

> One request that was put to the Association was for business (Motor Mechanics, Motor Dealer etc) licences to be valid for 1, 3 or 5 years, as the trader requests. This would mean only one renewal potentially instead of five. For many license holders this would reduce administration and if a license is going to be cancelled by the OFT it would be irrelevant if it were a one or five year license.

The Parliamentary Secretary also referred to annual reporting for trust funds. The Opposition is not seeking to turn that into a three-year process. I believe it relates to vehicles on consignment. It would be a very simple matter for them to be reported annually as a separate requirement from the licence.

I am completely unaware of any links between licensed motor vehicle dealers and organised crime. I have comprehensively detailed to the House the infringements committed by licensed motor vehicle dealers, and all of them relate to having a vehicle parked on the road outside approved premises. That is a minor matter and a contentious issue for the dealers incurring those fines. The industry has a wonderful reputation and its representatives point out that builders can obtain three-year licences. In fact, the Parliamentary Secretary specifically referred to that in the second reading speech. Why can motor vehicle dealers not also have access to three-year licences?

In my discussions with the Parliamentary Counsel about the best way to proceed I was advised that a periodic licence is not an option under the Act. As I have indicated, it is a 1974 Act and is probably in dire need of a thorough review. After consultation with the Motor Traders Association it is clear to me that a more logical way forward is to pursue a three-year licence. That would reduce red tape for the industry at no cost to accountability or consumers. It would have a positive outcome and would reduce the burdens on the industry. As I said, it is a symbolic gesture. It is not the complete solution to the problem, but it tests the Government's mettle when it says it wants to slash red tape. I put that challenge to the Government. I seek to move this amendment to reduce this one small area of regulation on licensed motor vehicle dealers.

Question—That the motion be agreed to—put and resolved in the affirmative.

Motion agreed to.

Instruction to Committee of the Whole

Motion by the Hon. Catherine Cusack agreed to:

That it be an instruction to the Committee of the Whole that it have power to consider an amendment to provide for a periodic licence of three years.

In Committee

Clauses 1 to 4 agreed to.

The Hon. CATHERINE CUSACK [4.59 p.m.]: I move Liberal Party amendment No. 1:

No. 1 Page 3, schedule 1. Insert after line 8:

[3] Section 20 Periodic licence fee and statement

Omit section 20 (1) and (2). Insert instead:

(1) The holder of a licence must, before the end of one month after each period of 3 years following the date on which the licence was granted, pay to the Director-General in respect of that 3-year period the fee prescribed by the regulations for the licence.

(2) A person who is or was the holder of a licence during a 3-year period (or part of a 3-year period) commencing on the date (or on the third anniversary of the date) on which the licence was granted to the person, must lodge with the Director-General a statement in respect of that 3-year period (or part of that 3-year period) that is in a form approved by the Director-General and is signed by or on behalf of the person.

[4] Section 20 (4)

Omit "the year". Insert instead "the 3-year period".

[5] Section 20 (9) (b)

Omit "annual". Insert instead "periodic".

[6] Section 20 (12)

Insert after section 20 (11):

(12) The amendments made to this section by the *Motor Dealers Amendment Act 2007* extend to licences in force as at the commencement of those amendments. In the case of any such existing licence, the first fee that is payable under this section on a triennial basis is payable on the date on which the fee under this section would have been payable if those amendments had not been made.

I have already taken some time to explain the purpose of this amendment. The Opposition believes three-year licences would be more efficient for the industry. At present the Department of Fair Trading issues a $57 handling fee every time it processes a licence. Obviously this amendment would reduce that handling fee by two-thirds over three years. These businesses value their reputations and have outstanding records. The amendment will in no way inhibit the Department of Fair Trading from cancelling a licence at any time. The procedure for cancelling a licence has nothing to do with the issuing and renewal of licences. The annual renewal is red tape and a regulatory burden, and we seek to streamline the process with the availability of three-year licences.

The Hon. PENNY SHARPE (Parliamentary Secretary) [5.00 p.m.]: The Government does not support the amendment. The issue of three-year licences is separate from the main purpose of the bill, and that is to introduce a number of changes to the forms required, as I have stated previously. A number of reforms to various aspects of the Motor Dealers Act are currently being considered with a view to further amending legislation. The issue of three-year licences will be considered as part of those reforms. This will allow proper consultation with the industry, police, consumers and other stakeholders on whether three-year licences are appropriate.

Although the Government has indicated it will give consideration to three-year licences in the future, a number of concerns remain. Licensees are required, each time they seek to renew their licences, to declare that they have not been convicted of any criminal offences that would prevent them from holding a licence. There is

strong evidence of links between gangs and criminals involved in car theft and rebirthing activities and that they seek to maintain links to the motor vehicle sales and repair sectors. To ensure that criminals are unable to get a foothold in businesses, each year licensees are required to declare whether they have been convicted of fraud or dishonesty within the past 12 months. Fair Trading also conducts criminal record checks where appropriate. If three-year renewals were adopted, offending licensees would be able to operate for a considerable time in the industry before their links to criminal activity were detected. I am sure that anyone who has ever been stung by car thieves or rebirthing will acknowledge that prevention in this case is far better than cure. The Government's view is that three-year licences would inhibit this practice.

In addition to three-year renewals increasing the potential for criminal elements to enter the industry through the backdoor, they would also make it difficult for the police and Fair Trading to undertake proactive inspections and investigations of licensees. Businesses in the retail vehicle sector change premises frequently. Licensees are required to notify Fair Trading when they move, but in reality many do not do so until they are required to renew their licence. Fair Trading and the police must know where a licensee is located so they are able to undertake inspections of company books and any vehicles in caryards. Proactive monitoring of the records and conduct of licensees is a strong deterrent to illegal activity. If licensees move to three-year renewals, it will be difficult to locate them from one renewal period to the next. Consumers would not be able to obtain up-to-date information about licensees, and police and Fair Trading would not be able to easily identify a trader at a particular location or target groups of high-risk traders for inspection campaigns.

Law enforcement implications are in themselves significant justification for the maintenance of annual renewals. However, there are consumer protection implications as well. Dealers are required to declare each year at renewal time if they have acted as a consignor for vehicles or operated their trust accounts in the previous 12 months. Should licensees move to three yearly renewals, these vital annual checks would no longer be possible and a significant time would pass before any anomalies in a trust account were discovered. Already, claims in relation to consigned vehicles account for a large proportion of claims on the Motor Dealers Compensation Fund. Should three-year licences be introduced and the scrutiny of trust accounts reduced, the chances that a consumer will suffer a loss are likely to increase. This will result in more claims on the fund and, in turn, in increased costs for licensees as compensation fund membership fees are increased. This increase would then be passed on to consumers in the form of higher vehicle prices. The continuation of annual licensing is a vital law enforcement and consumer protection measure designed to ensure that any concerns are detected early and action taken at the first opportunity. A move to three-year licences would put consumers at risk and impede the fight against car theft.

Dr JOHN KAYE [5.03 p.m.]: On behalf of the Greens I place on record that we supported the suspension of standing orders so that this matter could be debated. We recognise it is an important issue that should be aired. However, we are not convinced that the period of three years would not be too long and allow too many opportunities for adverse outcomes for consumers. In particular, we are concerned that three years, as the Parliamentary Secretary outlined, would leave open opportunities for dealerships to change hands without appropriate changes to registration, in which case it might take up to three years before certain individuals who enter the industry are caught. However, we recognise costs are passed on to consumers by the annual cycle.

Debate on this matter is important and we encourage the Government to undertake a process of consultation with consumers and representatives of the motor trading industry to assess whether longer licensing periods can be adopted to reduce costs and achieve the outcomes sought by the Hon. Catherine Cusack. They are valid and reasonable outcomes, but they should not be purchased at the price of reducing protection for consumers and reducing the oversight of the industry—both of which are important to maintain the integrity of traders within the industry. Therefore, the Greens will not support the amendment.

The Hon. CATHERINE CUSACK [5.05 p.m.]: The Parliamentary Secretary referred to a further review of the Motor Dealers Act. That is news to me, albeit most welcome news. However, I ask her to elucidate further on that matter, particularly when the review will be conducted and what outcomes are likely to be achieved. The issues raised by Dr John Kaye could be taken care of in that process also. My concern is that reviews of Fair Trading legislation appear to go on for years. A review of the Tenancy Act was conducted in 2005 and we are only now dealing with a ministerial white paper in relation to which there may be legislation next year. Last year former Minister Beamer went all over New South Wales announcing that the new retirement villages legislation would be completed by the end of last year. Instead, an exposure draft was introduced and, as of September, there is still no sign of that bill. New South Wales was tasked to draft the mortgage brokers legislation in 2003, but as of today still no draft has been released. As a result, that is an unregulated industry. Time frames are a concern. If the Parliamentary Secretary is able to advise me further on that matter, I would be grateful.

Obviously I have a more positive attitude towards licensed motor dealers than others in this Chamber. I make the point that the offences one hears about—odometer wind backs and other rorts—are carried out by unlicensed shonks; people who are unlicensed motor dealers. The reputation of licensed motor dealers is the envy of people in most other industries. As I said earlier, I have no objection at all to annual reporting with regard to trust funds and vehicles on consignment. I do not see that that requirement has to be linked to the licence. Nevertheless, I look forward to hearing further from the Parliamentary Secretary about this matter.

The Hon. PENNY SHARPE (Parliamentary Secretary) [5.07 p.m.]: I have some additional information. I have been advised that reforms to the Motor Dealers Act will commence before the end of this year. In the meantime there will be appropriate consultation with industry, police, consumers and other stakeholders as appropriate. We hope the process will be completed by mid-next year.

Question—That the amendment be agreed to—put and resolved in the negative.

Amendment negatived.

Schedule 1 agreed to.

Title agreed to.

Bill reported from Committee without amendment.

Adoption of Report

Motion by the Hon. Penny Sharpe agreed to:

That the report be adopted.

Report adopted.

Third Reading

Motion by the Hon. Penny Sharpe agreed to:

That this bill be now read a third time.

Bill read a third time and returned to the Legislative Assembly without amendment.

ASSOCIATIONS INCORPORATION AMENDMENT (CANCELLATION OF INCORPORATION) BILL 2007

Second Reading

The Hon. PENNY SHARPE (Parliamentary Secretary) [5.11 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 have the second reading speech incorporated in *Hansard.*

Leave granted.

I am pleased to introduce the *Associations Incorporation Amendment (Cancellation of Incorporation) Bill 2007*.

The bill seeks to amend the notification provisions for proposals to cancel associations under the *Associations Incorporation Act 1984*.

The bill also introduces a provision that allows the incorporation of an association to be reinstated if it has been incorrectly cancelled.

The *Associations Incorporation Act 1984* was introduced to provide small non-profit community based groups with a simple and inexpensive means of creating a legal entity separate from the individual members.

Incorporation under the Act is voluntary and is significantly simpler and cheaper than incorporating as a company under the Corporations Act 2001.

Incorporating under the Act provides association members with a valuable legal safeguard in the form of limited liability which members of unincorporated associations do not enjoy.

The Act also provides a legislative framework to assist in the association's general administration.

There are over 39,000 registered incorporated associations in New South Wales.

Associations typically fall into the categories of charities, sport, recreation, education, or community service clubs.

They play a valuable role in bringing people together for a common cause, providing real benefits for their members and the larger community.

Of these approximately 60 per cent have a turnover of less than $100,000 and 2 per cent have a turnover of more than $500,000.

Some of these associations are no longer active but have not applied to the Registry to have their incorporation cancelled.

As a result of a review of the Act, many recommendations have been made for reform of the legislation.

The New South Wales Government is currently working on substantial amendments to the Act.

However, one of the matters raised in the review was the number of associations that are no longer operating but that are still showing as registered.

The current provisions for cancellation are overly complicated and are not in line with the requirements of other jurisdictions or the cancellation requirements for other forms of incorporation.

Consequently the Registry has not been able to carry out the requisite cancellation of the large number of associations that are no longer operating.

The amendments in this bill address these concerns.

They are technical and administrative amendments which have been brought forward, in advance of the bulk of the amendments, so that they can be dealt with in the short term.

Work on the majority of the amendments, which will affect the day to day operation of associations, can then be dealt with separately and in the longer term and with significant consultation with affected stakeholders.

The current Act provides that the Director General of the Office of Fair Trading may cancel the incorporation of an incorporated association if they are satisfied of certain matters.

These include associations who are no longer in operation; are engaged in trading or securing pecuniary gain for its members; were incorporated by reason of fraud or mistake; or who have not during the preceding period of 3 years convened an annual general meeting. The association then can respond and advise whether the grounds for sending the notice are correct or incorrect.

This bill seeks to streamline the processes for cancelling associations under the circumstances I have just described.

These amendments will streamline the notice of cancellation and the cancellation provisions of the Act in line with similar provisions in legislation of other jurisdictions.

Under the proposed amendments the Director General must consider an additional three grounds:

- That the association has failed to lodge financial statements for the last 3 years,
- That the association no longer has at least 5 members,
- That the association no longer has a public officer who is resident in NSW.

Under the proposed amendment, before any cancellation occurs, the Director General must notify associations of the proposal to cancel the association and set out the reasons why the notice has been sent.

The association then has 28 days to respond to the notice and the Director General must give due consideration to any submissions made within that time.

Under the current provisions, if an association's incorporation is cancelled, there is no requirement for how the notice of cancellation must be sent to the association.

This amendment bill, however, introduces an important requirement for the Director General to send that notice by registered mail.

This amendment bill also introduces a key safety net provision for associations whose incorporation has been incorrectly cancelled.

Currently the Director General only has the power to re-instate the incorporation of an association if that incorporation has been cancelled as a result of an error on the part of the Director General.

This current provision is very limited, yet it is quite foreseeable that there could be many other reasons why an association was incorrectly cancelled.

Accordingly this amendment bill gives the Director General the power to reinstate the incorporation of an association if satisfied that the incorporation should not have been cancelled.

Under these circumstances the association is taken to have continued in existence as if its incorporation had not been cancelled, thus ensuring that there are no long term effects on the association as a result of the incorrect cancellation.

There has been direct consultation on the final draft of the amendment bill with agencies who represent those members of our community who are most likely to be involved in associations.

A number of organisations were directly consulted, these included:

- The Council of Social Service of New South Wales (NCOSS)
- NSW Sports and Recreation
- Ethnic Communities Council of NSW (ECC)
- Community Relations Commission For a Multicultural NSW (CRC)
- National Disability Services NSW
- NSW Office for Women, NSW Department of Premier and Cabinet
- NSW Department of Community Services
- The Office of the Registrar of Aboriginal Corporations (ORAC)
- Aged and Community Services Association of NSW; and the
- Local Community Services Association

The Office of Fair Trading received 5 submissions in response to the request for comments. Those submissions that made comment on the content of the Amendment Bill provided their support and recognised that this amendment was essentially a technical amendment and would not affect the day to day operation of associations.

The Government is continuing to work with stakeholders on developing a comprehensive package of amendments which have resulted from the recommendations that were contained in the final report of the review of the Act.

I would like to thank all the agencies and consumer and advocacy groups for their contribution to the amendment bill.

I commend the bill to the House.

The Hon. CATHERINE CUSACK [5.11 p.m.]: The Associations Incorporation Amendment (Cancellation of Incorporation) Bill 2007 aims to streamline processes for the cancellation of registration of incorporated associations that have become defunct. There are more than 39,000 registered associations in New South Wales; 60 per cent have a turnover of less than $100,000 and 2 per cent have a turnover exceeding $500,000. Over the years many smaller associations have become defunct because, by definition, they have not met for three years, have not filed a return for three years and/or do not have a public officer. Many do not bother to cancel their registration, and I understand that creates a burden for the register. It is frustrating that other organisations are not able to use the names of defunct organisations, as the right to such names is retained by the defunct organisations even though they have no use for them and are not operating.

The bill makes it easier for the Commissioner for Fair Trading to cancel registration of associations that are clearly no longer operating. The current provision states that a decision to cancel a registration can only be reversed if it is discovered that the Commissioner for Fair Trading has made a mistake in doing so. This is an unnecessary barrier and in the interests of efficiency we have no objection to its removal. The proposal will benefit organisations that wish to apply for a name similar to others already on the register. In this regard the bill requires that the most senior officer of an association who is able to be located should be sent advice by registered post. It is an important safeguard and is welcomed by the Opposition.

The Minister said that these are technical amendments and that the Government is working on more substantial amendments to the Act. I note that this process arises from a consultation paper released in April 2003. I remind members also, however, that it is now October 2007. Four years and five months have passed and there is still no substantial proposal concerning this Act for the House to consider. The lack of progress is excruciatingly frustrating but it is typical of Fair Trading matters. The retirement villages legislation took a similar amount of time after former Minister Beamer spent most of 2006 touring the State telling everyone that the Act was to be reformed by the end of that year. In fact, all that was produced was an exposure draft, and here we are in October 2007 and there is still no sign of legislation. We have a ministerial white paper on the Tenancy Act that builds on a tenancy options paper that was released more than two years ago, in July 2005. These matters are positively speedy compared with issues relating to fringe credit and mortgage brokers, in

relation to which New South Wales Fair Trading was tasked in 2003 to prepare draft legislation. As of today nothing has been produced in that regard.

The House has just passed a bill containing amendments to the Motor Dealers Act that, like those in this bill, are so minor they would have been better placed in a statute law revision bill. Such bills create the impression of action but they mask monumental inaction, chronic delay and a lack of leadership and vision for sectors in New South Wales that have the misfortune of being regulated by the Minister for Fair Trading.

The PRESIDENT: Order! I ask members on both sides to stop interjecting on the Hon. Catherine Cusack.

The Hon. CATHERINE CUSACK: The farmyard squawking from the Government side of the House is making me homesick. The April 2003 discussion paper on the associations legislation resulted in a report, which I have requested, but the Minister is unfortunately unwilling to release it, even though this bill is said to be the result of that report. Yesterday I formally moved to obtain a copy of the report by order of the House and, hopefully, with the support of crossbench members I will be able to obtain a copy. It is sad that any member should have to resort to such action to obtain basic information about a bill before the House. Even if I do obtain a copy of that report, it will not be in time for use in the debate on the bill. I cannot imagine why the Government would seek to conceal such a report. Perhaps it has decided to do so simply because it can. I find this very disappointing.

In summary, this bill is another small, technical, disappointing piece of legislation that does nothing for the effective associations that are patiently awaiting some reform of the red tape that hinders their good work. The various organisations with which I have corresponded and consulted all make the obvious point that because the bill deals with the closure of corporations, and they are operating, it will have no impact on them. This is yet another Government bill that squibs on the bigger challenge of achieving meaningful reform.

The Hon. MICHAEL VEITCH [5.16 p.m.]: The Associations Incorporation Act 1984 provides members of our community who are involved in sporting, education, recreation and community service clubs with an inexpensive way of incorporating. Incorporation allows such community members to take advantage of the invaluable legal safeguard of limited liability that incorporation provides. I understand that the proposed amendments contained in the amendment bill arise out of an internal review of the Act undertaken by the Office of Fair Trading.

The review highlighted the need for legislative change in some areas—this area included. It also revealed that there was a need for some administrative change and better education of members and office-bearers of associations. Consequently, since the review was undertaken, the Registry of Co-operatives and Associations has developed a series of information sheets for members of associations on a range of issues. The registry has also been running face-to-face information sessions in regional areas. In 2003 the registry also implemented a number of measures to improve compliance rates for lodgement of the annual statements. These programs have resulted in pleasing improvements in compliance rates.

The registry consistently measured the compliance rates for incorporated associations in August 2005. Since that date there have been improvements of 8 per cent to 12 per cent in the compliance rates for the lodgement of annual statements within each financial year. I understand that, in addition, there are further proposals for legislative amendment. These proposals will be contained in an exposure draft bill that will be made publicly available for consultation before the end of the year.

Generally speaking, members and office holders of small, non-profit organisations work many hours in a volunteer capacity for the good of their communities. As with most volunteer positions, however, when their job is done, they move on. Unfortunately, I understand that this results in many associations still being registered under the Act but no longer actually being in operation. It is important that the Act provides a mechanism for the cancellation of these associations that is effective and streamlined and that is in keeping with similar provisions in the legislation of other jurisdictions and for other forms of incorporation such as cooperatives and corporations.

Currently the non-voluntary cancellation provisions contained within the Act are overly complicated and they have made the cancellation of large numbers of defunct associations cost prohibitive for the Registry of Co-operatives and Associations. It is important that these defunct associations are removed from the register, as many negative outcomes result from having associations that are no longer operating continuing to be registered

under the Act. For example, other non-profit organisations that wish to incorporate under the same name as a defunct but still registered association will not be able to do so as long as that non-operating association remains registered under the Act.

In addition, the public register of incorporated associations, which the Registry of Co-operatives and Associations is legally required to maintain, cannot be accurate while such associations continue to be registered under the Act. The amendments provided in the bill will streamline the notice of cancellation and the cancellation provisions of the Act in line with similar provisions in legislation of other jurisdictions and for other forms of incorporation. This will allow the Registry of Co-operatives and Associations to initiate the necessary notices of proposed cancellation to associations that are no longer operational.

I note that the amendments provided in the bill also seek to ensure that associations are directly notified of any proposal to cancel their incorporation and that they will have at least 28 days in which to respond to that notice. I also note that the bill introduces an important safety net provision which allows the Director General of the Office of Fair Trading to reinstate the incorporation of an association if he or she is satisfied that it has been incorrectly cancelled. Therefore, I am pleased to lend my full support to the bill. It will ensure that the legislation continues to operate as effectively and efficiently as possible.

Dr JOHN KAYE [5.21 p.m.]: The Greens support the Associations Incorporation Amendment (Cancellation of Incorporation) Bill 2007, which will make it easier to wind up an incorporated association which has become defunct. The bill will also facilitate the revival of an incorporated association that has been dormant or mistakenly unincorporated. Incorporation is an important function for many community groups. As the Hon. Michael Veitch pointed out, incorporation affords legal protection to the officers of community organisations and allows those organisations to operate in a way that provides services to the community. It is therefore worthwhile ensuring that any changes to the provisions of incorporation are tested to make sure they do not in any way impede the ability of an organisation to incorporate, or in any way mistakenly unincorporate or make it too easy to unincorporate an organisation. We do not believe this legislation does that.

The bill provides for cancellation of incorporation via gazettal by the director general where he or she is satisfied that the association is not in operation, and where various other activities, such as engaging in trading to secure pecuniary gain for members, have occurred. That is entirely reasonable. De-incorporation can also occur where there is a lack of association activity, such as when annual general meetings have not been convened or where the association has fewer than five members. In certain circumstances the bill ensures that the incorporation cannot be cancelled, such as when the association is being wound up or where there is a court order.

Prior to the cancellation the director general must give notice to the association of his or her intention and the grounds for cancellation. The association then has 28 days to show cause as to why the association should continue to be incorporated. After any cancellation the association shall be informed of this fact via registered post. Further, the director general has the discretion to reinstate an association's incorporation where there has been a mistaken cancellation, whereupon the association can continue on as before without having to resubmit all the paperwork necessary to become a registered association from scratch. Thus the provisions of the bill are adequate to ensure that associations will not be wound up inadvertently, and that when corporations are wound up it is done for valid reasons. The Greens support the bill.

The Hon. MELINDA PAVEY [5.24 p.m.]: I join with my Coalition colleagues in not opposing the Associations Incorporation Amendment (Cancellation of Incorporation) Bill 2007, which is in many respects a housekeeping bill that will make it easier to administer associations across New South Wales. I support my colleague the shadow Minister for Fair Trading, the Hon. Catherine Cusack, in relation to the glacial speed at which the Government has moved on this matter following a report released in 2004. It is now 2007 and finally we have before us some of the recommendations in that report and have the opportunity to debate them. However, there are other matters in the report that the Coalition would like to consider. We would encourage the Minister for Fair Trading to table the entire report so we can work with the Government and help increase that glacial speed. It might even turn into a tsunami!

The Hon. Catherine Cusack: Hit the desert with legislation!

The Hon. MELINDA PAVEY: That is right, hit the desert with legislation! Then we could help fix things. We will work with the Government for the people of New South Wales and the wonderful people who work in associations on behalf of their communities. Indeed, I would like to acknowledge some of the people in

my community at Coffs Harbour, where I occasionally live and where my family lives most of the time. One of the joys of parenthood is becoming involved with associations at a community level. It is appropriate that when members are touched by these associations, including sporting groups and cultural groups, they acknowledge the countless hours of devotion on the part of the community volunteers within these organisations.

One such organisation is the Northern Storm Soccer Association at Coffs Harbour. The President, Don Riley, does an absolutely magnificent job. I point out that the Tornadoes under-8 team went through the season undefeated. My son was in that side. There are a lot of teams in the Northern Storm Soccer Association. To give honourable members an idea of sport in country New South Wales and what this association is able to achieve, I think our registration fees are about $80 a year. I was talking to one of my cousins in Melbourne. She was horrified to learn that to put her son into the local soccer competition in Melbourne it was going to cost something like $400. We wonder why we have obesity problems in Australia generally. Sporting association fees may be one of the factors behind it. I can assure honourable members that we get good value for money at the Northern Storm. Recently the club put on a community fun day, with jumping castles, as well as free food and drink for all the families. Having said that, however, $80 is a struggle for some people. Governments should always have their eyes and ears open to community groups and what they provide, and should provide them with as much assistance as possible.

The Coffs Harbour Basketball Association is another great club. The association is one of the better performing regional associations. Indeed, the under-14 girls team recently won the State championships. Our local Korora primary school senior girls team also won the State championships. Many of the girls were in both sides, including a friend of ours, Emily Malouf. The girls performed brilliantly. The Coffs Harbour Basketball Association is an incredibly strong association. The president, Judy Smith, does a tremendous job. Occasionally on a Tuesday night I go down to the association's courts and participate in a game. I can assure members that it is a lot more fun than being here in the Parliament!

The Coffs Harbour Surf Life Saving Association is another brilliant club. It held its regional carnival last Sunday. Somehow it was able to manage around 500 or 600 people on Coffs Harbour Jetty Beach. The president, Terry Maher, does a great job, ably assisted by Michael Carah, the vice president, secretary Denice Holmes, treasurer Matthew Karpik, and the board of directors, Barry Butler, Cec Tempone, John Wake and Paul Worland. They all do a tremendous job on behalf of the community.

From a cultural perspective, the Coffs Harbour Regional Conservatorium is another organisation that deserves special mention. It is going through some interesting times. A conservatorium representative met with the Minister for Education and Training, the Hon. John Della Bosca, who was able to give a very good hearing in terms of the difficulties the conservatorium faces through the success of the organisation owing to its growth. The conservatorium, which currently leases premises from the commercial sector, services 600 or so students across Coffs Harbour, and provides a magnificent cultural facility for children and older people to learn to play all sorts of instruments and learn to sing. Many of those children and older people then become involved in bringing music to the community.

The chairman of the Coffs Harbour Regional Conservatorium is former councillor Bill Wood. Bill is currently working tirelessly behind the scenes, ably assisted by his executive director, Carol Helmers, to bring a solution to a new location for the conservatorium. As a community that has grown substantially, Coffs Harbour has not been afforded the luxury that is afforded to many other communities, such as Armidale, Lismore and Grafton, who were gifted a building for their conservatoriums. Coffs Harbour does not have buildings to gift to community groups because the timeframe of the town and the growth of the town do not work that way. I acknowledge that the Hon. John Della Bosca took a meeting—

The Hon. Christine Robertson: The conservatorium is in Tamworth, not Armidale.

The Hon. MELINDA PAVEY: The conservatorium is in Tamworth. It is a great facility.

The Hon. Catherine Cusack: The conservatorium was gifted the building.

The Hon. MELINDA PAVEY: Yes, it was gifted the building. I support the Associations Incorporation Amendment (Cancellation of Incorporation) Bill 2007 because anything that streamlines the process and makes life easier for people who give their time and energy is a good thing.

The Hon. Catherine Cusack: What about the surf club?

The Hon. MELINDA PAVEY: I mentioned the surf club. Let us bring forward the report. We will happily sit down with the Government and help bring forward other changes to improve the ability of associations to do the paperwork, which is the boring part—delivering the services is the fun part. We will be happy to help the Government do anything we can do to assist volunteers.

The Hon. PENNY SHARPE (Parliamentary Secretary) [5.31 p.m.], in reply: I thank honourable members for their contributions to the debate. I agree that giving associations more time to participate in our community, to put on functions and to arrange other activities for our community is far more important than doing paperwork. I commend the bill to the House.

Question—That this bill be now read a second time—put and resolved in the affirmative.

Motion agreed to.

Bill read a second time.

Leave granted to proceed to the third reading of the bill forthwith.

Third Reading

Motion by the Hon. Penny Sharpe agreed to:

That this bill be now read a third time.

Bill read a third time and returned to the Legislative Assembly without amendment.

CHRISTIAN ISRAELITE CHURCH PROPERTY TRUST BILL 2007

Second Reading

The Hon. PENNY SHARPE (Parliamentary Secretary) [5.33 p.m.], on behalf of the Hon. John Hatzistergos: 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 purpose of this bill is to constitute a statutory corporation to hold property on behalf of the Christian Israelite Church, and to vest any property, which is currently held in trust for the benefit of the Church, in the statutory corporation. The purpose of the bill is also to specify the functions and powers of that statutory corporation.

It has been longstanding Government policy to assist churches to organise their financial and property affairs, by sponsoring legislation to establish property trusts for their holdings.

The legislation creates an ongoing structure to support their religious and charitable activities. The statutory corporation created by the bill replaces an antiquated trust structure in which title deeds must be redrafted every time a trustee dies or moves on.

The Christian Israelite Church was founded in England in 1822 by John Wroe. The Church had its headquarters in Gravesend and Ashton-Under-Lyne in Lancashire, but John Wroe travelled widely, and established branches throughout England, Scotland, Ireland, the United States and Australia.

There are still individual members in England and the USA, but the Church is now strongest in Australia, where it has about 1000 adult parishioners.

The Church was established in Australia in the 1840s, and is one of the oldest in this country. In Sydney, the Church on Campbell Street in Surry Hills was built in 1853, on one of the original blocks of land sold in that area. The building is still used by the Church today.

The largest congregation of the Christian Israelite Church worldwide is currently in New South Wales, in Singleton. The other main congregations are in Sydney, Terrigal, and Melbourne. The Church's activities include running of a Sunday school, concerts, and children's camps. Singleton's congregation has a Church Brass Band and Choir which puts on frequent performances in the area, including Christmas performances at local nursing homes. The Church produces a range of publications, as well as broadcasting services over the radio and the internet.

The bill is similar in content to other church property trust legislation passed by Australian parliaments. For the benefit of honourable members I will outline the major provisions of the bill.

Clause 4 provides for the establishment of the property trust as a statutory corporation. The trust is to have a board of trustees comprising all of the most senior trustees of the Church, called the International Trustees.

Clause 7 specifies the functions of the trust. They include buying, holding and selling Church property; acquiring property by gift, devise or bequest; and borrowing money for Church purposes.

The bill includes the usual provisions to enable the trust to make relevant by-laws, such as the procedures by which the board of trustees will conduct the business of the trust, and delegate functions.

Clause 12 will enable the trust to make advances from trust funds. This will allow the trust to provide for the establishment of new congregations, if necessary. The bill also enables the trust to make arrangements with a church of another denomination concerning use of trust property, an important feature given the increasing co-operation among denominations these days, particularly in charitable and community work.

The trust will also be able to act as the executor or administrator of an estate in which the Church has a beneficial interest and to accept appointment as a trustee of property held for the Church's benefit.

Clause 18 provides that in future, any property given to or otherwise receivable by the Church will vest in the statutory trust.

The bill has been worded to make clear that the vesting of property in the trust under this legislation should apply, as far as possible, to property situated outside New South Wales that is held for the benefit of the Church. This will ensure that if a person in Victoria dies and leaves their assets to the Church, they will go to the trust in the same way as they would if they had been in New South Wales.

The bill will have a positive impact on the operations of the Church and its capacity to manage its financial and property affairs. This will have a specific benefit to the Christian Israelite community and their families.

I commend the bill to the House.

The Hon. JOHN AJAKA [5.34 p.m.]: The Christian Israelite Church Property Trust Bill 2007 seeks to constitute a statutory corporation to hold trust property on behalf of the Christian Israelite Church. The bill also specifies the functions of the statutory trust and to vest in the corporation property held in trust for the church without the need to effect any transfers or pay any duty. The Opposition supports the bill. This bill will bring the Christian Israelite Church into the modern corporate world in respect of the ownership, transfer and other dealings relating to property held on behalf of the church. It allows the Christian Israelite Church to enjoy the same statutory benefits that other churches within New South Wales enjoy.

Currently the church holds property in the outdated mode of a trust structure in which the registered proprietors of the various properties, as noted on the certificates of title, hold the property in their personal names, as trustees for the church. This necessitates a transfer of the property and the reissuing of a new certificate of title each and every time a trustee needs to be replaced. Trustees will need to be replaced either upon their death or if they resign their position as a trustee. This, of course, involves considerable legal work, as well as the expense and inconvenience incurred by the members of the church and other trustees.

I am aware of the advantages of ownership of land by way of a statutory trust, having been involved in the transfer of property that was owned by the Melkite Greek Catholic Church in Australia. Considerable work was undertaken to transfer various properties owned by the Melkite Church from the names of various trustees to the statutory corporate entity once the diocese was created. Clause 4 of the bill provides for the establishment of the Christian Israelite Church Corporation property trust to be established as a statutory corporation for a board of trustees to be appointed. Clause 7 sets out the various functions of the trust, including the purchase of property, selling of property, acquiring property by way of a gift and borrowing moneys with the property being utilised as security.

Clause 12 sets out provisions for the corporation to make certain advances from trust funds held, so as to meet the arrangements of the church and to utilise the funds in relation to any charitable or other community work, for any purpose of or relating to the church. Clause 18 sets out a protection mechanism to ensure that any future property received by the church will automatically vest in the statutory trust. As indicated by my colleague Mr George Souris in the other place:

> This bill gives the church a more secure statutory foundation, particularly in this present modern and complex legal work, in respect of future commercial and property based dealings [in respect of the church].

The Opposition supports this bill.

Dr JOHN KAYE [5.36 p.m.]: The Greens do not oppose the Christian Israelite Church Property Trust Bill 2007 because we recognise that the Christian Israelite Church is not a cult. The test we would apply to any

organisation seeking this form of protection, to ensure we were not providing protection to a cult, is in the first instance that it allows egress of its members who no longer wish to belong. That is, the church does not seek to constrain members from making an act of self-determination if they wish to sever their contact with it. The second test we would apply is that the church does not seek to isolate its members in a way that would restrict their ability to make decisions about their future. The third test we would apply is that the church does not seek to apply undue psychological pressure on its members to maintain membership. In all three aspects we are assured that the Christian Israelite Church is not a cult and, therefore, is deserving of the same protection that other religious organisations have been afforded in relation property trust bills.

On that note, the Greens recognise that a number of religious organisation have similar property trust legislation in New South Wales. The Parliamentary Secretary may wish to answer in her reply why it is necessary to have separate legislation for each church and religious organisation and why it is not possible to create a single umbrella piece of legislation that affords this kind of protection, which we do seek to limit, to all religious organisations. We further raise the question as to why is it specifically churches and religious organisations that are afforded this kind of protection and why this form of legal protection cannot be extended to other organisations that share in common with religions a membership that is committed to the perpetuation of that organisation beyond the current generation. The Parliamentary Secretary may wish to address those questions in her reply. The Greens do not object to the passage of this bill.

Reverend the Hon. Dr GORDON MOYES [5.38 p.m.]: I support the Christian Israelite Church Property Trust Bill 2007. The purpose of this bill is to constitute a statutory corporation to hold property on behalf of the Christian Israelite Church and divest in statutory corporation any property that is currently held in trust for the benefit of the church. I further understand the purpose of this bill is to specify the functions and powers of that statutory corporation. The bill creates an ongoing structure to support the religious and charitable activities of the church.

Over the years I have taken it upon myself when a similar bill has come before the House to give honourable members the benefit of my understanding of the background and beliefs of the Christian Israelite Church in a historical context so that they can make an informed decision. I do so again today. The Christian Israelite Church was founded in 1822. John Wroe, the founder of the church, was born about the same time that Captain Cook first came upon the eastern shores of Australia. As a young man living in Yorkshire and later in Lancashire, John Wroe was very much moved to preach the *Bible* as he understood it. In the course of his ministry John Wroe travelled widely to many countries, including Australia, the United States of America, France, Germany and other countries in Europe, establishing churches as he went. From 1822 to 1863 he visited Sydney on five occasions and spoke in the extant Christian church, which in recent years has celebrated its 150th anniversary, or sesquicentenary. I make the point that the history of the Christian Israelite Church is almost concurrent with the history of the 150 years of responsible government in New South Wales.

I will mention briefly the beliefs of the Christian Israelite Church. The church practises lay leadership—that is, it does not have a professional ordained ministry. The ministers are lay people who are unpaid for their ministry. Men usually do not shave and, therefore, have long beards typical of the Old Testament Israelite people. For a reason I cannot understand, some of the unpaid preachers still wear frock coats, perhaps as a tribute to the traditions followed in the earlier part of this colony. It is interesting to note that from the nineteenth century women played a leading part as unpaid ministers within the Christian Israelite Church. In 1908 Hannah Giddy was probably the first full-time female preacher of any denomination in Australia. Over the years many others have followed her. The Christian Israelite Church emphasises the second coming of Christ, believing that body, soul and spirit will be raised from the grave and a reunion will take place at the second coming of the Lord Jesus. The church members emphasise Old Testament teachings and often refer to their houses of worship as sanctuaries or even synagogues. They look forward to the prophecy of the return of the Lord Jesus Christ. If honourable members visit the old Sydney church up in Taylor Square, as I have, they will see over the door the text:

> And the very God of peace sanctify you wholly; and I pray God your whole spirit and soul and body be preserved blameless unto the coming of our Lord Jesus Christ.

The text, which comes from the apostle Paul in first Thessalonians chapter 5, in one sentence sums up the teachings of the Christian Israelite Church. Of all the countries, the church is strongest in Australia—although these days it has only about 1,000 active adult parishioners. It is one of the oldest denominations in this country, having been established in the 1840s. In Sydney the main church is in Campbell Street, Surry Hills, near Taylor Square. The story goes that Taylor Square was originally the site of wheat fields. The people wanted a quiet place away from all the noise and bustle of Sydney town. So they went up to the wheat fields of Taylor Square,

Darlinghurst, purchased in Taylor's paddock a block of land, raised money and built their church. That church has been in use continuously for the past 150 years.

In earlier days the church owned many other properties. It had churches in Sydney, Pitt Town, Liverpool, Camden, Penrith, Dural, Wilberforce, Goulburn, Paddys River, St Albans, Maitland, Grahamstown, Singleton, Mittagong, Berrima, Bowral, Kempsey, Penrith, Melbourne, Geelong, Ballarat, Hobart, Launceston, Adelaide and other places. The largest congregation in the Christian Israelite Church, according to information I have received from church members over the last few days, would be the New South Wales Singleton congregation. As the Parliamentary Secretary said in the lower House, Singleton's congregation has a church brass band and choir that frequently stages performances in the local area, including Christmas performances in nursing homes. The church produces a range of publications and broadcasts services over the radio and on the Internet. Other main congregations of the church are in Sydney, Hornsby, Penrith, Terrigal and Melbourne.

In relation to this bill, I understand the church holds six significant properties. I note the Parliamentary Secretary in the other place referred to four or five properties, but I have been informed there are six properties: a church in Kempsey, a church in Singleton, a church in Campbell Street, Sydney, a residence in Strathfield, a church in Melbourne and a church in Terrigal. The Christian Israelite Church is a genuine Christian church. It is not a sect. It emphasises Old Testament roots of the faith and looks forward to the New Testament fulfilment of prophecy concerning the second coming. I hope that honourable members find my excursive remarks helpful in encouraging them to support the bill, which will be of specific benefit to the Christian Israelite community and their families. I have much pleasure in supporting this bill.

The Hon. RICK COLLESS [5.46 p.m.]: I support the Christian Israelite Church Property Trust Bill 2007. I am a former resident of Singleton. As Reverend the Hon. Dr Gordon Moyes pointed out, Singleton has one of the highest populations of Christian Israelites of any town or centre in Australia. When I was at school I had many close friends and my family had friends who were members of the Christian Israelite religion. They are outstanding people. My best mate at school was a ward of the State who was looked after by the Fellowes family, who were members of the Christian Israelite religion. I regularly spent many hours with the Fellowes family in their home. I ate with them and slept at their home on many occasions. They were like a second family to me and they are very decent people.

I was greatly concerned to hear Dr John Kaye explain to the House that the Greens would support this bill because they had established that the Christian Israelite Church was not a cult. I am sure that the people of the Christian Israelite religion would be grossly insulted to hear that they have been assessed as to whether they are a cult. Dr John Kaye should publicly apologise to members of the Christian Israelite religion because, to my knowledge, they have never been considered in those terms in the past. As I said, I grew up with them and have known them all my life. I know that they are an outstanding group of people. One only has to read the contribution made by the member for Upper Hunter in another place, who also lives in Singleton, to understand the way they are regarded in the community of Singleton. It gives me a great deal of satisfaction to support this bill. The Greens member who spoke in less than good terms about them should apologise because his comments were an absolute disgrace.

Reverend the Hon. FRED NILE [5.49 p.m.]: I support the Christian Israelite Church Property Trust Bill 2007. Like other members, I believe Dr John Kaye's comments about this body were offensive. The Greens do not have any authority to say which churches are to be accepted or rejected and which are cults. This has become a practice of the Greens. We have seen their constant attacks on the Redeemer Baptist Church and the Exclusive Brethren and their calls on the Federal Parliament for Senate inquiries. If we are not careful they will tie up all the parliaments in Australia in investigating various religious bodies. That is their agenda, and I find it very offensive. It is certainly not the role of Parliament to investigate various religious bodies.

Religious bodies have different characteristics and they operate in different ways. The Greens were prepared even to attack Cardinal Pell, the Cardinal of the Catholic Church, and bring him before the Privileges Committee over contempt allegations that in the end were totally rejected. I find it alarming that it is a trend of the Greens to set themselves up as some sort of superior group. The Greens should be very careful: if they pursue this line of action I believe it makes them vulnerable to investigation. Some members of the Christian Israelite Church have attended meetings here in Parliament House. I sponsor public forums and anyone—Christian and non-Christian—can attend those meetings, and they do.

The Hon. Tony Kelly: Even the Greens.

Reverend the Hon. FRED NILE: No, usually the Greens do not attend the meetings that I sponsor. But members of the Christian Israelite Church have been very helpful and very cooperative. As others members have commented, the younger men usually have black beards and wear a certain garb that relates to some of the traditions of their group. I congratulate the Government on introducing this legislation because I believe it is important that all religious bodies be treated equally and fairly. We have debated bills that dealt with the Catholic Church, the Anglican Church, the Lutheran Church and so on. It is part of the traditions of the Parliament—not just in New South Wales but in other States—to pass enabling legislation. I assume it has occurred historically because of Australia's Christian heritage and traditions. Australia is a Christian nation and, therefore, Christian churches of various religious backgrounds have the cooperation of various governments, whether Labor or Coalition.

It is artificial when people talk about a wall between the State and the Church: there is cooperation in Australia between the State and the Church in their respective areas and respective responsibilities. There is no division as seems to happen in the United States of America through some, I believe, faulty decisions made by the United States Supreme Court. I am pleased to support this bill.

The Hon. PENNY SHARPE (Parliamentary Secretary) [5.53 p.m.], in reply: I thank honourable members for their contributions to this debate in support of the Christian Israelite Church Property Trust Bill 2007. In relation to the issues raised by Dr John Kaye, I am advised that other organisations could apply to the Minister for a similar trust bill, not just church and religious organisations. However, it is important to note that such organisations need to be of a reasonable size and with sufficient assets to transfer to warrant enacting legislation.

In relation to an umbrella bill for these sorts of trusts, it is important to note that each of these organisations have differing constitutions and historically have had differing requirements. The complexity of preparing and implementing such an omnibus bill basically outweighs any efficiency gained as a result of dealing with these trusts, as we currently do, on a case-by-case basis. I understand that church elders, including the current trustees, were present when this bill was debated in the lower House. This bill is a milestone for the Christian Israelite Church, which is held in high esteem for its valuable contributions to the community, as outlined by other members today. I am pleased to commend the bill to the House.

Question—That this bill be now read a second time—put and resolved in the affirmative.

Motion agreed to.

Bill read a second time.

Leave granted to proceed to the third reading of the bill forthwith.

Third Reading

Motion by the Hon. Penny Sharpe agreed to:

That this bill be now read a third time.

Bill read a third time and returned to the Legislative Assembly without amendment.

ADJOURNMENT

The Hon. TONY KELLY (Minister for Lands, Minister for Rural Affairs, Minister for Regional Development, and Vice-President of the Executive Council) [5.55 p.m.]: I move:

That this House do now adjourn.

SOMERSBY SAND MINE

The Hon. ROBYN PARKER [5.55 p.m.]: I recently met with members of the Somersby community, who contacted me in relation to the proposed Somersby Sand Mine Project. The residents I met with are opposed to a sand mine in this area and are incredibly committed to their cause. I was impressed with the time and energy they have put in and their articulate presentation of the issues. I am absolutely amazed at how long they have been fighting over this and how much work they have done. Their submission to the Minister is pages long and is accurately recorded. Some of these residents are now fighting on behalf of their grandchildren

because they are concerned about the impacts of the sand mine, which it is proposed will mine 450,000 tonnes of sand a year for up to 18 years.

The residents' concerns cover areas such as incompatible land use; loss of community; the negative impact on the viability of the school and, importantly, the stress on children and loss of confidence in the school, which is heritage listed; the dust; the noise; the impacts on water, traffic and agricultural viability; and economic issues. The Somersby Action Group undertook a survey of local residents in the area about the proposed mine and there was overwhelming opposition to the mine going ahead. The action group found that 97 to 100 per cent are against the mine because they are concerned the school will close; they believe water resources will be reduced in an area where water is a huge issue; and they are concerned about the effects of noise and dust on children at the school. Seventy-seven per cent said the public consultation had increased their resistance to the mine and 71 per cent said the public consultation process was inadequate.

It is not just the local community who are against the mine, it is also the Somersby Public School Parents and Citizens, the Somersby Action Group, Gosford council, the Federal member for Robertson, Jim Lloyd, my colleagues the Hon. Mike Gallacher and the member for Terrigal, Chris Hartcher, just to name a few. I commend all of those people for their hard work on behalf of this community. I note also comments in this House on 27 September from the Minister for Education and Training, who is also the Minister for the Central Coast, when he said:

> I share the local community's concerns regarding the proposed sand mine on land adjoining the Somersby Public School. The Iemma Government is committed to providing a safe and enjoyable learning environment for all students and the Department of Education and Training has written a submission to the Department of Planning outlining the concerns of the school community and the department in recommending strict conditions regarding dust conditions, noise pollution, transport and the protection of water tables.

I say to the Minister: if he is seriously concerned about the school, the students and the community in Somersby he should take their concerns much more stridently to his colleague Minister Frank Sartor and really push hard on behalf of the people in Somersby and particularly the children at Somersby Public School.

An assessment highlighted concerns about the potential impact on the school's viability. A survey of families of children who attended the school in 1996 found that of the 93 students enrolled at that time at least 61 would be removed if the mine were approved. That is two-thirds of the school population, and for small schools such as Somersby Public School the significant loss of students can mean a loss of staff and teachers and a reduction of education resources. The school community is concerned about the proximity of the mine to the school: it would be approximately 260 metres from school buildings and 170 metres from school playgrounds.

That involves sand, dust and health concerns, not to mention noise. That proximity will have a huge impact on the community. The managers propose to operate the mine from 5.00 a.m. to 10.00 p.m. from Monday to Friday and from 5.00 a.m. to 4.00 p.m. on Saturday. That will cause an increase in traffic noise and it will have a dramatic impact. I expect the Minister for Education and Training to take this on board and to work much harder and be much more vocal in convincing his colleague that this is inappropriate for the Somersby area and the school. I expect him to play a greater role in opposing this proposal and to follow the lead of Coalition members and the residents of the Somersby community. These are legitimate concerns and the State Labor Government must listen and take action. I ask the Minister to stand with the local community on behalf of students and future students. [*Time expired.*]

LANCE FERRIS, THE PELICAN MAN

Mr IAN COHEN [6.00 p.m.]: I have a very sad task to perform tonight. I wish to commemorate the wonderful life and work of Lance Ferris, who passed away aged 60 on Sunday 14 October at Lismore Base Hospital after suffering a stroke on Saturday. Lance is fondly and popularly known as the Pelican Man. He dedicated his life to the rescue, rehabilitation and preservation of seabirds, turtles and, in particular, the magnificent pelican. It was through his many years as a dedicated volunteer using his own money and whatever donations he could raise that Australian Seabird Rescue [ASR] was formed in Ballina in the far north of New South Wales in 1992. A wonderful centre has been established to house the organisation's rescue and rehabilitation activities. The facility incorporates an education and discovery centre. Hundreds of school students and special interest and community groups, including overseas visitors, have benefited from the organisation's awareness and technical lectures. A sea turtle hospital has also been built on the site.

It is a very sad time for the people of northern New South Wales. I am entranced by the ungainliness of pelicans on the beach when they follow fishermen and their contrasting grace in the air. Of course, they are often snared by fishing lines and hooks. Lance has always had huge compassion for them. His partner, Marny Bonner, said:

> Lance has always had huge compassion for Australian wildlife, his entire life has been rescuing and rehabilitating wildlife. It wasn't until he notice not one but two pelicans with hooks in their legs, on the same day, that he realised that there was a problem out there. So he borrowed a boat and had a look around the Richmond River and found that 37 out of 100 pelicans were injured.

After surveying other estuaries, Lance Ferris realised that what was needed was a huge education program campaign and the passion began. Marny continued:

> "We got good support from the North Coast community and some important sponsorship. Over the last 15 years we've managed to reach 20,000 children, so there will be a lot of children upset about losing the Pelican Man."

Since that time, ASR volunteers have been involved in the rescue and rehabilitation of seabirds and shorebirds, marine turtles and, to date, have rescued over 1,000 Australian pelicans. Lance Ferris never lost his passion for rescuing injured seabirds. Unfortunately that is what claimed him. His passion for wildlife meant that he did not look after himself as well as he might have. He lost many hours of sleep trying to save those little lives.

In 2004, as president of Australian Seabird Rescue, Lance led the volunteer organisation to win the inaugural National Coastcare Community award. In an earlier life Lance worked as a police officer based in Casino and was a member of Apex. He also worked as a teachers' aide for children with disabilities. He was a well-respected musician and a member of the Sonset Orchestra and could be heard at car boot markets playing music with his son Jason. In many ways Lance was ahead of his time with regard to his recognition of the vulnerability of the environment and water animals because he was doing something 20 years ago. Damage was being done then, but no-one was thinking about it. Marny went on to say:

> The pelicans have lost their best friend, if pelicans could cry, there would be a wailing around the nation that could not be ignored. It will take an army of volunteers to replace Lance Ferris.

I certainly hope that that army comes forward. Lance Ferris will be sadly missed. I am sure he would like his advice about how to deal with injured pelicans on the record:

- If you hook or entangle a bird, while fishing do not cut the line.
- Make an attempt to reel the bird in, gently.
- Place a towel or shirt over the bird's head, and, if possible remove the hook and/or line.
- If you cannot remove the hook without incurring further injury to the bird, do not release the bird. Please call your local wildlife group for assistance.
- If the line breaks when attempting to reel in the bird, or you find a bird hooked or entangled, phone your local Wildlife Agency or rescue group, and inform them of the bird, the injury and location.

That was Lance Ferris' wonderful message to the people of New South Wales. He set a great example and was an extravagant, colourful character. He dived into the water like Steve Irwin and did a wonderful job. [*Time expired.*]

ASIA BUSINESS COUNCIL AND PREMIER'S ASIA BUSINESS DINNER

The Hon. HENRY TSANG (Parliamentary Secretary) [6.05 p.m.]: It is with great pleasure that I report to the House on the reappointment of the Asia Business Council. The Minister for State Development, the Hon. Ian Macdonald, announced the composition of the new council last month, which sees 13 new faces and nine existing members appointed. The council began its life as the NSW-East Asia Business Advisory Council. It was renamed the NSW-Asia Business Advisory Council when it was expanded to include India. With this further expansion, its name has been shortened to the NSW Asia Business Council.

New South Wales continues to lead the way in Australia in recognising the benefits of our cultural diversity. We appreciate that our cultural diversity is a great asset that gives us a competitive edge in the global market. Asian communities, in particular, have a strong presence in New South Wales and have made a strong contribution to the prosperity of the State in retail and trade. The expanded council comprises a strong team of members from across Asia and Australia, and provides expertise from a wide range of industries.

For the first time we have representatives from the Philippines and the United Arab Emirates, the latter being an important emerging market for New South Wales. Ms Millie Tan, a lawyer and President of the Australia-Philippines Business Council, and Ms Juliet Zora, Chairman of the Australian Arab Chamber of Commerce and Industry (NSW), will provide advice to the Government and the Department of State and Regional Development on these markets. In addition, we now have multiple representatives from the larger trading markets of Japan, China and India. The broader representation from various sectors of industry will bring new perspectives and ideas to the council's working plan.

In addition to Ms Millie Tan and Ms Juliet Zora, the other members of the council are: Mr Phillip Au, an accountant and partner of Phillip Au and Associates with strong business links in Asia, in particular in Malaysia and Singapore; Ms Tamerlaine Beasley, Managing Director of Beasley Intercultural and an active member of the Australia-Thailand business community; Mr William Chiu, Chairman of Golden Century International Group and a leading member of the Chinese Malaysian business community; Ms Bic Dover, from Vietnam and a Director of DoCo Technology; Mr Alan Fang, from China and Managing Director of the Tianda Group; Professor Norma Harrison, from Macquarie University representing the eduction sector in Asia; Mr Arun Jagatramka, an accountant with industrial experience in coke and coal production in India and Australia; Mr Jake Klein, a leader in the mineral resources sector in China; and Mr Hiroaki Kobayashi, Managing Director of Nippon Steel Australia and past president of the Japan Chamber of Commerce and Industry; Ms Susan Lee, publisher of a major Korean media group

Other committee members include: Mr Raj Logaraj, National President of the Australia-Singapore Chamber of Commerce with a distinguished career in law and investment banking; Ms Sheba Nandkeolya, Managing Director of a MMG Australia, a successful multicultural marketing company; Mr Neville Roach, an ICT specialist and former Chair of Fujitsu Australia and past Chairman of the Australia India Business Council; Mr Peter Sinn, an airline executive with expertise on Asian routes and a member of the Hong Kong Australia Business Association; Mr Soichi Tamaru, Managing Director and CEO of Mitsubishi Development Pty Ltd; Ms Ching-Mei Tuan, International Business Development Manager for Ultraceuticals, a leading Australian manufacturer of beauty and health products; and Dr Minshen Zhu, CEO of the Top Education Group with strong expertise in the internationalisation of the Australian tertiary education sector, particularly in Asia. I have been reappointed as chairman of the council.

As the Minister said, Asian communities have a strong presence in New South Wales and make valuable business and cultural contributions to our State. I am very confident that this new team will make a terrific contribution to policy-making relating to trade and business. I am also confident that the council will meet its key objectives of identifying new market opportunities for New South Wales companies in Asia and investment opportunities in New South Wales from Asia.

One of the first events on the council's agenda is the Premier's Asia Business Dinner on 30 October 2007 in Sydney, where the Premier will deliver the keynote address before he leads a New South Wales business and education delegation to India and China. Last year's event was very successful and attracted over 400 guests at Parliament House. For information regarding this year's dinner, interested parties should contact the Department of State and Regional Development by telephone on 9338 6973 or check its website, *www.business.nsw.gov.au/abc*. [*Time expired.*]

MELKITE GREEK CATHOLIC CHURCH

The Hon. DAVID CLARKE [6.10 p.m.]: Australia is a nation whose historical foundations are firmly and undeniably based on the Christian faith, a faith and heritage that stretches back over more than 2,000 years. One of the significant branches of Christian heritage is represented throughout the world—and here in Australia as well—by the Melkite Greek Catholic Church. Only a few days ago it was my great privilege and pleasure to be present at the annual dinner of the Melkite Greek Catholic Church's Australian Eparchy. Hosted by the church's leader in Australia, His Grace, Archbishop Darwish, and addressed by His Eminence Cardinal Pell, the dinner was attended by many church and civic leaders—including my parliamentary colleague the Hon. John Ajaka. My good friend Dr Abraham Constantin acted as master of ceremonies, and it was an event which proved to be a fitting testimony to the Melkite Catholic Church's growth and contribution to our nation.

The church holds a place of great significance in the history and present day life of Christianity generally and the Catholic Church in particular. It is significant because it has a direct lineal heritage going back to the earliest days of the church's foundation and growth in the Middle East. It is significant because it has always been characterised by a spirit of holiness and because it has a history of heroic suffering for the faith—a

suffering that has resulted in many Melkite Catholic saints. It is significant because, throughout the centuries, it has maintained an unbending, an unswerving and an unbreakable loyalty to the Christian faith and to Catholic thought. It is also significant because for so many hundreds of years it has preserved a Byzantine tradition in its liturgy, in its art and in its architecture that helps give a special dimension and richness to our Christian heritage and which serves to strengthen spirituality as well.

The term "Melkite" derives from the Syriac word for imperial, and symbolises the church's observance and acceptance of the Council of Chalcedon in the year 451 and the church's Byzantine heritage. The Melkite Catholic Church has played a pioneering role and provided leadership in many ways for the Christian faith. It has given leadership to Arabic Christianity. It was the Melkite Church that gave much of the leadership in condemning iconaclastic heresy that sought to bring havoc to the church in the ninth century. It was the Melkite Church that was responsible for the first printing press in the Middle East, and the Melkites were responsible also for the growth of the Arabic tradition of classic poetry and literature which is now world renowned.

The first Melkites arrived in Australia in the mid nineteenth century in response to the need for trade and commerce to service the thousands who congregated in response to the gold rush. They also came to avoid persecution under Turkish Muslim rule at that time. They have been successful migrants because they have a Christian tradition of family values and a desire to successfully merge into the Australian fabric of society. It would appear that the Melkites are the first non-Anglo Celtic Christian community to have established themselves in Australia.

In 1987 His Holiness Pope John Paul II established the Eparchy of Australia and New Zealand and in the same year St Michael's Church Darlington became a cathedral. The church in Australia has had a remarkable growth in recent years, particularly since the enthronement of Archbishop Darwish in 1996 as head of the church here. He is a man of deep spirituality and faith, a leader who is known for his ready accessibility to church members and one who is truly revered and respected by them. He has an international reputation as a leading Bible and Christian historian. Recently he authored and had published a history of the Melkite Greek Catholic Church in Australia entitled *A Bridge for Unity*.

Born in a predominantly Byzantine Church region of Syria, he was ordained a priest in 1972. During his years of service in Lebanon he founded and established a number of orphanages for children and vocational training centres for adults. During the civil war in Lebanon his work of establishing safe havens for children regardless of religious background became legendary. In 1989 he was awarded a gold medal for services to education by the President of Lebanon. His record of service to the church in Australia since his enthronement has similarly been one of growth and achievement. He established the first Melkite School in Australia and the first seminary as well. In 2002 he arranged the first apostolic visitation to Australia by His Beatitude Patriarch Gregory III of Antioch, and in 2004 he was elected a member of the Inter-Faith Committee of the Conference of Australian Catholic Bishops.

The Australian community can be well proud of its Melkite Catholic community and its leader, His Grace Bishop Issam John Darwish. The community represents an important tradition of the church. It is a community that has gained prominence through its achievements for Australian society. It has readily and successfully merged into the Australian way of life. May Archbishop Darwish and the Melkite Greek Catholic Church continue to achieve for the Catholic tradition, for Christianity and for Australia.

STAND UP AND SPEAK OUT AGAINST POVERTY AND INEQUALITY

VULTURE FUNDS

Ms SYLVIA HALE [6.15 p.m.]: Earlier this evening I attended a Stand Up and Speak Out against Poverty and Inequality event in Martin Place. People gathered in Martin Place to stand up and speak out against the scourge of poverty, inequality and human misery that inflicts so many people around the globe. Stand Up and Speak Out—I am taking information from its website—is a worldwide call to take action against poverty and inequality and for the Millennium Development Goals. During the 24-hour period between 9.00 p.m. on 16 October, Greenwich mean time, and 9.00 p.m. 17 October, millions are expected to stand up and speak out to show that they refuse to be seated or stay silent in the face of poverty. As one of a number of representatives of political parties here, I think it is important that we make our position clear.

One of the concerns of the Millennium Goals movement is that many third world countries have enormous levels of debt which, in effect, cripple their social and cultural development. It means their resources

are devoted to servicing their debts rather than investing in the teachers, doctors and infrastructure that those countries so desperately need. For example, one of the particularly horrible developments is the growth of vulture funds. A vulture fund is the name given to a company that seeks to make profit by buying up bad debt at a cheap price then trying to recover the full amount, often by suing through the courts. Such companies often describe themselves as distressed debt funds. Some target failing companies but a number target particularly poor countries.

For example, in 1999 a vulture fund called Donegal International bought a debt owed by Zambia—originally worth $15 million and then valued at about $30 million—for the knockdown price of $3.3 million. Donegal International then sued Zambia in London for the full amount plus compound interest, a staggering total of more than $55 million. The judge in those proceedings rejected the size of Donegal's claim after Zambia fought back in the courts. Nevertheless, he ruled that under the law Donegal was entitled to something from Zambia and awarded the company $15.5 million. It received $15.5 million after having bought the debt for $3.3 million.

As I said before, Zambia desperately needs all the resources it can muster to provide for the genuine needs of the people of its country, but Zambia is not alone. Other countries such as Guyana have also been pursued for debt. The thing about vulture funds is that often they are secretive and many are based in tax havens. Some are owned by large, often United States-based, financial institutions such as hedge funds. In other cases there is absolutely no information on who owns them. Often the companies are set up with the sole objective of pursuing one debt and then they are shut down again. As I mentioned before, Donegal International Ltd is one example of such a fund.

It is registered in the British Virgin Islands. Its only business is to pursue the Zambian debt. The court in London failed to discover the ultimate owners of Donegal and other sister companies such as Walker International, which sued the Republic of Congo. Donegal's sole director is a man named Michael Sheehan, who owns Debt Advisory International, a company based in Washington DC in the United States of America. It is difficult to know how many countries are being pursued for long-term debt because the companies do not publicise their actions, but we do know that there have been at least 40 lawsuits by commercial creditors against heavily indebted poor countries, many still outstanding. That was one aspect of the Stand Up Speak Out campaign. It was really important that the Australian Government signed up. [*Time expired*.]

THE NATIONALS RICHMOND CANDIDATE SUE PAGE

The Hon. AMANDA FAZIO [6.20 p.m.]: On 27 June this year I raised a very important issue in respect of The Nationals candidate for Richmond, Sue Page. The issue I raised is why Sue Page had failed to enrol to vote until 2004. I called on Sue Page to explain herself to the people of Richmond, to say why they should bother to vote for her when she had such scant regard for the electoral process that underpins the democracy we enjoy in Australia.

The response by Sue Page to the fact that she only enrolled to vote in 2004 left many questions still unanswered. She claimed that she did not bother to become an Australian citizen for many years after she was entitled to do so and she did not bother to enrol to vote upon becoming an Australian citizen. But she did not give any reasons why. I then called upon Sue Page to let the public decide about her commitment to the democratic process in Australia by saying exactly when she was naturalised and how long it was before she bothered to enrol to vote.

The only response from Sue Page to this call was insults and venomous smears. That at least showed that she was capable of following the example set by those in The Nationals and the Liberal Party advising her. When questioned about these important issues on Bay FM, Sue Page admitted that she failed to vote when required by law to do so. She was also dismissive of the significance of this failure to participate in our democracy. Throughout her interview Sue Page continually downplayed the seriousness of her actions.

I know that many of the members sitting opposite will try to dismiss the importance of the issues that I have raised. However, their importance was not lost on the local media, who asked the important question of whether Sue Page still retained American citizenship and if she would be eligible to take a seat in the Federal Parliament in the exceedingly highly unlikely event that she won. Sue Page told the local media that the American Embassy had advised her that she no longer had dual citizenship but she has rejected repeated calls to provide the local media with copies of any written advice or documentation to resolve this matter once and for all.

I originally raised these issues because I found it astonishing that someone wanting to represent the people of Tweed and Ballina in Federal Parliament had herself failed to enrol to vote—a basic aspect of our democracy. On 16 October, in a shameless demonstration of her breathtaking hypocrisy, Sue Page issued a press release, which stated:

> Young people in the area offer a unique perspective on various issues, so it's important they have their say when it comes to deciding who represents them in Federal Parliament.
>
> Our young adults are in the perfect position to provide insight on topics like education and training given they are the students in our schools and the trainees looking to enter the workforce.
>
> Government elections only come around every few years so it's certainly easy to forget that turning 18 means you are now eligible to vote. So I encourage anyone who has turned 18 and hasn't enrolled yet, to adopt a sort of "buddy" system and get together with at least one friend who has also turned 18 and hasn't enrolled, to enrol together.

This press release is astounding given that Sue Page never enrolled to vote as a young person and waited until 2004, until her middle age, to actually participate in the democratic process. It is remarkable that she was not even aware whether or not she was a United States citizen, considering the involved and often lengthy process in renouncing United States citizenship—a process of which she should be aware. Sue Page has still not answered these important questions. She has now resorted to mud-slinging of a personal nature and using obscure National and Liberal identities as attack dogs.

Quite frankly, she can sling as much mud at me as she likes. This will not obscure the fact that she is incapable of coming clean with the voters in Richmond. But her honesty is not the only thing lacking. On 26 July, in an ABC radio interview, she demonstrated complete ignorance of the Australian Constitution and also misled the public about the Federal Government's proposals to dam local rivers. On 5 October she was reported in the *Tweed Daily News* supporting health Minister Tony Abbott's plan to introduce community health boards without a single cent more funding for local hospitals. However, in 2005, as chair of the North Coast Area Health Service, Dr Page endorsed the replacement of such health boards with advisory councils saying, "We can't keep a hospital structure just because we've always had it" and that "hospital structures devised 20 years ago no long suit today".

This ignorance and flip-flopping again show her unsuitability to be considered as a serious candidate for the seat of Richmond. On 26 September I was the subject of a vitriolic attack by the Hon. Catherine Cusack because I had raised these issues of public importance about Sue Page. When doing so the Hon. Catherine Cusack did not bother to declare that Sue Page was a close personal colleague of the honourable member's husband—which perhaps explains the ferocity of her irrational attack. However, one more issue of public importance has been brought to my attention regarding Sue Page. I have been advised that since being stood down as the chair of the area health advisory committee for the Northern Rivers Area Health Service, Sue Page has received confidential briefings from senior management of the area health service about NSW Health matters designed to assist her in her candidature. This is a serious issue and I will be raising this matter with the appropriate authorities in due course.

Question—That this House do now adjourn—put and resolved in the affirmative.

Motion agreed to.

The House adjourned at 6.25 p.m. until Thursday 18 October 2007 at 11.00 a.m.