

LEGISLATIVE COUNCIL

Tuesday, 11 October 1994

The President (The Hon. Max Frederick Willis) took the chair at 2.30 p.m.

The President offered the Prayers.

ASSENT TO BILLS

Royal assent to the following bills reported:

Liquor (Further Amendment) Bill
Registered Clubs (Further Amendment) Bill
Supply Bill
Parliamentary Supply Bill
Agricultural and Veterinary Chemicals (New South Wales) Bill
Building Services Corporation (Amendment) Bill
Rural Lands Protection (Amendment) Bill
Courts Legislation (Crown Appeals) Amendment Bill
Courts Legislation (Mediation and Evaluation) Amendment Bill
Crimes (Female Genital Mutilation) Amendment Bill

BILL RETURNED

The following bill was returned from the Legislative Assembly without amendment:

Crimes (Female Genital Mutilation) Amendment Bill

REGISTER OF DISCLOSURES BY MEMBERS

The President, in accordance with clause 21 of the Constitution (Disclosures by Members) Regulation 1983, laid upon the table a copy of the Register of Disclosures by Members of the Legislative Council for the period 1 July 1993 to 30 June 1994.

Ordered to be printed.

INDEPENDENT COMMISSION AGAINST CORRUPTION

Interim Report: Investigation into Alleged Police Protection of Paedophiles

The President, in accordance with section 78(1) of the Independent Commission Against Corruption Act, laid upon the table the interim report of the Independent Commission Against Corruption on Investigation into Alleged Police Protection of Paedophiles, dated September 1994, received out of session, and reported that he

had authorised the report to be made public under section 78(3) of the Act.

RETIREMENT OF TERENCE GORRELL, PRINCIPAL ATTENDANT OF THE LEGISLATIVE COUNCIL

The PRESIDENT: Order! I desire to inform the House of the retirement yesterday, 10 October 1994, of Mr Terry Gorrell, the Principal Attendant of the Legislative Council. Mr Gorrell has served the Legislative Council of New South Wales with distinction for 24 years, five months and 16 days. He began work as a junior attendant in the Legislative Council on 24 April 1970 and attained the position of principal attendant in 1987. On behalf of all honourable members, I wish Terry and his wife Norma a long and happy retirement.

BROADCASTING OF PROCEEDINGS

Motion by the Hon. J. P. Hannaford agreed to:

1. That this House authorises:

(1) the sound broadcasting of the proceedings of the House:

(a) on the broadcasting system within the precincts of Parliament House; and

(b) to persons and organisations outside Parliament House approved by the President, on terms and conditions determined by the President from time to time.

(2) the video broadcasting of the proceedings of the House:

(a) on the television system within the precincts of Parliament House; and

(b) to persons and organisations outside Parliament House approved by the President, on terms and conditions determined by the President from time to time.

(3) the broadcasting and rebroadcasting on radio and television stations of sound recordings of excerpts of proceedings of the House on the following conditions, and other terms and conditions, not inconsistent with this paragraph, determined by the President from time to time:

(a) excerpts may be taken from the proceedings of the House from the time of the meeting of the House until the adjournment of the House;

(b) excerpts must be recorded from the audio signal of proceedings transmitted by the House monitoring system in Parliament House;

(c) broadcasts of excerpts must be used only for the purposes of fair and accurate reports of proceedings and must provide a balanced presentation of differing views;

(d) excerpts must not be used for:

(i) political party advertising or election campaigns;

(ii) the purpose of satire or ridicule;

(iii) commercial sponsorship or commercial advertising;

- (e) excerpts of proceedings which are subsequently withdrawn may be broadcast if the withdrawal is also broadcast;
- (f) excerpts must be placed in context. Commentators must identify Members by name;

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- (g) where audio excerpts of proceedings are used on television, their use may be that of audio over still frames, or overlay material;
 - (h) where the excerpts are used on commercial stations, the station must ensure that advertising before and after excerpts is of an appropriate nature;
 - (i) events in the Galleries are not part of the proceedings and excerpts of those events must not be used;
 - (j) access to proceedings for the purpose of recording is on the basis of an undertaking to observe these conditions. A breach of these conditions by a station may result in the suspension or withdrawal of permission by the President for the station to broadcast excerpts of the proceedings of the House;
 - (k) the instructions of the President or delegated representatives, on the use of recorded excerpts, must be observed at all times.
- (4) the broadcasting and rebroadcasting by television stations of proceedings and excerpts of proceedings in the House, on the following conditions and other terms and conditions, not inconsistent with this paragraph, determined by the President from time to time:
- (a) the President may approve filming, on request, from the commencement of proceedings to the adjournment of the House;
 - (b) broadcasts of excerpts must be used only for the purposes of fair and accurate reports of proceedings and must provide a balanced presentation of differing views;
 - (c) excerpts must not be used for:
 - (i) political party advertising or election campaigns;
 - (ii) the purpose of satire or ridicule;
 - (iii) commercial sponsorship or commercial advertising;
 - (d) excerpts of proceedings which are subsequently withdrawn may be broadcast if the withdrawal is also broadcast;
 - (e) excerpts must be placed in context;
 - (f) where the excerpts are used on commercial stations, the station must ensure that advertising before and after excerpts is of an appropriate nature;
 - (g) events in the Galleries are not part of the proceedings and must not be televised;
 - (h) access to proceedings for the purpose of televising is on the basis of an undertaking to observe these conditions. A breach of these conditions may result in the suspension or withdrawal of permission by the President to televise or broadcast the proceedings of the House;

(i) the instructions of the President or delegated representatives must be observed at all times.

2. (1) A Committee may, by a vote of the Committee, authorise the sound broadcasting and television broadcasting of its public proceedings.

(2) A Committee may:

(a) determine terms and conditions, not inconsistent with paragraphs 1 (3) and (4), for the sound recording and television broadcasting of its proceedings;

(b) give instructions for the observance of terms and conditions determined under paragraph (a);

(c) order that part of its proceedings not be recorded or broadcast.

(3) If a Committee decides to permit the broadcasting or televising of proceedings, a witness who is to appear before the Committee in those proceedings must be given a reasonable opportunity, before appearing in the proceedings, to object to the broadcasting or televising of proceedings. The witness may state the grounds of the objection. The Committee must consider an objection having regard to the protection of the witness and the public interest in the proceedings. If the Committee decides to permit the broadcasting or televising of proceedings despite an objection of a witness, the witness must be informed before appearing in the proceedings of the Committee.

3. The President is to report to the House from time to time:

(a) details of the persons and organisations authorised to receive the sound and video broadcasting and terms and conditions determined under paragraph 1 (1) and (2); and

(b) details of additional terms and conditions determined under paragraphs 1 (3) and (4).

REGULATION REVIEW COMMITTEE

Twenty-eighth Report

The Hon. S. B. Mutch, on behalf of the Chairman, brought up the Twenty-eighth Report from the Regulation Review Committee, entitled "Report upon the Operation of the Subordinate Legislation Act 1989 with Respect to the Postponement of the Staged Repeal of Principal Statutory Rules", dated September 1994.

Ordered to be printed.

PETITIONS

Anti-Discrimination (Homosexual Vilification) Legislation

Petition praying that because the homosexual vilification amendments to the Anti-Discrimination Act censor criticism of homosexuals, they be repealed, received from **Reverend the Hon. F. J. Nile**.

Forest Protection

Petition praying for an immediate and permanent moratorium on the logging of all native old growth and wilderness forests, and for legislation to change present forest management practices, received from the **Hon. R. S. L. Jones**.

Sexual Offence Damages Bill

Petition praying that the Parliament support the Sexual Offence Damages Bill, received from the **Hon. Elaine Nile**.

Marijuana Prohibition

Petition praying that legislation be enacted to give effect to the Law Society's recommendations on reform of marijuana prohibition laws relating to the use, possession and cultivation of marijuana for personal use, received from the **Hon. R. S. L. Jones**.

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BUDGET ESTIMATES AND RELATED PAPERS

Financial Year 1994-95

Debate resumed from 21 September.

The Hon. D. F. MOPPETT [2.42]: Though honourable members will have a vivid recollection of the topics I had covered and the subject I was addressing when this debate was adjourned, I remind them that I was commending to the House the initiative of the Department of Mineral Resources known as Discovery 2000. The Government is endeavouring to establish a concentrated period of mineral exploration throughout New South Wales. Of particular interest to me is the proving up of new reserves in critical areas of the western part of New South Wales where the future of settlements such as Broken Hill and Cobar is in the balance in relation to their existing resources. At a recent conference in Broken Hill a number of interesting facts were brought out. All New South Wales citizens would be aware of the world significance of the Broken Hill ore body but they may not be so aware that the silver-lead deposit in Broken Hill is without peer in the world.

The goldfields of South Africa may invite comparison, but those fields are not a single ore body. It is remarkable that the single ore body at Broken Hill can be measured against whole fields in other areas of the world that have contributed vast wealth to other countries. In virtually no other place in the world has such a single ore body occurred without related mineralisation subsequently being discovered and developed. So the hopes for the area are high. Geological formations over a large area extend into South Australia. Olary is often mentioned. The formations also extend to Tibooburra and across to the Cobar peneplain, some dipping under the soils. Obviously a tremendous amount of exploration lies ahead, but at this stage private enterprise is hesitant to enter into such exploration on its own. The mining industry has welcomed this State Government initiative as a clarion call to make a once and for all effort to find out the extent of mineralisation in the Broken Hill area.

It is no commercial secret - indeed it has been widely discussed - that the present mining operation at Broken Hill, which is being conducted by Pasminco, has an estimated life of 12 to 13 years. It is urgent that new discoveries are made and that they be processed for development because of the lead time of anything up to 10 years between the discovery of a mineral body and the mining, commercial production and receipt of income by the prospecting company from that discovery. It is of critical concern that the wonderful city of Broken Hill with all its necessary infrastructure cannot be sustained indefinitely without the support of the mineral industry operating there at present.

Across the Commonwealth of Australia there are examples of mining townships that have not been able to be sustained. The most striking example would be that of Mount Morgan, which at one stage was a township probably comparable in some ways to Broken Hill and Mount Isa. Within the past five years the workings at Mount Morgan have petered out and the town has collapsed. To ensure a continuity of production that will sustain the city of Broken Hill, it is most important that a dedicated and focused drive for exploration be made to find whatever minerals are in the area. I do not think we should be pessimistic about this. There is often a

naive approach to the mining industry - an approach perhaps akin to that taken by the people outside Parliament House today and recently who are talking about old growth forests. Sometimes people are naive or misguided about the nature of the discovery of minerals and their significance to our society.

The thought can easily be put forward that minerals are a single entity - like a buried treasure - and that as one gradually digs a mine and gets to the edges of the deposit that is the end of the matter. The truth is that the amount of workable mineral depends entirely on prices and on further research, discovery and technology. In many cases mines that in one era of technology seem to be completely worked out become very productive at a later stage. In the Cobar area a series of developments have occurred at places like Canbelego. Following the original working for gold, the tailings were worked over in the 1970s. There is now a proposal to rework the tailings because workable traces of gold remain that can be extracted by new methods.

Another example from the extensive and important Cobar field is the CSA mine, which commenced operations in 1907. Known reserves of ore at that mine are equal to the amount worked to date. This is the result of further exploration, deeper drilling and deeper mining operations and, particularly, the movement of technology that has enabled the working of ore bodies previously thought to be unworkable. It is interesting to reflect - and I know that the Minister for Energy will be most interested to hear - that the first discoveries of copper in the Cobar area were considered economic only because the assays were as high as 15 per cent pure copper.

They would cut out a hunk of rock weighing about a ton, put it on a bullock wagon to cart it across to Tilpa or Wilcannia to be placed on a barge and it was still economical to produce copper for sale on the world markets. That type of concentration has been well worked out. Fortunately, new techniques and new discoveries are keeping the Cobar field very much alive. Across the central west and the western part of New South Wales prospects are very exciting. Only 10 or 15 years ago when talking about the golden days - the gold rush in New South Wales - we would have said, "That is the past; we have nothing to look forward to", but in recent times there has been the development of the North Parkes mine and the Peak mine at Cobar is working a successful gold deposit. It is hoped that new reserves will also be developed.

North of Cobar is a new prospect at Helmans Tank. These are all extremely significant to the economy of New South Wales and, indeed, to the
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nation. We cannot sit back and say that New South Wales has a reputation as a big coal exporter. Of course, New South Wales coal exports dwarf total exports of the mineral industry in the other States. It is vital to maintain the New South Wales power generation industry for local consumption and for sale to other States. If all our eggs were in one basket, we would be very much exposed to the vagaries of the international coal market, which has been facing a force 10 gale with the competitive prices that are able to be wrung out of Japanese buyers particularly.

I feel for the coal producers and miners who work on the coalfields, whether in the west at Lithgow or in the Hunter Valley. It is essential to pursue Discovery 2000 and optimise mineral exploration prospects in New South Wales. There should not be a frenzied effort to find what little gold, copper or other mineral may be left, because when one becomes familiar with the mining industry, one learns that increased activity leads to further exploration and discovery, more investment in technology and previously undreamed of discoveries of resources. If the process begins to slow down and is allowed to wither away, who knows what opportunities may be missed. I commend the Government for the announcement of the Discovery 2000 initiative. The budget carries forward the commitment, which will take place over a number of years.

A number of initiatives in this budget provide for communities in the western areas. In many cases the populations are stable and do not have the benefit of advocacy for capital works and new infrastructure needed by an expanding population, yet modernisation is just as great in Walgett or Goodooga as it is in the notable centres of Broken Hill and Cobar. The commitment of funds has ensured that construction of the new Walgett hospital will commence this year, as will long overdue major refurbishments to Willyama High School. I have spoken about the school on other occasions. The design was apparently drawn up in another era by an architect

who had some vision for the building, though it is obscure to anyone else. It is marvellous that the Government readily acknowledges the difficulties at Willyama High School to create the ambience for its students that we regard as essential and almost take for granted for student development and welfare on any campus.

The Minister for Education, Training and Youth Affairs, the Hon. Virginia Chadwick, is to be congratulated. The purpose of her visit to Willyama was to speak about tourism, but at my request she inspected Willyama High School and met with the parents and citizens association and school principal, Joe Bosnich. The Minister quickly appreciated my representations. I had also been ably assisted by her parliamentary secretary, the Hon. R. T. M. Bull, on an earlier occasion. The allocation of funds for the first stage of the refurbishment of Willyama High School was satisfying to the Hon. R. T. M. Bull and me. The covered walkways that will be built are the beginning of an exciting chapter at that high school.

Willyama High School boasts a high academic standard and has achieved so much for the people of Broken Hill. I constantly read in the newspapers of university graduations throughout the Commonwealth of Australia of former students of Willyama High School. Again, that is a great achievement for the school community. Broken Hill has received a substantial commitment for the final stages of the planning of its hospital. A tremendous amount of detailed planning has been required, distinct from most other district hospitals. As the centre of a large and isolated region and also of the Royal Flying Doctor Service, Broken Hill has particular planning requirements to ensure that its hospital serves the community in the city and the surrounding regions in a way that will be possible with modern technology.

The Government is committed to providing water and sewerage services at Lightning Ridge. I have been a frequent visitor to Lightning Ridge. Recently I went there with the Minister for Agriculture and Fisheries, and Minister for Mines, the Hon. Ian Causley, to open the miners association centre. It is marvellous to see what is taking place in Lightning Ridge. My first visit was in the late 1960s. The other day I spoke with the new president of the miners association. We reminisced about the old days when there was not a buyer on the field. At that time there were probably fewer than half-a-dozen permanent miners and most of the structures looked as though a good wind would blow them away, which would have been the end of Lightning Ridge. It is now a thriving settlement of 10,000 people. Opal production at Lightning Ridge has become a world renowned industry. Honourable members would know that only recently the black opal was declared the national gem of Australia. Of course, it is that particular opal that distinguishes the Lightning Ridge field from other opal fields of New South Wales and Australia.

It is wonderful that the community needs are being catered for. The school community met the assistant director-general, who spoke about the possible future development of a central school and a high school as student numbers increase. The cooperation of government departments, which is reflected in the budget, brings great satisfaction. The Government has made a solid commitment to the representations of the people in western New South Wales. This budget is excellent. As other honourable members have said, it takes its proper place in a series of budgets brought down by the coalition since its election in 1988 to bring about financial responsibility by trying to match income to expenditure and to attempt to claw the State back from the perilous position it was in with its liabilities. Nevertheless, the budget underpins a wide range of reforms to all the major areas, including education, health, and law and order, which I spoke about earlier in my contribution. The Government can be proud of the budget. The Government will be given a resounding vote of commendation from the people of New South Wales when they exercise their electoral judgment in March next year. Because of the

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excellent initiatives contained in this budget, I am almost certain that the Treasurer, the Hon. Peter Collins, will present next year's budget.

The Hon. D. J. GAY [3.00]: I support the budget. In doing so, I want to draw to the attention of the House two important matters. When I resigned as Chairman of the National Party, I said I needed to pursue certain issues. These two important matters relate to the first two of those issues. The other issues I shall pursue at another time. The first matter concerns what could be arguably the State's worst commuter airline; the second matter concerns what is probably the worst local council in New South Wales - that is, Byron

Council. I am pleased the Minister for Local Government and Co-operatives is in the Chamber while I speak about these issues. I am sure he will not be surprised by what I have to say about the matter relating to the Byron Council - that is, a report on the Roundhouse site commissioned by one of the Minister's predecessors.

The first matter I should like to share with honourable members is a story that begins with an end: the useless loss of young life, followed by mourning that will never really end. When people started to ask why this had happened it became apparent that the answers would not be simple or straightforward but would lead to more questions. The answers to those questions would reveal how preventable this loss of life had been. I am talking about the air crash that occurred just over 12 months ago at Young on the night of 11 June 1993 - a miserable, dark, cloudy, windy, wet night. I remember the night. I drove back from Parliament to my home that night, and I had to travel to Wagga Wagga the next day. I could imagine what it would have been like for the families who awaited the arrival of their relatives and friends on the various flights that were due to arrive at Young that evening.

At 7.18 p.m. Monarch Airlines VH-NDU became a fireball on a rocky outcrop of a hill two kilometres south-south-east of Young airport. Two planes were due in at that time, and one had crashed. The shocked families awaited news of whether their loved ones were on the plane that had crashed or on the other plane that was due in that night, because no one had a list of which passengers were on which plane. In the few moments that it took the plane to falter and crash, I lost two young cousins, Jane Gay and Alanda Clark. Their school friend from the Presbyterian Ladies College, Prue Papworth, died the next day, along with prominent Sydney barrister, Bill Caldwell, a member of an old family from the area. Cootamundra grazier and immediate past President of the New South Wales Shires Association, Stephen Ward, also died. I am sure Stephen was known to many members of the House. Pilots Wayne Gorham, who was also a relation of mine, and Brynley Baker also lost their lives.

Everyone knows that country communities are close-knit. The loss of these lives in this small community will never be forgotten by those who remain: their sons, daughters, wives, mothers and fathers. The following overriding questions remain on everyone's lips. Why was an airline that was technically bankrupt and had to resort to irregular methods to obtain fuel and purchase spare parts allowed to operate? Why was Monarch's continual breach of aviation regulations over a number of years conveniently overlooked and dismissed by regulating authorities? Why were concerns raised by local travel agents and local members, including the Hon. Ian Armstrong, with the Civil Aviation Authority and with the New South Wales Air Transport Council, not addressed? Why has the insurance company to date failed to compensate the families of the victims? Most importantly, why did this accident happen in the first place?

Not surprisingly, with the coroner's inquiry yet to be completed these questions have already opened a Pandora's box of answers, most of which have supported the hypothesis that the trauma suffered by the families of the victims could have been prevented had adequate safety measures been enforced by the appropriate State and Federal regulatory bodies. Immediately after the crash the Bureau of Air Safety Investigation of the Commonwealth Department of Transport conducted an inquiry, as it must for all accidents. A section of the report, which is entitled, "Air Safety Occurrence Report: 9301743", stated:

Although the autopilot of the aircraft was known to be unserviceable, it was subsequently established that the autopilot computer amplifier and associated flight controller had been removed for service on 31 May 1993, rendering the heading functions of the Horizontal Situation Indicator(HSI) and the Radio Magnetic Indicator (RMI) inoperative. The Flight Director command bars on the Attitude Deviation Indicator (ADI) were also inoperative. Those instruments were all located on the pilot-in-command instrument panel. Directional guidance was provided by the Directional Indicator on the second pilot instrument panel, and a standby magnetic compass. The aircraft had continued to be operated in that configuration until the time of the accident.

Further investigation has revealed that the autopilot of VH-NDU was reported unserviceable on or about 29 March 1993.

Honourable members should not forget that I am talking about a crash that occurred in June of 1993. The report continued:

Flight operations were continued, apparently in accordance with the System of Maintenance, Minimal Equipment List (MEL) applicable to the aircraft. The MEL permitted continued flight operations with an unserviceable autopilot, subject to certain conditions, which included the carriage of a second pilot, for a period of up to 10 consecutive days. Upon request from the operator, continued operation with the inoperative autopilot was approved by the Civil Aviation Authority as a Permissible Unserviceability, valid to 16th May, 1993. This was subsequently extended to expire on 16 June 1993. However, the removal of the autopilot components which rendered the pilot's HSI and RMI inoperative, was not permitted in accordance with the conditions of the aircraft Minimum Equipment List and Permissible Unserviceability Schedule.

Honourable members may think that the request for an extension to continue operation with the inoperative autopilot could have meant that Monarch Airlines may have been compromising safety in the interests of staying afloat, especially when it took so long.

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However, this occurs frequently due to delays in obtaining parts. Nevertheless, I believe the Civil Aviation Authority should obtain an order, invoice or letter from the supplier confirming the delay. Regular public transport providers are required to have an autopilot. Monarch asked for a concession of two pilots in lieu of a functional autopilot and the CAA, which examines each claim on the basis of equivalent safety, would have granted the concession, for that alternative is quite acceptable.

However, Monarch did not tell the CAA that the horizontal situation indicator and the radio magnetic indicator had been removed, nor did the CAA check that they had been removed. Apart from having inaccurate charts, it is of further interest to note that the inaccurate altimeter on VH-NDU was 30 feet out. When one considers that the plane hit a tree 10 feet from the top on that rocky outcrop, one becomes aware of the importance of 30 feet. In short, the air crash at Young last June should never have happened. The recent deregulation of the aviation system, which has placed priority on commercial considerations above those of the needs of safety, is commonly cited as one of the main causes of the accident.

Although deregulatory reform was introduced with the intention of providing competition and choice to the aviation industry, it has resulted in a compromise of safety in return for additional competition, flights to specific locations and theoretically lower fares. The irony is that the initial aim of introducing deregulatory reforms to increase travel appears not to have worked because of the flying public's increased concerns regarding their safety - and who could blame them? In fact, economic deregulation gave companies such as Monarch the right to go broke and continue operating while compromising air safety standards and the lives of their passengers. How? By slashing their safety budget to the bare minimum.

To our detriment, regulation is all too often narrowly interpreted to mean the protection of inefficient industry. This being the case, many of the productive outcomes of regulation are conveniently overlooked. While there is some truth in the notion that true regulations by themselves do not ensure safety and that profitability is another factor which has the potential to ensure safety, I believe that elements of both have to be combined if we are to ensure that air safety is a priority of operators. Regulation would stop companies that are technically bankrupt - both financially and morally - from operating, and would prevent practices which jeopardise the lives of their passengers, such as resorting to irregular methods to obtain fuel and spare parts and continually breaching aviation regulations over a long period of time.

For example, it was common knowledge that Monarch Airlines had such a bad reputation with creditors that on many occasions pilots had to pay cash for their fuel. In fact, the stories that John Sharp related in his speeches in Canberra and which were relayed to me this morning, about Monarch Airlines having to put down at various ports because they had run out of fuel along the way, are a clear indication of the state of affairs of Monarch, yet, unbelievably, they were allowed to continue to operate. There are some who believe that State regulation and licensing are no longer necessary now that the Commonwealth regulatory framework has been removed, and that any form of continued State regulation limits the benefits of Commonwealth deregulation and

hinders the benefit of air services in New South Wales.

However, the benefits so far derived from deregulation do not compare with a citizen's right to protection. Ordinary citizens cannot be expected to be responsible for their individual air safety, especially when they have a government that they should be able to rely on for a duty of care. In a similar fashion, deregulation means that the viability of a particular route is not considered before licensing more than one operator to that route. Competition on routes drives prices down; better safety regulation would ensure that it does not, at the same time, jeopardise passenger safety. The Bureau of Air Safety investigation conducted immediately after the crash brought to our attention a number of other features of our aviation system that may have contributed to the cause of the accident. I will deal only with those that are relevant to New South Wales. As I am sure honourable members are aware, my National Party colleague and the local Federal member have dealt with the others elsewhere.

An area of particular relevance concerning air safety in New South Wales is the criteria used by the New South Wales Air Transport Council when issuing an air transport licence to an airline. Although the air safety regulations of operators are the responsibility of the CAA, it is exceedingly obvious that the current regulatory system has been unable to ensure adequate safety measures. As honourable members are probably aware, I wrote this speech some time before the current activity and current problems involving the CAA, but they only go to reinforce what I am saying. It is just unbelievable. Given all this, it would be irresponsible to advocate that the Air Transport Council remain subservient to the Civil Aviation Authority under all circumstances, and issue licenses purely on the conditions that the operator has already received Civil Aviation Authority certification and holds a current insurance policy.

Clearly, if public air travel safety is to be the first priority of this Government, it would make sense to have a check and balance on the Federal aviation authority - especially following the recent revelations - by creating some mechanism through which the New South Wales Air Transport Council would take a more active role in ensuring safety, specifically one which would enable it to consider the possible linkage between the financial circumstances of the operator and its continuing capability to conduct safe operations. Although the Air Transport Council is responsible only for matters pertaining to the licensing and operation of transport services within New South Wales and not air safety regulation, the suitability and fitness of the applicant or corporation is still a factor which must be assessed by the Minister

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when deciding whether to grant or refuse a licence. Yet, ironically, the financial situation of an applicant in respect of air safety is not included in that assessment. How, I ask, can the suitability or fitness of an applicant be assessed without considering the financial situation of the applicant?

The current method of assessment is, therefore, ludicrous. Although financial liability has never been a criterion employed by air safety regulatory bodies in Australia, it is the norm in both the United Kingdom and the United States where the financial viability of an airline is a mandatory criterion of approval for its entry into the market. It has also been adopted by the European Community as an essential criterion in its new regime. Indeed these countries would question the validity of judging viability of operating a certain aircraft without considering the financial health of the airline in question. If our Government is to harmonise our air safety regulations with the regulations of other countries, such as the United States and the United Kingdom, we should include the financial viability of an airline as a mandatory criterion for approval for its entry into the market.

The conduct and the policy of the New South Wales Air Transport Council concerning insurance should be another area of concern for our Government. Although insurance is a requirement for registration by the Air Transport Council under its current charter, it need be sighted only on the first application and in practice need not be sighted from that day forward. If an airline company rolls in for the first time and has a current insurance policy, that is all it needs. The airline could cancel it the next day. The airline might not reissue it but is seemingly covered. Although insurance is a requirement for registration by the New South Wales Air Transport Council under its current charter, it need only be sighted on the first application and in practice need not be sighted from that day forward. It is unbelievable and demands correction.

Passengers on Monarch Airlines would have assumed that they were automatically covered by insurance similar to third party insurance, which covers all travellers on roads. However, that was not the case. Karen Gay, the mother of Jane, deserves a proper answer to the plea that she made at the time, "Was my daughter's life worthless?" Not only does she deserve an answer to that plea, but she deserves the right not to have to go through the trauma of asking that question. One can imagine the trauma experienced by the relatives of the people who died in that air crash who now have to go through the mercenary attempt of claiming insurance through the courts. It is debilitating. It is improper. It should not have happened. We need to change it.

Though the law requires airlines to carry insurance, the families of the victims were told that their insurance may not be valid because NDU was operating illegally. Given this, it should be compulsory for all air operators to take up no-fault insurance and this should be checked regularly to ensure that it is up to date and that payouts are automatic without the current escape clauses. I suggest the introduction of two types of insurance. The first is whole of life, to be part of any ticket sold, and to be shown on the face of that ticket. It would be the responsibility of the CAA to facilitate this as a matter of urgency to provide an Australia-wide coverage. The second is liability insurance, such as is now in place, but without the escape clauses. This needs to be checked more than once at the beginning of a period of licensing. The Air Transport Council should be responsible for addressing this issue in New South Wales.

If we are to prevent a similar accident occurring it is imperative that we do all within our power to ensure appropriate reforms to our regulatory bodies. We in Parliament are fortunate to possess the power to initiate and implement such reforms. Indeed, any failure to do so would render us personally and morally responsible should a similar accident occur. I could not live with the realisation that a few simple changes might make all the difference. It would be irresponsible of this Government not to take the opportunity to address this anomaly. If, at the end of the day, the insurance company is able to slip through a loophole that the State and Federal governments have not attended to, both those governments share a very real obligation to make an ex gratia payment to the families of the victims.

Using Monarch as a case study it is clear that shortcomings in the system need to be addressed. Apart from the problems that were specific to Monarch, if we are to provide better safety standards, the fact that eight items of non-compliance were listed against that company and it continued to operate under normal circumstances is, in itself, a worry. But more of a worry is the decision of the CAA and the ATC to ignore the growing list of complaints against the airline. Months before the crash the Hon. Ian Armstrong sent a letter of complaint about the standards of air services in his electorate of Lachlan, including Monarch Airlines. In reply, the CAA assured the Hon. Ian Armstrong that some of the areas of concern were superficial only. I seek the permission of the House to table the following documents: a letter dated 10 December 1992 from the Hon. Ian Armstrong to the Chairman of the Air Transport Council; a document dated 7 December 1992 from Mr Hal Roberson of Lachlan Travel to the Air Transport Council; a reply dated 8 January 1993 from Sir James Rowland, Chairman of the Air Transport Council; a reply dated 11 February 1993 from Mr V. J. Nolan, Regional Manager, Safety Regulation and Standards, south-eastern region, Civil Aviation Authority.

Leave granted.

Having tabled those documents, I will now read from them. I shall read first from the document dated 10 December 1992 from the Hon. Ian Armstrong, the Deputy Premier and honourable member for Lachlan, to the Chairman of the Air Transport Council, remembering that the Monarch plane crash was in June 1993:

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Dear Sir,

I am particularly concerned with the level of commuter air services in my electorate of Lachlan and adjacent areas.

As you would be aware, amongst the ports de-regulated approximately eighteen months ago were Cootamundra, Cowra, Young,

Forbes, West Wyalong and Condobolin.

Since that time two operators have been "contesting" the ports of Cootamundra, Young and Cowra and lately a third operator has indicated occasional services. Whilst a single operator was operating Forbes and Condobolin, that operation has now been taken over by Monarch and a second operator, Eastern Pacific, has indicated they are prepared to service those ports. So basically Country Connections, Monarch and Eastern Pacific are all providing some level of service either on a regular or irregular basis.

Under separate cover a letter has been despatched from a Travel Agent in Cowra, Mr. Hal Roberson, which sets out in some detail a number of the concerns that have arisen in recent months.

I wish to support the intent of Mr Roberson's letter as it has become apparent in recent months that the level of service and maintenance of aircraft is suspect.

- * I have received reports from Forbes of planes being started in the morning without external safety inspections
- * I have noted on a number of occasions without any water testing following that refuelling operation
- * In addition, what I believe to be mandatory tarmac pre-flight checks such as alternator checks are not being carried out

Further to what Mr. Roberson has indicated, may I make the following observations:-

- * On flight No. OB201 Aircraft VH-WZW Cowra/Sydney on 7.12.92
 - . holes in seats
 - . loose side panels
 - . seals on doors unserviceable
 - . can see through the door at the handle
 - . cracks in the hard interior lining
 - . buckle in the wing locker door on starboard side
 - . the carpet worn through to metal floor
 - . no headrests
 - . the first aid box under the rear seat had no lid and bandages etc. were exposed
 - . oil leak from starboard side wheel (hydraulics)
 - . considerable oil leak from port engine.

The Hon. Dorothy Isaksen: That is disgraceful!

The Hon. D. J. GAY: Yes, it is. Mr Armstrong's letter continues:

- * On Flight No. OB101 Aircraft VH-TXK Sydney/Cowra on 9.12.92 oil leaks from starboard engine.

It is in the interests of public safety and particularly the capacity to be able to service the areas, that I draw your attention to areas of concern.

Whilst not wishing to particularly pick on some of the minor points, the overall picture presents a more deteriorated position than would normally be expected in a commuter service.

I shall read from a letter from Mr Harold Roberson, the proprietor of Lachlan Travel, dated 7 December 1992. It states:

Dear Sir,

RE: DE-REGULATED REGIONAL AIR SERVICES IN NSW

Since the introduction of de-regulation, in mid 1991, I have taken a particular interest in the effects as they apply to the travel industry in general.

From my observations there have been many problems which I feel should be addressed and it is with this, and the general well being of my industry and its clients in mind that I now take this action. No doubt some of the points raised will not fall exactly in to your State sphere of responsibility. In this case I ask that you pass them on to the appropriate people as the case may warrant.

ACCOUNTABILITY - As a duly licensed Travel Agent I am required to observe certain professional standards of credibility in the handling of travel reservations. In fact I can be subjected to quite severe penalties for failure to observe these standards. However an air carrier, via the small print on the ticket, can accept reservations made by an agent, not perform the carriage, disrupt the passenger to any degree, and not be subject to any recourse from either the agent or the passenger.

They are not required to present alternative transport options and, has been shown on many occasions, nothing is done except offer travel on the next available service.

Whilst I agree that any travel is subject to the vagaries of both weather and mechanical problems, to add a further dimension of simply not turning up to perform the carriage booked is too much to ask.

Many instances of such irresponsible behaviour, by the operators, are documented in various files and the problem appears to be on the increase irrespective of the niceties of computer terminal reservation systems operated by both Australia's large domestic carriers.

LATE OR OFF SCHEDULE OPERATIONS - One carrier recently operated a service five days a week for two months knowing full well that it simply could not possibly operate to time. In fact the average delay per service was 24 minutes in to the first arrival port from Sydney with the longest being 65 minutes.

As a cost saving measure these carriers do not have people involved in ground handling for incoming flights so the general public are expected to simply sit and wait for an aircraft to appear from somewhere. At a small country airport this can, and quite often is, a very unnerving experience and I have seen people reduced to tears due to the anxiety.

Instances are being reported of some flights making up to five stops when the schedule shows one or two so the delays simply get longer and the public more confused.

On occasions aircraft are returning to the terminal, to wait out a minimum one hour's delay, rather than the operators face the peak Sydney airport charges. I suspect that a general slackness in operations is more the cause of aircraft not going on time rather than the usual blame of Sydney airport congestion.

Rumour is also rife that the surcharges are indeed not being collected by the airport authority, in their entirety, with the possibility leading towards the financial instability of certain air operators should proper collection action be taken.

AIR CARGO - Anything goes in this area but the treatment leaves a lot to be desired. Reports of parcels being left unattended are not uncommon.

SYDNEY TERMINAL ARRANGEMENTS - Whilst the general use of the area known as Flight Facilities appears to be adequate

-

I can back that up: it certainly is an adequate area -

the problems of such use are quite unbelievable.

To list a few:

- a) Passengers being approached by rival operators in an attempt to coerce them on to their service.
- b) In the case of (a) no reticketing being carried out. The legalities of the failure are enormous.

- c) Baggage being mis-directed on to incorrect aircraft with the subsequent disruptions.
- d) General airport direction signage inadequate.

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- e) Insufficient general signage, within the two domestic and the international terminals resulting in missed connections.
- f) Sydney airport staff generally not being aware of the existence of "Flight Facilities".

I am sure many honourable members know how difficult it is to get a taxi from the domestic terminal to flight facilities. The taxi drivers queue for hours and, quite understandably, do not want to receive a fare for a couple of dollars, so they are reluctant to pick people up. I refer to Mr Roberson's comments on air operators generally. He stated:

The list is seemingly endless but some of the main concerns are:

a) TYPE OF AIRCRAFT IN USE - Whilst the general nine seat aircraft type are being used there appears to be no real problem. However, on many occasions smaller aircraft appear and there are continuing doubts as to whether these are duly suited, or licensed, for the work.

There have been instances of passengers being advised that a flight is to operate as a charter. Diversions to Bankstown airport are becoming more frequent as an expedient, to overcome some prior difficulty.

- b) As the aircraft types are in doubt, can the public be in complete confidence that the aircrew are fully qualified as well.
- c) Questions are arising as to whether full flight preliminary functions are always carried out.
- d) Airport operations often appear to be questionable with some operators doing three side approaches whilst others come straight in.

That was certainly the case on the night in question at Young. Some of the local operators came straight in, but some of the pilots who were unused to the area did side approaches and went around for a second or third attempt. The letter continues:

There have been a number of potentially dangerous incidents reported and observed at many airports.

e) AIRCRAFT QUALITY - Instances of doors coming open in flight -

Just about every member of this Parliament could tell stories of doors coming open during take-off. Earlier this afternoon the Leader of the Opposition, Bob Carr, and I were lamenting the fact that this lack of confidence is causing many honourable members and their constituents to travel by motor vehicle. The numbers do not add up; it is still safer to fly. However, this lack of confidence in the industry, caused by the failure of deregulation, is causing people to drive abnormally long distances and putting at risk lots of lives, including the lives of members of Parliament. The letter continues:

. . . steps breaking, defective heating, worn and torn seats, suspect seat belts, suspect seat mounts, doors falling off on the tarmac, inefficient locking devices are common.

f) ENGINEERING - Questions from the tyres up are paramount. Oil, fuel spills are not uncommon. Breakdowns are frequent and the general appearance of some aircraft pouring smoke etc. with rough running engines must pose questions of reliability.

In conclusion I must make the point perfectly clear that I favour no particular operator insofar as criticism is concerned. However,

detailed specifics are available for release when asked for. My concern is that the operators, having been left to regulate themselves, either by industry or public support, appear to be moving towards a far less desirable position than the reasonably high standards that existed prior to deregulation.

Certainly fares are somewhat lower, up to 33%, but questions arise as to whether the savings are against administration or as I suspect more than likely they are coming from the operational side.

The dangers of this need no further amplification as I am sure you will agree, However at the end -
and this is important -

of a 40 year continuous working life, in the travel industry, I feel that something must be done before someone gets hurt.

That was a letter from Cowra in December 1992, six months before the Monarch crash.

The Hon. Delcia Kite: Was there any response?

The Hon. D. J. GAY: Yes, there was a proper response from Sir James Rowland, which I have tabled, acknowledging the letter. He said, in part:

You will by now have received via the Minister's office a copy of a letter which the Air Transport Council sent to Mr Roberson of Lachlan Travel. We had received a faxed copy of his letter prior to the original enclosed with your letter.

In response to the additional and equally worrying comments about maintenance and safety contained in your letter, I have asked the Council Secretariat to refer the specific matters to the Civil Aviation Authority for appropriate action.

The response from the Civil Aviation Authority was dated 11 February 1993. It reads:

Dear Mr Armstrong,

I refer to your letter dated 10 December 1992 to the Chairman Air Transport Council, expressing your concerns with the level of safety on commuter aircraft services in your electorate.

The particular matters concerning the maintenance and operation of these aircraft, was referred to the Civil Aviation Authority by the Executive Officer of the Air Transport Council.

I have had those matters you referred to investigated. You would appreciate that in the absence of any direct evidence it is difficult to enforce these requirements.

In relation to the non completion of the pre flight checks and fuel water checks, due to the very nature of these checks it is difficult to determine if they were performed or not. For instance, in the case of the water fuel checks it is practice to check for water just prior to flight.

This part of the letter is important:

In relation to your observation of particular aircraft operating on the Cowra/Sydney runs, your observations were referred to Airworthiness branch, who have informed me that in the main the items identified by yourself are of a cosmetic nature and do not affect the safe operation of the aircraft.

That is the Civil Aviation Authority's response. I shall read the last two paragraphs so that I cannot be accused of selectively quoting:

Flying Operations and Airworthiness Branches of the Authority conduct ongoing surveillance of operators in your electorate. Any detection of a non compliance of mandatory requirements, would be, the subject of immediate action on the part of the authority.

How prophetic! The letter concludes:

Thank you for your letter to the Air Transport Council enclosing your observations of the aircraft. Let me assure you that it is the prime function and interest of the Authority to ensure that aircraft operating in the interests of the public do so safely.

...

V. J. Nolan
Regional Manager
Safety Regulation and Standards
South Eastern Region

11 February 1993

While the CAA protects inaction against Monarch by saying that "insolvency of an operator is not a prime concern of the Civil Aviation Authority", I am suggesting that if it was not then, it should be now. Moreover, it also should be the prime concern of the Air Transport Council. In reply to Ian Armstrong's letter of 30 August 1993 Sir James Rowland, Chairman of the Air Transport Council, indicated that he had sent a letter on 29 July 1993 urging the Chairman of the CAA to ensure that regional air safety be given the prominence it deserves in the review of safety regulations and standards being undertaken by the authority. I again suggest that this is not a role solely for the CAA, as it has proved it is incapable of performing it properly; it now has to be a role for the Air Transport Council as well. The system is obviously not working in its present form and it is time State bodies took responsibility as well. No longer can well-paid members of the Air Transport Council, or members of this Parliament, remain complacent. We have a responsibility. For far too long the commercial interests of the airline operators have been put first and the safety and rights of passengers second. We must put an end to the situation in which rural Australians are flying with third level operators, unprotected by proper safety regulations and without adequate insurance.

Although it may be a prime interest of the CAA to ensure public safety, as pointed out by John Sharp, all the intention and rhetoric in the world are useless if not accompanied by appropriate measures. It is in the further interests of public safety that I draw your attention today to these areas of State concern. I am suggesting that we take a more proactive rather than reactive approach to air safety regulation. To date we have traditionally been more reactive than proactive. There is no doubt that the blame for the tragedy in Young in June 1993 lies with both the company that operated outside the law and the air safety regulators who knew about the breaches and did not stop them. However, simply allocating the blame is not enough to warrant a sigh of relief. This will be possible only when measures to correct the circumstances which led to the crash are undertaken and implemented. I put forward the following recommendations as a matter of urgency in the knowledge that the Minister for Transport, Bruce Baird, is already looking at some of the recommendations and is aware of my concerns and those of the local members, Ian Armstrong and Alby Schultz.

One recommendation is that the State Government should not rely solely on Commonwealth air safety regulatory measures, because our past has shown that by themselves they are inadequate. The State Government should review the licensing role of the Air Transport Council with specific emphasis on the following: that the viability of a particular route be considered before licensing more than one operator to that route; that financial viability be included as a mandatory criterion when the Air Transport Council is considering which airlines are suitable and fit to receive an air licence and when considering renewal of such licences; that insurance be compulsory for all air operators and that complementary State legislation ensure that the Commonwealth legislate to guarantee that all commercial operators have not only valid insurance but insurance that puts the needs of the victims of crashes and their families as first priority; and that the Government as a matter of urgency develop an accreditation model that includes financial viability standards and character references for operators, as is already required for bus, coach and ferry operators in this State. This would also

be administered by the Air Transport Council.

I often wonder whether deregulation has actually resulted in a boost of tourism and business in the regional areas of New South Wales as was intended. The Bureau of Air Safety Investigation report puts forward a recommendation that the New South Wales Department of Transport provide advice to assist local authorities with airport management and development. This is important but must go hand in glove with operator adherence to the relevant safety mechanisms. I am sure that the concerns of all members go to the families of the victims of the tragic Seaview Aero Commander crash on the long weekend and the crash in Walgett last weekend. Because that crash occurred at the end of school holidays it reminded relatives of those involved in the Monarch crash of what happened at Young. I further hope that the Seaview Aero Commander crash is not another example of commercial considerations taking precedence over passenger safety. I was interested to hear through the news media last weekend that Tamair, based in Tamworth, runs its Aero Commanders 26 knots under top cruising speed. Tamair took that initiative about four months ago, after reading a report on this type of aircraft in an American magazine on flying.

The Hon. Patricia Forsythe: What if someone from the company had not read the article?

The Hon. D. J. GAY: Exactly. Who is responsible for ensuring that airlines have the most recent information about their aircraft? Doctors have a duty to be aware of what is reported in medical journals both in Australia and overseas and, if they are not aware, they are liable because they have not kept up to date. I believe that there is also a duty to make sure that operators are either made to be aware or, preferably, are made aware of what is happening overseas. It is unbelievable that one airline, through its own competence, has been able to follow up on overseas reports while some others have not been able to take similar initiatives. One cannot blame airlines

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for not being able to take initiatives - that is a hard ask of them - but they have to know what is happening. This demonstrates yet again to travellers a removal of the safety harness on air travel.

The Monarch tragedy has shown that there is definitely a role for a government regulatory body to maintain safety standards. It has demonstrated clearly that a free market does not necessarily provide for the public good on issues such as safety. Perhaps those blind disciples to the principles of the Hilmer report should pause and reconsider, having listened to the concerns about deregulation of the airline industry. Before I leave the subject, it would be remiss of me not to say a few words about comments made by various people including Dick Smith - and this may not be fair to Dick Smith - that we should consider only the major airlines when travelling by air. What I have been talking about today is putting confidence back into the industry. Whilst I have detailed examples of breaches of safety and pressures that have been put on airlines, there are still operating in this zone major airlines that are safe and reliable. What we need and what they need is confidence to be put back into this industry.

I shall now move on to the subject of the Roundhouse site. As I said earlier, I am very pleased that the Minister for Local Government and Co-operatives is in the House this afternoon. Lest the Leader of the Opposition or any of his goon squad feel that my comments today have given them some reassurance, I assure honourable members that I make the comments with the knowledge of the Ministers concerned and that not once have those Ministers attempted to gag me in carrying out the proper role of a member of Parliament. I should tell the House another story that involves Byron Council. It also is a sad story with all the ingredients of farce. It is a story of bloody-minded behaviour, deception, delaying tactics, irresponsible actions, evasion of obligations, misuse of ratepayers' money, conspiracy, abuse of power and victims. It is a story of the very worst of local government malpractice.

I should like to tell this story from the view of the victims. Their story is one of sadness and loss. They paid a high price at the hands of others in order to get justice; yet, sadly, justice still eludes them. This story began more than 14 years ago in the small township of Ocean Shores near Brunswick Heads on the New South Wales north coast. An unsuspecting, and at the time perhaps naive, trio joined to purchase a property called the Roundhouse site. They were not big developers, they were not your typical white-shoe brigade; they were just

local people. One entered into the investment on behalf of his daughter, a burns victim from a car accident, Ms Annabelle Gallagher, in order to ensure some degree of financial security for her future. The other two were colleagues - Mr Mark Cochrane and Mr Jim Mangelson, small people trying to assure a better future for them and their families.

The Roundhouse site is an elevated parcel of land of 1.388 hectares with 360-degree views from a prominent hilltop. At the time of purchase it had been on the open market for two years and Byron Council had shown no interest in the property. I wish to give the House a brief history of the site, which will explain the unusual zoning "Special Uses - Art Gallery" at the time of purchase. The site was subject to a deed of agreement signed back in 1969 between the State Government, Byron Council and Wendell West Company Proprietary Limited, which wanted to develop the resort township of Ocean Shores. The deed was intended to govern the staged development of the land. It contemplated the rezoning of more than 1,000 hectares of land to enable a residential subdivision by the developers in three stages, with the progressive provision by the company throughout the development of open space and various community facilities. These facilities included an Aboriginal art gallery, which was to be provided during the third stage.

The deed operated by reference to a series of development area plans. As the development progressed the plans would be amended. The original plan attached to the deed designated the Roundhouse site as "Sales Office". Due to various changes in corporate ownership and planning controls the third stage was never reached. The new owners - those to whom I have referred - purchased the site in 1981 and were led to believe that the Roundhouse site would indeed be rezoned. There was early acknowledgment by the council that the 1969 deed of agreement did not necessarily apply to the Roundhouse site and was not enforceable against the new owners. Prior to buying the Roundhouse site the purchasers discussed zonings and use of the land with the Byron Shire Council - and this meeting is minuted - and there were apparently no problems.

The council and the Department of Environment and Planning advised that a rezoning was appropriate as the land was zoned "Special Uses - Art Gallery" under interim development order No. 1 Shire of Byron. The Minister for Planning and Environment at the time, Bob Carr, called the zoning an anomaly that needed to be redressed in the preparation of the shire's new land and environment plan. The property was purchased in 1981 for \$275,000. The owners then consistently made submissions to Byron Council for the rezoning of the 3.5-acre site over a seven-year period from 1981 to 1988. In August 1986 the owners had a meeting with the chief planner and forward planner for the shire, and records of that meeting are on file. A rezoning to medium density or tourist 2(T) was recommended by the Byron Council staff.

However, by December 1986, only four months after that meeting, the council changed its mind and put the case to Commissioner William Simpson that the property should be zoned "Special Uses - Community Purposes" in the draft local environmental plan and be acquired by council. This is an important point in the story, as the council indicated that it was interested in the property and had obligated itself to buy it. Because of this, in December 1986 the owners demanded - quite rightly - that Byron Council acquire the property under the provisions of the then current planning instrument interim development order No. 1 Shire of Byron 1972 and under the provisions

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of the Environment Protection Authority Act. Unbelievably, the council would not comply, despite the fact that it had sterilised this land. The council maintained that it had no obligation to acquire under IDO No. 1. Mr Peter McClellan QC in a later report disputed this assertion. The council had effectively sterilised the property, and he said that Byron Council "had the moral obligation to acquire the site from 1986 onwards".

The PRESIDENT: Order! Pursuant to sessional orders, business is interrupted for the taking of questions.

QUESTIONS WITHOUT NOTICE

JUDICIAL OFFICER EDUCATION

The Hon. Dr MEREDITH BURGMANN: My question without notice is directed to the Attorney General, and Minister for Justice. Does the Attorney General agree with the comments made by Wollongong Magistrate John Seberry: "I'll never understand the stupidity, or should I say, idiocy, of women who get beaten up and then, contrary to [domestic violence] orders, go back to live with the offender . . . They must like that sort of treatment"? Does the Attorney General intend to amend the Judicial Officers Act to alter the structure of the Judicial Commission so that it properly undertakes the education of magistrates on sensitive issues for victims, such as domestic violence? Will the Attorney General assure the House that magistrates who demonstrate complete insensitivity on domestic violence issues will no longer hear cases involving domestic violence?

The Hon. J. P. HANNAFORD: The honourable member asked three questions. First, do I agree with Mr Seberry? The answer is no. Second, do I intend to amend the Judicial Officers Act? The Act provides for the Judicial Commission to undertake education of judicial officers. I acknowledge that this legislation was introduced by the Labor Party with opposition from the Government at the time. The Judicial Commission has proved -

The Hon. M. R. Egan: You were going to repeal it.

The Hon. J. P. HANNAFORD: I do not know whether the Government committed itself to that. Be that as it may, the Judicial Commission has performed outstanding work. It is now identified as one of the leading organisations in the world providing programs for judges and is a model for other administrations. It is being funded also by the Federal Government to provide particular programs, including education programs and programs relating to cultural sensitivities. One such program, if my recollection is correct, concerns this issue. Recently the Federal and New South Wales governments joined forces to work with the commission and the Australian Institute of Judicial Administration on these issues.

The Judicial Commission has a fairly extensive education program. Last year the judicial review dealt with a number of articles on gender bias and gender bias in judicial decisions. One such article was by Professor Kathleen Mahoney. The Hon. Dr Meredith Burgmann may recall that Professor Mahoney is from Canada and is regarded as one of the foremost commentators on gender bias. Another bulletin contained an article on domestic violence in Australia and a number of seminars on the issue have been held. I do not support the magistrate's comments. It would not be surprising if the head of the jurisdiction had spoken to the magistrate about these matters. The honourable member is aware, as I have said it on a number of occasions in this House, that if a magistrate has been thought to have acted inappropriately, any member of the public, including the honourable member, may communicate with the Judicial Commission and lodge a complaint under the Act.

The Hon. Ann Symonds: We could do that. That is good information.

The Hon. J. P. HANNAFORD: On a number of occasions I have made that comment in this House and to the Hon. Dr Meredith Burgmann, who has previously raised this subject. The third question was whether I should ensure that the magistrate no longer sit on cases of a particular nature. The honourable member is clearly saying that a member of the Executive Government should interfere directly in the administration of justice by intervening in the allocation of cases to particular judicial officers. I do not believe that the Hon. Dr Meredith Burgmann intends that that should occur. The allocation of particular cases to particular magistrates is a matter for the head of the jurisdiction, in this case the Chief Magistrate, Ian Pike. No doubt he is cognisant that the Hon. Dr Meredith Burgmann has raised the matter in the House, as I know he was expecting her to raise it as a consequence of comments she made in the press.

Approximately 5,200 cases a year are dealt with by magistrates in Wollongong. Of that number, about 14

per cent - 730 cases a year - relate to domestic violence in Wollongong. Of all the country courts, Wollongong has the most domestic violence hearings. This is the first occasion that such a comment of Mr Seberry has been drawn to my attention. Mr Seberry deals with the vast majority of domestic violence cases in Wollongong. He is aware of my views and of the Premier's views on his remarks. The House would not be surprised if Mr Seberry and the Chief Magistrate had discussed the matter, and no doubt Mr Seberry has learned from these comments.

The Hon. Ann Symonds: Some men are slow learners.

The Hon. J. P. HANNAFORD: One would hope he is not a slow learner of my views and those of the public. It is not appropriate for me to interfere in the administration of justice as the Hon. Dr Meredith Burgmann has called for me to do. No doubt she will exercise the rights available to her, if she so wishes, under the Judicial Officers Act.

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JUDICIAL OFFICER EDUCATION

The Hon. Dr MEREDITH BURGMANN: I ask a supplementary question. As it is quite clear that education programs undertaken by the Judicial Commission have in this case been unsuccessful, will the Attorney General undertake to change the Judicial Officers Act so that education programs will be compulsory?

The Hon. J. P. HANNAFORD: The vast majority of judicial officers, if not all, attend these education programs. No doubt, if the honourable member were to lodge a complaint that the Judicial Commission considered could be appropriately dealt with, the question of attendance at these programs is an issue that the commission could take into account in relation to any such complaint. There would not, therefore, be any necessity to amend the legislation.

ERARING POWER STATION WATER RECYCLING PROJECT

The Hon. PATRICIA FORSYTHE: Will the Minister for Energy, and Minister for Local Government and Co-operatives inform the House of the details of a water recycling project being undertaken by Pacific Power?

The Hon. E. P. PICKERING: I am pleased to have available a detailed answer to the important question asked by the Hon. Patricia Forsythe. Pacific Power is pioneering the use of recycled sewage effluent in the electricity generation process at the Eraring power station on Lake Macquarie. This initiative will reduce the power station's fresh water requirements by more than 95 per cent. I am informed that the use of reclaimed water to this extent is a world first for a power generating plant. In short, Pacific Power will use state-of-the-art technology to recycle as much as 3.5 million litres of water a day for use in the Eraring power station. I am advised that the resultant product is of even higher purity than the existing fresh water supply.

The environmental significance of this unique project is demonstrated by the fact that Pacific Power will reuse all the secondary treated effluent from the new Dora Creek treatment works for 15 years. The deal has been struck by the Hunter Water Corporation and Pacific Power with the approval of the Environment Protection Authority. It has enabled the Hunter Water Corporation to defer for more than 10 years the construction of a major discharge pipeline past the Eraring power station, a pipeline that would have cost the taxpayers of New South Wales \$2.4 million. Instead, the Hunter Water Corporation will construct the first 6.6-kilometre section to the Eraring power station, while the construction of the remaining 11 kilometres will be deferred.

The effect of using the waste water is to defer the need to pump effluent from Dora Creek via Toronto to a deep ocean outfall off Belmont. Additional fresh water will also become available over time for the equivalent

of thousands of homes. Through this deal the Eraring power station expects to make substantial savings. On a full capacity basis, the plant will save as much as \$800,000 a year in fresh water costs. Additional savings of about \$100,000 a year will result from reduced chemical requirements in the main water demineralising plant. Over a period the power station will reduce its purchase of fresh water to all but its drinking and domestic requirements. That is an extraordinary achievement.

I am advised that the total cost of the project, including the purification plant and reticulation system, will be less than \$4 million. Competitive tenders were called for in the first half of this year, and Pacific Power recently selected Memtec to construct and install the membrane filtration and reverse osmosis plant. The plant is currently under construction and is scheduled to commence operations in March next year. This project is a tangible demonstration of good business practice that provides major benefits for the community and the environment. It is also a result of the fresh approach taken by this Government to the running of publicly owned service providers, an approach that has allowed those in charge of the utilities to exercise the vision and innovation required in these modern times. Fresh water is an increasingly scarce resource, and innovations such as this will help to ensure our future needs.

CHARTER AND COMMUTER FLIGHT SAFETY

Reverend the Hon. F. J. NILE: I wish to ask the Minister for Energy, and Minister for Local Government and Co-operatives, representing the Minister for Transport, a question without notice. What action will the New South Wales Government take to ensure the safety of New South Wales residents who use charter and commuter flights, in view of the tragic death of nine New South Wales residents from the Hunter region as a result of the recent fatal Seaview crash and the failure of the Federal Civil Aviation Authority, as evidenced by the removal of a senior CAA officer? Will the New South Wales transport department monitor the relevant CAA reports into the efficient and safe operations of such charter and/or commuter operations in New South Wales and take whatever action is necessary to ensure the safety of New South Wales residents, even though this has been primarily a Federal responsibility?

The Hon. E. P. PICKERING: The honourable member's question is indeed timely, particularly for those in this State who make use of the intrastate light aircraft system. This afternoon the Hon. D. J. Gay presented to this House a detailed description of many of the problems that have faced the civil aviation industry during the past few years. The case he made for enhanced State responsibilities for operational safety within the industry was compelling. Indeed, it is my intention, as the responsible Minister in this House, to forward the contribution of the Hon. D. J. Gay to the Minister for Transport in another

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place so that he might carefully read what the Hon. D. J. Gay had to say. If the Minister does that, he will more than satisfy the questions posed by Reverend the Hon. F. J. Nile.

TOURISM NEW SOUTH WALES TRAVEL CENTRES SALE

The Hon. B. H. VAUGHAN: I direct my question without notice to the Minister for Tourism. Does the Minister plan to advertise tomorrow the sale of all Tourism New South Wales travel centres throughout the State? What implications will this have for the 53 dedicated staff who work in the offices? Will this leave New South Wales as the only State in Australia that does not have its own travel centre in the State capital? How will hotel operators, who depend a great deal on the service provided by the travel centres, cope with the sale?

The Hon. VIRGINIA CHADWICK: The short and accurate answer is no, I am not planning to advertise the sale of travel centres. If the Deputy Leader of the Opposition would prefer a longer answer -

[Interruption]

I was about to give a longer answer but the colleagues of the Deputy Leader of the Opposition do not want

it.

TOURISM NEW SOUTH WALES TRAVEL CENTRES SALE

The Hon. B. H. VAUGHAN: I ask a supplementary question. Will the Minister explain the call for tenders for New South Wales travel franchises - for example, in Sydney, Melbourne and Brisbane - that will appear on 12 October 1994 on the embossed letterhead of Tourism New South Wales?

The Hon. VIRGINIA CHADWICK: Clearly there is a difference of opinion about whether the Deputy Leader of the Opposition wanted the short or long answer.

The Hon. M. R. Egan: We wanted the honest answer.

The Hon. VIRGINIA CHADWICK: The honest answer is no. It is true that Tourism New South Wales is seeking expressions of interest in relation to its travel centres. The travel centre in Adelaide has already been franchised to the existing staff, who were the successful tenderers. The improvement in sales, presentation and professionalism as a result of that franchise is a matter of record. I have been very pleased with that improvement. There are currently offices in Melbourne, Brisbane and Castlereagh Street, Sydney. By seeking expressions of interest the Government has shown its interest in ascertaining whether there is a better mechanism to ensure that the services and facilities in New South Wales are presented well and that business in New South Wales is increased. The Government will see what those expressions of interest reveal. The Government will move only if it believes that two objectives will be achieved: the better promotion of tourism in New South Wales, and the protection of the interests of the present staff. It is a long way from seeking expressions of interest to determining what might happen in the future.

ELECTRICITY INDUSTRY OPERATIONS

The Hon. S. B. MUTCH: My question without notice is directed to the Minister for Energy. Will the Minister inform the House about the industrial and pricing records of the electricity industry since this Government came to office?

The Hon. E. P. PICKERING: I know that the honourable member, as chairman of my backbench committee on energy, takes a special interest in these matters. I am not sure, however, that the answer I will give today - which I promised during question time on the last occasion that the House sat - will be warmly received by those opposite. The reality is that the Labor Party left the electricity industry in a debt-ridden and unreliable mess, fraught with industrial chaos and regular price hikes. Of course, that is beyond dispute, as I will illustrate. The situation now is vastly different. As a result of the reforms of the Greiner and Fahey governments, New South Wales has an electricity industry marked by falling prices, exceptional efficiency gains, world best levels of reliability and a great improvement in its industrial record.

I want the public to know the truth about this Government, not the misinformed rantings of the Opposition, so allow me to put the facts on the record for all to see and hear. I will start with Pacific Power, the State's electricity generating body. Under Labor there was a dramatic surge in electricity prices in the early 1980s. In 1980-81 the average price rose 5.2 per cent in real terms; in 1981-82 the average price rose 14.5 per cent - not bad for a Labor Government, I suppose. But, listen to this grand achievement of the Labor administration. In 1982-83 the average price jumped an incredible 29 per cent in real terms, while the domestic price jumped 19.8 per cent in real terms - a remarkable effort for those opposite who pride themselves on representing the little person in this State. That is Labor's record.

Let me put those figures up against the achievements of this Government. Since July last year, Pacific Power's prices have fallen - not once, not twice, but three times - by 3 per cent from 1 July 1993, by 3 per cent from 1 February this year, and by 8 per cent from July this year. That is a drop of 19 per cent in real terms. In

order to address cross-subsidies, these reductions have been directed to the business community. They represent a saving of \$380 million this year compared with what business was paying two years ago. That is \$380 million more from just one aspect of one area of government that is going towards business expansion and job growth.

On the domestic scene, prices have remained frozen for the second year running despite the need to address those cross-subsidies. The Chairman of the Government Pricing Tribunal, Professor Tom Parry, Page 3655

has pointed out that this means the price of electricity for home users has not increased in real terms in the last seven years. In that same period the business sector has enjoyed a real fall in prices of just over 23 per cent in real terms. They are the facts in respect of pricing. I want to stress to honourable members opposite that whenever they and their leader ramble on to the media about poor management the Government has only to point out what Labor used to do for the people of New South Wales to decide who are the guilty ones.

This Government has an indisputable track record for improving efficiency in publicly owned service bodies, for lower prices and for a better quality of service, by far. For example, electricity prices to small businesses in New South Wales are the lowest in mainland States of Australia. Interstate prices for a typical small commercial customer are 12 per cent to 36 per cent higher. There we have the record for the past and for the present. I am pleased to be able to say that the future for the electricity industry under this Government is rosier still. Professor Parry has foreshadowed further cost reductions and productivity gains for Pacific Power in the near future. It should be noted that over the past six years Pacific Power has reduced cost by 34 per cent, increased total factors of productivity by 35 per cent and reduced its debt by 38 per cent.

On the industrial front - and the Hon. J. R. Johnson will be particularly interested in this - the gains by Pacific Power have been even more impressive. During question time in this House honourable members opposite have attempted to make an issue of industrial matters at Pacific Power. Now I will set the record straight. First, I shall give some examples of Labor's record. In 1985-86 an incredible 17,379 days were lost due to industrial disputes. In 1986-87 the figure was 11,003 days. Honourable members should keep in mind that the figures are for Pacific Power - one company - not for the State. That was under a Labor administration, under the old cronies of those opposite who were running the show at the time. What has happened since the Greiner-Fahey Government took over? Last year 109 days were lost as a result of industrial disputes; in the year before, 71 days were lost; this year, up until two days ago, no days have been lost. The figures speak for themselves. In order to further educate honourable members opposite on what the term "effective management" means, I will give a few examples from one of the State's electricity distributors.

Sydney Electricity supplies to approximately 2.4 million consumers and is responsible for retailing 40 per cent of the State's electricity requirements. Since its reconstruction from the former County Council structure in 1991, Sydney Electricity has undergone a rapid transformation to a more customer focused commercial business enterprise. One example is that under its total quality philosophy, Sydney Electricity's improvement team has achieved ongoing annual savings in excess of \$4 million. This is Sydney's record since 1988-89. These are the facts. Operating costs per customer have been reduced by 27 per cent in real terms. The customer to staff ratio has increased from 145 to 291; labour productivity has improved 100 per cent; time lost through injuries has been cut by roughly one-third of the 1988 level; and it has been three years - and I stress, three years - since a day was lost to industrial action in Sydney Electricity. Nine hundred and fifty thousand household customers are paying 5 per cent less in real terms for electricity compared with July 1992.

The Hon. Virginia Chadwick: Where is Joe Riordan?

The Hon. E. P. PICKERING: Yes, one might say, "Where is Joe Riordan?" On the business side, in the past two years 100,000 small businesses in Sydney have had four price cuts, totalling 23 per cent. The story for medium size and large commercial customers is similar. All this has been achieved in an environment of industrial harmony. The last industrial action at Sydney Electricity was in October 1991 and was part of a statewide protest. With the exception of three alleged unfair dismissals, since 1991 no dispute has been referred to the Industrial Commission for conciliation or arbitration. How does that compare with the actions of

the doyens of the industrial relations field?

The Hon. Virginia Chadwick: Very badly.

The Hon. E. P. PICKERING: Very badly indeed - and they are supposed to be the mates of those opposite. Under the present Government Sydney Electricity has been able to work effectively to resolve all issues internally, by employee involvement and consultation with employee representatives.

[Interruption]

Employee representatives are not necessarily unions. In fact, Sydney Electricity and the four principal unions have recently drafted a joint development agreement that contains a no strike clause. The parties have committed themselves to resolving issues and implementing workplace reforms in an environment of mutual trust and full consultation. I welcome the opportunity today to put these facts on the parliamentary record, if only to educate those opposite.

The Hon. J. R. Johnson: We do not need any educating by you.

The Hon. E. P. PICKERING: Some members of the Opposition are beyond education, I would accept that.

The Hon. Judith Walker: You need to read it again.

The Hon. E. P. PICKERING: I will. I am not finished.

The Hon. J. R. Johnson: You will be after 25 March.

The Hon. E. P. PICKERING: Wishful thinking on the honourable member's part. When one considers the facts it is hardly surprising that the
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Opposition has to resort to distortion and shallow promises to gain any support in the community. What the public has to decide in March next year is not so much a question about political ideology but about who can manage the State better and more responsibly. When it comes to that, Bob Carr and his Labor cronies simply do not rate. The reality is that Bob Carr is nothing but froth and bubble. Carr is nothing but cheap public relations stunts. The Leader of the Opposition is a man of no substance. I issue a challenge today to the State's media: from here on, whenever Bob Carr shoves his face in front of the television camera with another outlandish statement I want to see him held to account. I want to see this snake oil salesman answer the hard questions. I want to see him substantiate the claims he makes in the public media. Here is a man who wants to lock up people for wearing their baseball caps the wrong way. Here is a man who forces people like Reba Meagher on the people of Cabramatta.

The PRESIDENT: Order! The level of interjection is much too high. The Minister does not need any assistance.

The Hon. E. P. PICKERING: Obviously, Opposition members are not enjoying my answer. Here is a man who forces Reba Meagher on the people of Cabramatta and then pretends that in some way she is a genuine representative of that electorate.

The Hon. J. R. Johnson: You forced onto the people of New South Wales most of the Ministers at the table.

The Hon. E. P. PICKERING: And the people of New South Wales are very grateful to have every one of them, I can assure the honourable member. The record that I have drawn to the attention of the House today, which I promised to do the last time a question was asked about industrial relations within Pacific Power, makes

it abundantly clear which Government does manage this State well and which one did not. I have referred to Pacific Power and to Sydney Electricity only. An examination of the other 25 electrical distributors in New South Wales, or any other government trading enterprise in this State, would bring the same sort of dramatic result. On 25 March the people of New South Wales will be able to make a very clear measurement between those who deliver and those who do not.

BLOOD PRODUCTS

The Hon. ELISABETH KIRKBY: Is the Minister for Education, Training and Youth Affairs, representing the Minister for Health, aware that claims are being made that 85 per cent of Australian haemophiliacs may have contracted hepatitis C through contaminated blood products manufactured by the Commonwealth Serum Laboratories? Is the Government aware that these substances are not only blood but necessary medical supplies such as albumin, which is widely used in surgical procedures to replace lost blood, and immunoglobulins, which are used to fight certain diseases and provide antibodies. Is the Government aware that in 1992 the Commonwealth Serum Laboratories exported some clotting factor made from a batch of contaminated blood without clearance by the Australian Customs Service or the Red Cross? Will the Government, as a matter of urgency, call for an independent inquiry with the Red Cross into these statements so that the health of haemophiliacs in New South Wales and any person undergoing surgical procedures may be protected?

The Hon. VIRGINIA CHADWICK: I understand that the question of the honourable member arose out of an interest that a colleague of hers in another Parliament has taken in this matter. I certainly do not purport in any way to have a detailed understanding of the complexity of the issues raised by the honourable member, hence I will refer the question to my colleague for a detailed reply.

COURT VIDEO FACILITIES

The Hon. R. D. DYER: Can the Attorney General, Minister for Justice and Vice President of the Executive Council confirm that video facilities are not being used by District Court judges sitting at the Downing Centre in regard to child sexual assault cases involving children over the age of 11 years? If so, will the Minister indicate the reasons for this practice and whether a direction to use this technology only for children under the age of 11 years has been given by the Government?

The Hon. J. P. HANNAFORD: I am not aware of the issue raised by the honourable member. I am aware that video equipment is available and is being used at the Downing Centre, and at other centres where it has been installed by this Government. The use of video equipment is being examined by a committee that I have formed to consider the expanded use of video equipment in cases other than the traditional children's matters. I will make those inquiries and I will come back to the honourable member. It may be that this matter arose out of representations regarding the non-use of the equipment in a particular case and, if so, there may have been good reason for that. I am aware that after the subject is raised with families of a child victim there is not always a desire that the video equipment be used. I do not know the circumstances that gave rise to the question of the honourable member.

The Hon. R. D. Dyer: It is general practice not to use it with young children over the age of 11 years.

The Hon. J. P. HANNAFORD: The honourable member understands that it is a matter of general practice. I will raise the issue. If I can get an answer before the end of question time, I will make that information available.

Later,

The Hon. J. P. HANNAFORD: Earlier the Hon. R. D. Dyer asked a question about proceedings in the

Downing Centre in relation to children. I have been informed that the Crown does not always

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consider it appropriate to agree that children between the ages of 11 and 16 should in fact use these facilities, but it is not a matter of general policy - it is a matter to be dealt with in each individual case. If the honourable member has any particular information that would suggest otherwise, I would be happy for him to bring it to my attention. His interjection indicated that it was his understanding that it was a matter of course; I am informed that is not so. I would be happy for particular matters that have been a cause of concern to be brought to my attention. I will then have those issues dealt with.

LONG BAY CORRECTIONAL CENTRE UPGRADING

The Hon. HELEN SHAM-HO: Last year the Attorney General, Minister for Justice and Vice President of the Executive Council stated that he would like to raze Long Bay Correctional Centre. Given his belief that the centre needs to have a lot of work carried out on it, can he tell this House what is being done to ensure that inmates and officers are given workable and humane surroundings?

The Hon. J. P. HANNAFORD: The honourable member shows an ongoing interest in correctional centres. I did say that the Long Bay Correctional Centre should, one day, be torn down and rebuilt. It is something that I still firmly believe, but reality dictates that nothing like this can happen until a new metropolitan remand and reception centre at Silverwater is built and operational. In the meantime the correctional centres within the Long Bay complex are being maintained and parts of the centres are being rebuilt. A couple of weeks ago I had the pleasure of inspecting new reception and screening facilities in the reception and industrial centre, and new education and industry areas in the remand centre. What I saw was effectively a new gaol built inside the shell of an old one.

The project has not only provided the Department of Corrective Services with a functioning facility, which clearly demonstrates what it can do with an old piece of infrastructure and not a lot of money, but it is also a prime example within the correctional system of the way we want to go towards the world's best practice of establishing a therapeutic community within gaol walls. It is remarkable to see the extent of the changes made at Long Bay for the expenditure of less than half a million dollars. Housing 500 inmates in an institution, which has been effectively rebuilt for that sum of money, without compromise to their safety or that of the officers working there is worthy of high praise. One of the earliest discoveries I made when I took over responsibility for the State's prison system was the vast age of a large part of our building stock. I was conscious that, with the solitary exception of Parklea and John Moroney, there was not one modern gaol in the State when this Government was elected.

Reality dictates that with three-quarters of the correctional buildings requiring work at the same time, capital funding will not be available when one needs it. The community rightly expects that capital funding should be channelled into hospitals, roads and housing. With that in mind, the department's efforts in recycling existing structures are an indication of its resourcefulness. Much of the credit must go to the officers who worked within the centre and who accommodated this work and kept the inmates under control during construction. The work involved swapping the location of the inmates in the reception and industrial areas. This resulted in putting the department's reception and induction screening program in the best possible location. The innovative screening and induction program was the impetus for these massive changes at the gaol. The reception and industrial centre has been leading the way in this process since it started in June of last year. In fact, this new process was the first significant change in reception processing in New South Wales since 1920.

What we have now is a conscious decision not only to screen prisoners on entry for any possible illnesses and special needs, but also to make the induction into the system more painless, which reduces the incidence of suicide and self-harm amongst inmates during the initial phase. The process also provides staff with better and more detailed information, faster than ever. The process is a major change to the established order because specialist staff now carry out most of the initial reception function. Other specialist staff are involved in the initial arrival or in the three or four days of quite concentrated interaction which takes place after the initial

arrival of a prisoner within the system.

The new program has its home at Long Bay, but it has already spread to another 12 centres. It will ultimately be standard procedure in every reception gaol in the State. The new metropolitan remand and reception centre will adopt this process as standard operating procedure from its first day. With the new works having been completed at Long Bay, there is now a very clear physical distinction between the working area of this centre and the remainder. Those inmates who go to one of the five industries in the centre will be housed separately and their area will be closed down every day as soon as they go out of their reception gaol into the working areas within the factories.

The other residents in the centre, including those going to court or medical appointments, those in transit or those who are classified at risk, will live in the other section of the centre and have different components developed for their daily lives. In many ways the officers in this centre have been corrections pioneers, not only because they introduced and finely tuned the new induction program, but because the program has effectively become the first stage of case management, one of the key features of the area management system which is being developed within corrections. This style of management represents the greatest change to prison management in New South Wales this century. It is the indicator of the way ahead.

It would be easy to see this change as the solution to all the problems of the correctional system but, of course, it is not and it will require some time

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before the cultural change which is intimately part of this new style takes a firm hold. The essence of the new management style is a closer relationship with the individual prisoner by individual staff, to humanise the surroundings and to try to inculcate in all prisoners a realisation that they can be productive members of society. It is based on subdividing each institution into smaller and more manageable areas, each area under the control of a manager and a number of allocated staff who work with the prisoners in the area in a closer and much more personal relationship.

The reception process starts the case file, which travels with the prisoner throughout the system. It is like a medical case file. It will allow rapid discovery of any special requirements by any staff member dealing with the prisoner. The new management style will represent a quantum leap from the old era of turnkey operations and will highlight the benefits of the Corrective Services Academy as a place of learning for officers on the job. But it is of absolutely no use to have a wonderful management system if the surroundings are substandard. So, covered by the money spent on the refurbishment at Long Bay are an extended clinic area, better educational facilities, upgraded accommodation, amenities areas for inmates and officers, and the introduction of the most modern suicide resistant accommodation.

Many members of the Opposition may take what I call the Scully approach to corrections and ask why we have widespread change which comes at substantial cost when these people are criminals and deserve to sit in goal and rot. I do not subscribe to the Scully approach to the operation of prisons. I know that a number of members opposite also do not subscribe to the Scully approach. Apart from any Government policy considerations, a different answer is being recognised by the department and elsewhere - the concept of a duty of care to prisoners. This is not a foreign concept, although it appears that some members of the Opposition have no notion of it.

What it means in simple terms is that prison authorities have a responsibility to look after, in a way which is appropriate, an inmate entrusted to their care. It is not a single and unchanging matter, but rather a dynamic and individual requirement, reaching out to every prisoner involved in the process. All officers are accountable for their actions at law and can be punished for bad performance and non-performance. This is something that some members opposite need to take into consideration when they criticise the correctional system and the officers who are carrying out their duty.

Correctional officers had a duty of care during the bad times of Labor; they have a duty of care now. Some members of the Opposition have selective memories about some of these issues. Members of the

Opposition know to whom I am referring. The Government will not force inmates to live in inhumane conditions. They have been sent to gaol as punishment and that punishment will be carried out. A period in gaol should not be an additional punishment. With truth in sentencing the punishment will be stricter than the punishment which was meted out when the Labor Party was in office. We should try to bring back into the community inmates who are less likely to offend than when they went into gaol. That is my task. We have sought to reduce the likelihood of suicide in gaol. We must remember that there will always be some suicides in gaol, just as there are suicides in the community.

SYDNEY CASINO CONSTRUCTION

The Hon. ELAINE NILE: My question without notice is directed to the Minister for Energy, and Minister for Local Government and Co-operatives, representing the Chief Secretary, and Minister for Administrative Services. Is it a fact that the Government has announced that the construction of the casino at Pyrmont will commence in the next four weeks? Is it a fact that last night the Sydney City Council rejected the alternative casino design as still being too high for residential Pyrmont? Is it a fact that the Casino Control Authority is conducting a public inquiry into the suitability of the preferred applicant, Showboat and Leighton Contractors, because of alleged Mafia associations? In view of these facts, how can the Government approve the construction of the Pyrmont casino and the commencement of preparation work in a few weeks?

The Hon. E. P. PICKERING: I cannot answer the first two points raised by the Hon. Elaine Nile. I will have to refer them to my colleague the Chief Secretary, and Minister for Administrative Services. I think what was stated in the honourable member's third point is known to be so. I am not sure that she should draw from her first three points the conclusion she seeks to draw in her fourth point. I will refer the honourable member's question to the responsible Minister and ask her to respond accordingly.

COURT FILING FEES

The Hon. J. W. SHAW: Is the Attorney General, and Minister for Justice aware that court filing fees have increased drastically during the term of this Government? The cost of a notice of appeal in the Court of Appeal has increased from \$230 in 1988 to \$1,550 today. An initiating process in the Supreme Court has increased from \$230 in 1988 to \$450 today. Does the Attorney General accept that these increases are a result of the Government's slavish application to the user-pays philosophy? How can the Minister claim that this Government is improving access to the courts for the people of New South Wales when increases in court filing fees, in some cases over 600 per cent, have occurred during its administration?

The Hon. J. P. HANNAFORD: I welcome the first question from the shadow attorney general.

The Hon. D. J. Gay: He is still practising.

The Hon. J. P. HANNAFORD: Perhaps that is why he is aware of filing fees. At least he is receiving information from his continuing practice in

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this area. The honourable member ought to take a much closer interest in the way in which filing fees have been structured to make certain that those making use of the system are paying their way and are advised appropriately by their solicitors so that the facilities of the system are not abused. The structure of the fees encourages people to consider alternatives to the system and settlements so that those who want to use the system to the maximum - to their disadvantage or to the disadvantage of the general community - will have to pay commensurately. To ensure that there is appropriate access to the system we have reduced or eliminated fees. Motor accidents are involved in 70 per cent of cases before the District Court. The levy of \$40 for motor vehicle accident cases was increased to \$43 so that all filing fees could be reduced for motor accident cases. So there are now no fees for 70 per cent of cases in the District Court. The vast majority of common law cases in the Supreme Court involve motor accidents and there are no filing fees for them.

There have been some increases in fees. Recently I approved a consumer price index increase for court fees but fees have been structured in such a way as to minimise the impact on the community. The impact would have been less had fees not been disallowed a couple of years ago for base political reasons by the Opposition and the Independents in another place. After that occurred I looked at ways in which the costs of the system could be shared equitably. I note that the changed fees were not disallowed by the Parliament, which recognised that the way in which I had dealt with fees was equitable. At the same time I increased some fees I abolished fees in motor accident cases. The approach I took in these matters was supported by the profession, because it realised that I had acted fairly and equitably in dealing with these matters.

GLENBOG STATE FOREST

The Hon. R. S. L. JONES: I ask the Minister for Planning, and Minister for Housing, representing the Minister for Land and Water Conservation, whether Stephen Taylor, a scientist working in the Glenbog State Forest, stated on Australian Broadcasting Commission radio last Friday that compartment 2324 contained high conservation value old growth eucalypt forest with a sassafras rainforest understorey. Did the Minister for Land and Water Conservation claim on ABC radio that same day that Stephen Taylor was "conducting clandestine studies, lacked academic rigour, and was lying" and was "doing a hunger strike in Sydney"? Is it a fact that Senator John Faulkner wrote to the New South Wales Government in August about those studies being carried out by Stephen Taylor, stating that they were rigorous and scientific? Does Mr Taylor have two degrees, one a science degree in vegetation and wildlife ecology, from Canberra university, and the other an economics degree, majoring in statistics from Sydney university?

The Hon. D. J. Gay: On a point of order: the question is of some detail and asks for even more detail from the Minister. The honourable member should be instructed to put the question on notice.

The Hon. R. S. L. JONES: On the point of order: I have just one brief sentence to finish my question.

The PRESIDENT: Order! The Minister may answer the question if he wishes or he may request that the question be placed on notice. Has the honourable member finished the question?

The Hon. R. S. L. JONES: I have not quite finished: I have one more sentence.

The PRESIDENT: Order! The honourable member should not make it too detailed.

The Hon. R. S. L. JONES: I will not. Is it not a fact that the Minister himself was lying and not Stephen Taylor?

The Hon. R. J. WEBSTER: I will refer the question to my colleague. Whether he answers it is a matter for him.

The PRESIDENT: Order! I remind honourable members that a suggestion or an implication that a member or a Minister is lying is a breach of the standing orders for that claim impinges upon the integrity of that member or Minister. I caution honourable members not to use such expressions.

HOMEFUND COMMISSIONER, Mr McRAE

The Hon. J. F. RYAN: Is the Attorney General, and Minister for Justice aware of comments made in another place by the honourable member for Heffron which were highly critical of the performance of the HomeFund Commissioner, Mr Ian McRae? Would the Attorney General care to respond to those comments?

The Hon. J. P. HANNAFORD: I am aware of the comments to which the honourable member referred.

Though it is not appropriate for me to deal with the substantive issues raised by the private member's bill which gave rise to the comments, suffice it to say that the honourable member in her introductory remarks chose to paint an incomplete picture of the range of remedies provided by the Government in this Parliament for HomeFund borrowers. However, as Attorney General I must respond to the quite scurrilous and totally unsubstantiated attack on the HomeFund Commissioner, Mr Ian McRae, which is embodied in the honourable member's comments. First, let me say on my own account and so far as the Government is concerned that we have complete confidence in Mr McRae, as does the community. Mr McRae has been a magistrate since 1988. Prior to his appointment as a magistrate he enjoyed a distinguished career in a private legal practice. In fact, although the appointment of Mr McRae took effect on 9 May 1988, his appointment had been arranged previously by the Labor Attorney General, Mr Mulock.

The Hon. Delcia Kite: A nice man.

The Hon. J. P. HANNAFORD: As the Hon. Delcia Kite acknowledges, he is a nice man. He is an absolute gentleman and a credit to his profession. Mr
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McRae has extensive legal experience. For a period he was senior partner in a legal firm dealing with all aspects of the law, Farrell Good and McRae. He is eminently suitable for appointment as HomeFund Commissioner, particularly as the occupant of the position must have highly developed legal skills and the ability to deal efficiently with a large volume of matters. I do not propose to give Mrs Grusovin's disgraceful remarks any further currency by repeating them here. The only basis for her remarks seems to be that the honourable member does not agree with certain of the determinations made by Mr McRae. She provides no justification for that view. Rather than question the abilities of Mr McRae, she would have been better served by evaluating her own understanding of the role of the commissioner and the legal issues with which he must deal. In any event, it is one thing to question as a matter of law the correctness of certain determinations made by the HomeFund Commissioner.

I note that contrary to the impression the honourable member chose to convey, appeals on a question of law from decisions of the commissioner lie to the Supreme Court. However, it is quite another thing and totally inappropriate and scandalous for a member of this Parliament to use his or her position to launch without any justification or foundation a personal attack on the ability and integrity of a judicial officer merely on the basis that that officer's decisions may not have suited the political purposes of the member concerned. There is nothing to suggest that Mr McRae has gone about his job as HomeFund Commissioner in anything other than a conscientious, independent and judicial fashion. I totally reject any suggestion that Mr McRae's performance or decision was in any way influenced by the interests of the Government. On the contrary, the honourable member for Heffron should consider whether her own comments are consistent with and respect the independence of the commissioner's office. In the circumstances I would expect the honourable member for Heffron to withdraw her comments immediately and apologise without reservation to Mr McRae, because he is a man of absolute integrity and absolute ability.

STATE BANK SALE

The Hon. M. R. EGAN: My question is directed to the Leader of the Government. Was the Treasurer reported in the *Daily Telegraph Mirror* of 27 March as stating that one of the Government's State Bank sale preconditions was that "the purchaser should: accept all assets and liabilities of the state Bank". Why has the Government breached its own preconditions by providing the Colonial Mutual Life Assurance Society Limited with such generous guarantees, indemnities, liabilities and other special arrangements in order to off-load the State Bank? Has Treasury provided the Government with the possible range of costs of these arrangements? What is Treasury's estimate of the ultimate net proceeds of the sale?

The Hon. J. P. HANNAFORD: It is interesting that the Leader of the Opposition in this House should ask these questions. I do not know what was reported in the *Daily Telegraph Mirror* or what the quotations were in relation to that. However, I have noted the press release of the Leader of the Opposition and articles in

the papers in relation to these issues. One might well note that most of what the Leader of the Opposition has had to write in that regard shows his real ignorance of those issues - an ignorance that is recognised by the financial markets, which give him zero credibility. It is incredible that the Opposition holds him out as the potential Labor Party finance spokesman when within the financial markets he has no credibility whatsoever. He has zero understanding of what is going on in the financial markets and is regarded by the financial markets in the same way as the Government regards him - as a total fool - and as most of the Opposition also regards him, as someone who opens his mouth and puts both feet into it.

The Leader of the Opposition is in fact an embarrassment to his colleagues in this regard. He could not understand the numbers in relation to his preselection. His ignorance of those numbers is a reflection of his lack of understanding of financial matters. If the Leader of the Opposition in this House is not even able to lead his colleagues when it comes to his own preselection, there is no doubt that he will have no difficulty in continuing to fail to gain any credibility whatsoever for himself or for the Opposition in the finance markets. The Leader of the Opposition has absolutely no credibility on Treasury matters. Those within Treasury regard him with contempt as well. The Government will introduce legislation to sell the State Bank of New South Wales. That is welcomed in the community and by the financial markets, and it will go through.

If members have further questions, I suggest they be placed on notice.

BUDGET ESTIMATES AND RELATED PAPERS

Financial Year 1994-95

Debate resumed from an earlier hour.

The Hon. D. J. GAY [5.08]: I was referring to the Roundhouse matter. The local environmental plan was finally gazetted in April 1988 and the site was zoned "Special Uses - Community Purposes". Three days after the local environmental plan was gazetted on 22 April 1988 the owners again, quite fairly, demanded that the council acquire the site. Again the council refused, despite admitting its liability to do so. Why, one might ask. At that time in 1989 the site was valued by the Valuer-General at \$1.25 million and various functionaries and elected members of the council decided that the shire did not want to pay that much for the site. The owners requested \$2.2 million, a more realistic valuation for the boom market of the time. In fact, they had been offered \$2 million for the site subject to a rezoning to allow units or town houses, and this was unchallenged later in court evidence.

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What were the council's options? There should have been only one option - to acquire the site on demand from the owners, as it was obligated to do. However, Byron Council perceived the owners as a barrier and developed some options to rid itself of the barrier. The options developed were not of the ethical kind. The council's decisions at this stage of the story led it down a crooked path indeed. In an effort to reduce the amount it would have to pay for the property, it embarked on a campaign of bloody-minded behaviour, deception, delaying tactics, misuse of money and conspiracy. It amounted to a war of attrition and an abuse of power.

The Hon. E. P. Pickering: Those are strong words.

The Hon. D. J. GAY: They are strong words, and I do not use them lightly. The council pursued the matter through the legal system at a great cost in time, money and manpower. This represented a gross misuse of Byron shire ratepayers' money and in the end the council wasted upwards of \$4 million. The council has admitted that it adopted strategies to deny the owners their statutory rights simply because it "did not have the

will to acquire the site". Those strategies were set out in the report of the shire clerk-general manager to the council's meeting of 14 August 1990. There were four strategies. The first was to remove the council's obligation to acquire the site by an amendment to the local environmental plan, which would have been amendment No. 6. The second strategy was to rezone the site, as proposed in another amendment to the local environmental plan, which was amendment No 8.

The third strategy was to investigate the history of the matter to find evidence of a dedication requirement under the deed of agreement. The fourth was to defend the appeal in the Land and Environment Court, with the defence being based primarily on the validity of the acquisition clause in the local environmental plan. That material comes from page 3.1 of the April 1994 report of the local government inspector. The case went to the Land and Environment Court and in July 1990 Chief Justice Cripps ordered the council to acquire the site "without delay". As a consequence of an action taken by the owners, he awarded costs as well. Despite this court order and the council's undertaking to acquire the site, it did not proceed for yet another six months, because the council lodged an appeal, after sacking its existing solicitors, Sly and Weigall, and appointing new solicitors, Mallesons. These poor guys were trying to undertake a development. It is not a sin in this country to have a go, and they were not from the white shoe brigade; they were trying to have a go for their families. This local government authority was not using local solicitors but was using the biggest and highest powered solicitors in this State - Sly and Weigall, and Mallesons Stephen Jaques.

The Hon. E. P. Pickering: Using ratepayers' money.

The Hon. D. J. GAY: Yes, with ratepayers' money. The former owners were funding the case themselves by selling their properties, and the children were taking out personal loans on Bankcard to hold up their end against ratepayers' money. It is the most unbelievable situation and is a gross misuse of ratepayers' money. The council changed its existing solicitors, Sly and Weigall, and appointed new solicitors, Mallesons, pending further inquiries into the matter by its consultant planners and later by Peter McClellan QC. The council was not mucking around. This was part of its firm strategy. The purpose of the inquiries was to ascertain whether there were any grounds to sustain such an appeal. There were none. The appeal was withdrawn and the owners notified that the property was being resumed - 13 months after the decision.

The previous owners have been victims of the council's improper use of planning powers in its attempt to avoid its obligations. The council's delaying tactics forced the former owners into a particularly difficult financial situation, as I detailed earlier. The previous owners sought compensation but the \$468,000 offered by Byron Council was totally unreasonable and inadequate. The matter went back to court to determine compensation. The local government inspector's report, which I will refer to later, referred to this council offer as a "sick joke".

Aside from the misuse of power and ratepayers' money, Byron Council caused immeasurable suffering to the then owners of the site. The pressures on the owners led to marriage breakdowns, financial losses and personal hardship. The council was obviously unconcerned with the human suffering it had caused. Byron Council's campaign included false and misleading newspaper advertisements and press releases, producing misleading evidence before Justice Bannon to erode the investment potential and therefore the price it would have to pay for the site, and efforts to discredit the owners. The council issued defamatory press releases about the owners, implying that they were forcing the council to acquire the site at great cost to ratepayers. The owners were called not innocent property owners but opportunists.

This media campaign worked only too well and still has detrimental effects on these people today. Their reputations were destroyed, as was their ability to live and work in this small community. The Roundhouse matter has been the subject of an extensive, lengthy and detailed report by Mary Brophy, senior investigations officer with the Department of Local Government and Co-operatives. The report was initiated when Gerry Peacocke was the Minister. The matter has now also finally been referred to the Independent Commission Against Corruption. This damning local government inspector's report dated April 1994 was initiated by the Department of Local Government and Co-operatives and arose from a complaint by the former owners.

Ms Brophy, in her executive summary, reported that the central issue was the council's attempts initially to obtain the Roundhouse site, preferably at no cost to itself, for the alleged purpose of providing a community facility on the site and subsequently to

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avoid its acquisition obligations. She wrote that attached to the zoning was an obligation on the council to acquire the property on request of the owners. It was the council's response to the owners' requests that led to the investigation. Part of that council response was to attempt to discredit the owners and to put them in bad odour with the community. The council's conduct in promoting and reinforcing a negative community opinion of the owners was totally unwarranted and improper.

The executive summary of the report also said that it was not the owners who created the obligation on the council to acquire the property with a view to making a quick profit. On the contrary, the obligation was created by the council, and its conduct regarding this obligation has led to severe financial and personal difficulties for the former owners. Byron Council attempted to mislead both the Department of Planning and the then Minister for Local Government and Minister for Planning. The council, through its drafting of amendment No. 6 of the draft local environment plan, improperly used its planning powers in an attempt to relieve itself of the obligation to acquire the Roundhouse site. Council began stalling and delaying tactics to reduce its own Valuer General's valuation figure of \$1.25 million in 1989. Ms Brophy found that the council was unnecessarily provocative.

Council engaged in costly, hypocritical and ultimately counterproductive stratagems with ratepayers meeting the cost. Council's mishandling of this affair has resulted in the unnecessary, indeed wasteful, expenditure of enormous amounts of time, energy and money on the part of both the council and the former owners. Ms Brophy suggested that some form of compensation to the former owners should be considered and that the council's conduct constituted an abuse of power. The conclusions of the report were equally damning. Ms Brophy concluded that the council's dealing with the owners amounted to a war of attrition. The conduct of the council and its officers had generally been unreasonable and oppressive, and the abuse of power had taken precedence over the honest and impartial exercise of its functions.

She found that the former owners were largely victims of the council's prejudices and unwillingness to deal with them in an open, conciliatory manner. The onus was always on the council, as a public authority, to conduct itself reasonably, responsibly, and impartially rather than reactively. As a corporate entity the council had gone to extraordinary lengths to avoid the obligation it had imposed on itself to pay a fair price for acquiring the land for the use it had designated. No doubt in the mind of Ms Brophy there had been something of a conspiratorial undercurrent influencing the council's handling of matters relating to the Roundhouse site. She found that partial knowledge and emotional arguments had led to incredibly strong and persistent misconceptions about the Roundhouse and its owners.

The owners were identified with developers and became a target for the community's and the council's retaliation. Byron Council chose to reject the requests from the owners to have the site rezoned, and doggedly pursued a zoning in the unfounded belief that the site was somehow legitimately subject to council's claim. Without seeking legal advice, Byron Council adopted a game plan to amend the plan after gazettal. Ms Brophy concluded that, rather than accepting its responsibilities, Byron Council showed a disturbing preparedness to embark on high risk and even improper strategies to avoid responsibility. One such strategy involved an attempt to deceive David Hay, the Minister for Local Government and Minister for Planning at that time. Mary Brophy also concluded that there was a lack of direction and leadership in the council. Senior officers and elected officials were prepared to put their integrity on the line to achieve their end without any consideration of the cost to the owners.

The path the council chose had prolonged this matter for almost six years by using delaying tactics intended to have the effect of reducing the land value. The council raised invalid arguments in the compensation proceedings in order to reduce the assessed development potential of the site. Another conclusion in the report was that a major criticism of the council and its reliance on legal advice must be directed towards its leadership, namely, the former shire clerk-general manager Barry Pullinger and shire

president Kingston, who is now mayor.

Mary Brophy also concluded that the cost to the council would far exceed the owners' highest land value claim of \$2.2 million. The results of an audit in June 1994, which was recommended by the report, showed the costs of the council to be approaching \$4 million. This figure included the cost of running the case, legal costs, the costs of experts' reports, the cost of acquiring the site and the compensation payout. Mary Brophy suggested that the council should seriously consider compensating the owners for additional losses incurred as a result of its actions and, in particular, the decrease in value brought about as a result of the delay in proceeding with the resumption. The report recommended that the matter be referred to the Independent Commission Against Corruption. That has occurred, and the commission's investigation is yet to be completed. Justice Bannon of the Land and Environment Court, in his judgment on the compensation proceedings, held that in 1989 the property was worth \$1.65 million, but he discounted that figure to \$1.1 million because of the downturn in the market from the date of the request to acquire the site until the deliberately delayed gazettal of the resumption.

The report recommended that the council formally acknowledge to the former owners its responsibility for the losses incurred by them as a result of its conduct and, in particular, the delays that resulted in a discounting of the value of the site to take account of the downturn in the market after February 1989. All the council has done is to publish an ambiguous apology in the Saturday edition of a small regional newspaper. It has done little to restore community opinion of the previous owners. The council has made no offer of compensation. The

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report recommended that by 30 June 1994 Byron Council undertake a thorough independent audit of all associated costs. That was done, and the estimate was approximately \$4 million. The report also recommended that by 30 June 1994 the council establish a legal services committee that would be responsible for overseeing the conduct of all of the council's legal matters and for ensuring that future development of the Roundhouse site minimised the financial burden on ratepayers.

The amount of compensation so far is only token. A large part of the quantifiable costs to the owners has not been recovered. Prior to the release of the inspector's report the previous owners agreed with the council not to appeal against the judgment of the Land and Environment Court but to settle on half the legal costs of \$420,000, on the proviso that the inspector's report found no corruption. However, the report found corruption, so the previous owners will be forced back to court once again to seek further compensation. Byron Council has still made no offer of compensation, despite many opportunities to do so. In addition, the previous owners lost \$550,000 as a result of Justice Bannon's decision to depreciate the value of the site to take into account the downturn in the market since the demand to acquire was served. The compensation was set as at the date of gazettal, which the council delayed for 13 months after the demand to acquire from the owners. In this time the market fell by at least one-third.

But how can one be compensated for unquantifiable costs such as the break-up of marriages and, subsequently, families; the sale of farms and businesses; the sale of other assets to help cover costs; the loss of reputation; the thousands of hours of work preparing court cases; the countless flights to Sydney; and telephone calls? They have even exhausted two photocopiers. The prime years of these people's lives have been squandered at the hands of Byron Council. In addition to the costs to the victims, there has been an enormous cost to Byron Council and its ratepayers. The quantifiable cost to council is close to \$4 million. However, this amount excludes the labour costs of council staff working for seven years on the matter. In reality, the cost would be more like \$5 million. It is ironic that now that Byron Council owns the site, it intends to rezone it to medium density residential, the very zoning the previous owners sought over all those years and the zoning the council claimed was unsuitable.

After working for six years on behalf of these constituents, I believe that action from a Minister is long overdue. The Minister must appoint a mediator and instruct the council to finalise this matter within a specified time. If the mediator cannot achieve this, the Minister has no alternative but to sack Byron Council and appoint an administrator. I say that in the knowledge that the Minister is sitting beside me and I know he is taking my

comments on board and will treat the matter seriously. Despite the victimisation, the previous owners found that councillors Tucker and Higgins had been most helpful. They were two of several new members elected to Byron Council in September 1991, some of whom were not comfortable with the strategies adopted by the council or its handling of the Roundhouse matter. In December 1991 six councillors - Tucker, Higgins, Budd, Mills, Noonan and Simmons - wrote to the Minister for Local Government and Co-operatives outlining their concerns. Ironically, the inspector's report refers to this effort as a "voice in the wilderness". These councillors were not happy with the way in which Shire President Kingston, the general manager Mr Barry Pullinger, the chief engineer Greg Alderson, and the chief town planner Malcolm Ryan, were dealing with the Roundhouse matter.

It is interesting to note that within three months of the compensation judgment being handed down in April 1993, and before the inspector's report was released, the general manager, the chief engineer and the chief town planner all quit the council and were paid large gratuities. That was done on the casting vote of Shire President Kingston. This man, Kingston, was in control of the council's handling of the entire Roundhouse matter. I ask honourable members to consider this: during the seven-week long compensation hearing, the Roundhouse owners attempted to settle the proceedings by negotiation. They reduced their claim several times, but when they did the council's response was to reduce, not increase, its offer of settlement. Clearly the council had no intention of settling. With Kingston at the helm the council was out to destroy the Roundhouse owners in any way it could. When a motion of no confidence against Kingston was moved by Councillor Higgins after the release of the inspector's report, Kingston used his casting vote to defeat the motion. That is unbelievable. The victims have only got this far through their own perseverance.

For the benefit of the Hon. J. R. Johnson, who knows the area, I should tell the House that one of the victims is the son of a former Labor MLC. Local government has failed the victims, as have two State governments, at least four local government Ministers, and the remainder of us as associated members of Parliament. The victims have suffered enough. They should not have had to suffer at all. After all, they were the innocent victims. It is time for justice; it is time for the council to be held accountable for its unethical actions. I am pleased that the Minister has been in the Chamber to hear my concerns on this matter. Bearing in mind that the ICAC will report on the case, I hope that the Minister will act on the recommendations I have made as soon as it is prudent to do so.

In conclusion, I cannot let the intended resignation of the Hon. Peter Anderson pass without at least voicing my praise of this man. I served with him on the police administration committee and found him entirely honourable, as I am sure have all members of Parliament. At one stage I commented to him that some day the Labor Party would be back in power, although thankfully that is looking less and less likely. However, at some stage the Labor Party will be back in power and I personally - and I am sure

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members from both sides of this House agree with me - would be happy to have men and women of the calibre of Peter Anderson in that Labor government. We will certainly miss him.

The Hon. DELCIA KITE [5.30]: I address the issues of the 1994-95 budget that I believe will have the greatest impact on the quality of life of the citizens of New South Wales and of the next generation. Professor Manfred Max-Neef, consultant to the United Nations International Children's Emergency Fund, in an address to the State Government's social political directorate, stated my concern in these words:

I have made all the mistakes economists make. Now I am much more humble. I have few answers but many questions. One question is about economic growth. Why, with so much growth in the past 40 years, are there so many problems? Those who believe in exponential growth in a finite world are either mad or economists.

The Fahey Government is reflecting the present-day phenomenon of gambling, but when it is gambling with the future of this State the stakes are too high. In economic terms the winners are the few privileged and the losers are the majority of people in New South Wales. In general terms we will all be the losers. The State of New South Wales is a little fish in the big world pond of gross inequity, but the Fahey Government's direction is also reflecting the errors of international economists, who have selected the stark choice of competition at all costs

instead of cooperation. As Paul Gilding, former international Greenpeace director, correctly points out, the greater danger is that the world's intellect will be diverted from the search for peace to find more efficient ways of fighting.

This budget reveals that the New South Wales Government has reached a point where its so-called corporate efficiency and misuse of technology must be halted. The next New South Wales government to be elected in March 1995 can continue this relentless path by carrying on as it is now or by making the imperative choice to preserve finite resources such as water and our forests. The enduring philosophy of the Olympic Games to compete in peace will only be manifested in Sydney in 2000 if they are not held at the cost of our public services, such as health care, transport, housing and education.

By the year 2000 it should be absolutely assured that private sector investment is sufficient to meet the costs of the construction of the Games facilities. Only then will the citizens of New South Wales be able to jump with joy. The financial risk analysis tabled in May estimated the total cost of staging the Sydney 2000 Olympics at \$3,557 million. The Games have been used to justify the proposed \$600 million privately run city-airport rail link. There is no argument that a rail link is long overdue. The \$470 million government contribution to the scheme might be understandable if the link were designed to serve the daily commuters who live in the Botany and St George areas, or if a light rail link were extended to provide an alternative to the F6 freeway, but that is not the case.

My own political spokespersons have stated that there is genuine and overwhelming public support for the Olympic Games. In a perfect and peaceful world, that would be the case and, in the need for escapism, perhaps the spirit of hope rides high. However, the limiting of the extravaganza that accompanies the Olympic Games would be a statement to the world that there is no morality in such unnecessary expenditure whilst basic natural resources, such as water, are not available to such a huge proportion of the world's population, including our own. It would not perpetuate the madness, but affirm the sanity of this small government - by world comparisons - if it were to put priorities first for the people it has been elected to govern. Sydney is now the focus of world attention, yet it is in grave danger of returning to third world conditions because of the State's poor water resources.

The Barwon River has stopped flowing; the Namoi River has a bad algae problem; and lack of rain threatens the Darling. We have not come far since 1828 when Charles Sturt reported that Aborigines were dying due to the salination of the water supply. Our river systems are endangered, not only from drought but from our inability to store water during the flood seasons, which leads to damage from pollution caused by industrial, agricultural, commercial and domestic abuse of our water systems. The situation is rapidly becoming irreversible, yet the defoliation of the land continues.

Just last month a 1,000-year-old tree was removed from a forest near Wingham on the same day that the court was to decide the fate of logging in the area. The drought did not feature in the court's considerations. Whilst the courts and the National Parks and Wildlife Service awaited a decision, a subsidiary of Boral was adding this great natural heritage to the other five giant trees going to their sawmill fate in Taree. The Federal Minister for the Environment, Senator John Faulkner, recently stated that only by integrating environmental assessment with economic and social assessments in a robust and credible way will we be able to determine how well we are travelling along the way of economically sustainable development. Economists advising the Fahey Government have not classified the State's natural resources as non-renewable assets; they have not costed development against the loss of such assets. That is the economic madness to which Professor Max-Neef referred.

Conservative local government leaders in the country regions share the sentiments of both indigenous people and struggling farmers. They have warned the Fahey Government that an audit to identify the extent of harvestable water resources in the Darling River system should be implemented to prevent further recurrences of inequitable allocation of water from the irrigation system. Far from this action, the State Government has washed its hands of the problem, preferring instead to hand over its investment in the irrigation systems to private enterprise. Government has a responsibility to maintain controls. Great Labor projects, such as the

Menindee Lakes storage system, provided a lifeline for the people of Broken Hill and the benefits extended far down the Murray River. Now there is a conflict about the legal entitlements for water held.

The fishing oasis has become a depressing scene of dead fish and algae, the cause of which has not been finally established because the cessation of legal aid and funding to the Environmental Defenders Office has denied the right of action by those so seriously affected. This situation may seem insignificant in comparison with the denial of basic resources in other countries, but the principle remains the same. Big business and government, partners in corporate management, override the wisdom of the indigenous people and rural consumers and force them to move from their farms and places of cultural identity, whilst the profit makers continue to harvest the scarce resources.

It is not the incomplete figures of the budget that have occupied my attention so far in my response to the 1994 budget; it is the principle and policies on which the decisions are based. Even the Australian of the Year, Ian Kiernan, pointed out the need for alternative technology solutions to provide real benefit for our waterways. Whilst cotton growers are favoured in one area, oyster farmers are destroyed in another. There is no real protection policy. Discharge of polluted water into Port Stephens will bring the same problems as those being experienced by the users of the Hawkesbury River. Such indeterminate directions are costly. Whilst it is estimated that the critical water shortage has cost New South Wales \$480 million in cotton crops - to say nothing of the devastating effect on rural industries generally - the results of such water shortage in the summer months could cost human lives.

The clean waterways program, budgeted at \$7 billion, was welcomed in the city. However, the relentless determination to house thousands of people, by urbanising pristine areas such as Helensburgh on the upper reaches of the Hacking River and the Sydney region water supply catchment areas, defies logic. The madness of urban economics is most exposed when planning strategists completely ignore all the cost factors, because they have no way of knowing the outcome. This is the exponential growth in a finite world described by Professor Max-Neef - swelling the sewage volume discharged into the Hacking River, depleting the bushland in a catchment zone and overloading a stressed rail and road system. No lessons at all have been learned from the Rouse Hill blunder.

The special environmental levy report states that the total expenditure under the program over five years is \$488 million. In five years the cost of staging the Olympic Games will be almost 1,000 times more. With a change of priority the State Government could provide the resources to deal with the backlog in water supply and sewerage services and to combat pollution. It is time to reinstall the Water Board as a service provider and not a profit maker. But, of course, it is not part of the agenda of the Fahey Government to corporatise and privatise the Water Board. Instead, the submission of the Water Board to the Government Pricing Tribunal indicates that the Government intends to cut the capital works program of the Water Board by a total of \$180 million. The board has developed a customer services charter, but old-fashioned service and cooperation is replaced by a user-pays system, which is levied without equity at a maximum rate.

Currently 28 per cent of the water bill is charged by usage. Young first home owners seeking initial advice now receive an account that reads like a solicitor's bill, detailing routine questions as itemised charges. Increases in user-pays will increase water charges, adding more burden to the community. The report indicates that over the next three years the board will reduce real operating and services costs for existing levels of service to below the levels achieved in 1990-91, representing a 24 per cent reduction between 1992-93 and 1996-97. This is what happens when profits come before service. Associate Professor Warner from the University of Sydney pointed out that a \$5 million spending spree on the waterways of Sydney would tackle the problem, but not the source of the problem - urbanisation and water wastage. If the \$200 million grabbed from the Water Board by the Treasury last year had been properly spent, the source of the problems could have been addressed.

The Fahey Government has failed in its duty to care for the future. It is not thinking ahead. It is hell-bent on grabbing the moment, superficially offering the public long-term investment for short-term political gain in favour of its private sector mates. It salves its conscience by boasting \$500 penalties imposed

ineffectively on companies that are licensed to pollute - madness in economic policy. More madness is revealed in the report of the Auditor-General, which includes advice that the waste recycling and processing services of New South Wales paid a special dividend of \$20 million to Treasury but had to borrow \$2 million to pay it. Is there no sanity at all in the application of corporatisation by the Fahey Government? Again the report of the Auditor-General reveals that the City West Development Corporation paid \$1 for the former Government Printing Office building valued at \$8.8 million.

I can only assume that the report contains no error, because when I raised this matter earlier this year in my contribution to the Address-in-Reply debate, no correction was forthcoming from the Minister. Not content with giving away the public's investment, the sale of the State car fleet to the Macquarie Bank was described by the Auditor-General as reflecting no commensurate macro-economic or micro-economic benefit to the State. Who benefited and who paid the price? I implore the Government to bring this madness of failed corporatisation and privatisation to an end. When the people of New South Wales go to the polls in six months, they will remember how our publicly owned organisations were destroyed; they will remember that the Fahey Government dumped valuable assets at a give-away price; they will remember that the

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successful Pacific Power, funded by the taxpayers of New South Wales, was forced to pay \$500 million in dividends to the Treasury with no benefits to the domestic users.

The taxpayers of New South Wales are sick of hearing the cry of poor mouth from a government that spends its revenue on mammoth managerial salaries to attract former business leaders. There is no reason why a manager trained to make profits is more capable of running a government department than public sector professionals who are committed to protecting the interests of powerless consumers. There is no reason to assume that it is the purpose of government to destroy any public authority by restructuring, with a view to making it an attractive industry for purchase by the private sector. This Thatcherism direction will leave the people of New South Wales in the same state as their British counterparts, who are no longer accepted by the electorate.

A report by the National Consumer Council in England says that consumers have been ripped off to the tune of \$22.5 billion since water companies were privatised. Profits for one company went up 140 per cent. The *Sydney Morning Herald* recently spelled out the result of privatisation of public utilities in England. The salary of the chairman of the water company leapt from \$110,000 to \$620,000, with an additional \$450,000 worth of share options, while on a deregulated labour market wages plunged to as low as \$3 an hour. Skilled workers, such as railway signalmen, earned \$20,000 a year while the salary of their boss was doubled to \$300,000 for a three-day week. This sounds all too familiar. I agree with John Gray, an Oxford political philosopher previously of Tory persuasion, that it is high noon for free market fanatics. He left no doubt that the fickle values of the market have eroded social consensus and set institutions adrift.

While the richest tenth of the country is twice as well off as it was before Thatcherism, the poorest 10 per cent is no better off and those on middle incomes are falling behind. One-quarter of British people now lives on incomes less than the European poverty line and a third of the children live in poverty. This political direction of privatisation at all costs must not be imposed on the people of New South Wales. The New South Wales taxpayer will remember that in the short time the Liberal-National Party coalition has been in office, it has actively marketed the privatisation of water, electricity, education and public hospitals. The 1994 budget does not change this unacceptable direction. Recently on a television program called *Lateline* the Minister was defensive. "Privatisation is an emotive word", he said. The Minister, aware that the people of New South Wales have been informed of the disaster of the Thatcher era, was quick to give assurances that he would not use the British model.

The Government's white paper on water management clearly opens the way for the privatisation of Water Board services. This means the privatisation of our water supply. It opens the way for franchise water businesses to operate in different regions, for massive problems to occur with the loss of control of our pristine catchment areas and for river pollution and cover-ups, as occurred in Camelford, England. The French company that was the successful tenderer to build New South Wales water treatment plants is under

investigation in France for corruption. More importantly, the white paper opens the way to remove consumer rights and places a threat on the provision of clean, untreated water to the families of New South Wales. Mr Roger Wilkins, Director-General of the Cabinet Office, protesteth too loudly, "Under a company model you have assigned appropriate roles to the respective players - the managers manage; the politicians concern themselves with strategic questions and results".

What about the customers, the water consumers? Jeff Angel of the Total Environment Centre has more insight into their needs than our Government has. He opposes the corporatisation of the Water Board because he does not believe that such public resources should be under the control of a narrowly based organisation with a narrow commercial objective. Neither do I. Corporatisation leading to privatisation has encouraged opportunistic behaviour in the choice of accounting practices. I agree with Jeff Angel that a public resource should be managed by meeting the public interest both present and future.

This budget, brought down in the International Year of the Family, fails to address the future health needs of our community in other ways. Evidence from the United States of America clearly indicates that the privatisation of health care means that government loses control over health planning and access to high quality health care. The Labor Party is opposed to the private health sector taking over public hospitals for that very reason. Whilst huge cost cutting exercises have caused many public hospitals to deteriorate, private hospitals have extended their properties on public hospital land. While people on low incomes are advised that they will have to go to a private hospital because the public hospital waiting lists are too long, the private sector health operators boast of their ability to attract wealthy overseas patients.

Families have lost that essential faith in the health system. This change of perception is, in itself, a health hazard. It was not the case, however, until the private health distributors demanded and got their share of the public investment. Families knew that the best health care was available in public hospitals. They knew that private hospitals were for specific purposes, which did not include major surgery or long-term care. Now it is the opposite. Specialists give patients no option but to use their private company owned hospital, convincing them that it would be impossible to carry out the treatment in a public hospital within the required time.

A recent research project that was conducted on the discharge of elderly patients at the Prince of Wales Hospital found that the elderly were missing

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out on the complete care they needed because of a lack of communication between hospitals, doctors and other carers following visits. On 31 August the *Sydney Morning Herald* reported that 20 per cent of elderly patients either died or were re-admitted within a month. Dr Chaplain, a specialist in geriatric medicine at the Prince of Wales Hospital, said that the number of elderly people being admitted to the hospital was increasing by 15 per cent a year. At the same time, the number of beds is decreasing rapidly.

The study was established because health workers were aware of the poor health outcomes among the elderly. It was found that this was not because the staff were not good and caring, but because the hospitals were set up only for emergency treatment. One factor that cannot be ignored is the lack of proper planning. The closure of Strickland House for the purpose of selling off assets took no account of the fact that it was the only public post-operative care hospital in the eastern suburbs, the only place that public hospital patients could be sent for respite care. Because of the public outcry over its sale, it is now to be leased privately for 99 years - simply for profit.

This is the marketing technique of the competitive private entrepreneur; it is not the professional technique of the genuine health care provider. The Liberal-National coalition has aided and abetted this false promotion by its discriminative health policy. Labor governments were proud to hold up the Australian public health care system as ranking amongst the best in the world. The people of New South Wales have a right to the best and equal standards of health care, despite their financial status. Our old and middle-aged people have paid dearly for the public hospitals now being privatised. The young have a right to benefit from their investment.

Economic rationalism has not served New South Wales in the essential responsibility of government in

providing appropriate standards, monitoring and regulation. It is not on ideological grounds alone that I adopt this opposition to privatisation of profitable public enterprises. It may well have been an article of faith held by me when I entered this Parliament 18 years ago, because I saw the remarkable capability of Prime Minister Chifley to bring Australia out of the economic disaster following war and depression. My opposition to the principles behind the 1994-95 budget, however, are based on the results of so-called economic rationalism in cost benefit terms.

Labor's commitment to a consultative framework has been distorted by the Government. The Liberal-National coalition has used the foundation laid for community consultation and open inquiry as a means of passing the buck, deferring critical decisions and limiting amending legislation. The social usefulness of public infrastructures is measured only against its sale value. These sale values are clouded when presented in the budget because there is no direct reference to advertising, legal, accounting, advisory and consultants' fees. These costs should be shown as direct deductions from the sale value, just as they are in the relevant government department's accounts. The Wran Government brought in tendering systems that ensured that government departments would be competitive in their tendering. There has been no real recognition given to their capacity to compete in the marketplace while at the same time protecting the interests of the taxpayer.

We are not so foolish that we disregard the competing demands of the New South Wales public sector and budgetary constraints, but this budget does not reverse the appropriate waiting of long-term and short-term considerations. For example, I refer to the Liberal-National coalition's decision to lift the school zoning areas. What is the benefit? What is the cost? The benefit has been stated by the Minister as freedom of choice. The cost is increased pressure on transport systems carrying children on buses and trains. There is the very minimum of staffing on rail stations and trains and there are no conductors in buses. The coalition has increased reliance on expensive technology to meet the ever present human crisis, instead of recruiting selected people to supervise the safety of child travel.

The alternative for concerned parents is the car. I do not need to spell out the economic costs in the increase of vehicles on intrasuburban routes. Just a month ago Canada's chief transport expert, Mike Colle, warned against the American trend to freeways. He warned of the social consequences of Los Angeles-style traffic jams and high pollution, and the serious breakdown of community life cutting through the heart of suburbs and dividing people from the planned support systems. His observation was that there was a very good tradition of public transport with an electrified rail system. That tradition is close to the heart of the Labor Party and its early inspired leaders. The head of the Toronto Transport Commission stated:

The sense I get is that there is almost schizophrenia in Sydney. It has the harbour, parks and shopping districts serviced by public transport, and you've got the freeway pressing in on all sides.

Last month the Minister announced that another 76 railway stations have been equipped with ticket vending machines - another step in the Fahey Government's so-called economic rationalism that will cost further jobs and the loss of staff who previously could provide monitoring of the security and safety of commuters, especially the young and the old. Is it any wonder that people give up their commitment to travelling on public transport and take the car? Scientists have warned that Sydney may be facing its most polluted year on record next year. There were days in August that warned of dangerous smog readings. Professor Lance Leslie, from the University of New South Wales, warns that the emission output has gone up because there are more cars and more delays on the roads.

I return to the cost of the Fahey Government's policy decisions in regard to the dezoning of the education system. Let us look again at the priorities

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for the International Year of the Family. There is absolutely no dispute that the first social entity experience of a child is the family, whatever form that family takes, perhaps extended to grandparents or other close relations. The second most important factor in social development is the identification of the child with the community in which he or she lives. The first and most vital of these is the school. But this Government is bussing and driving children out of their direct community. Consequently, sporting and entertainment venues and other

socialising factors are not where the child lives.

We can spend all the money we like on crime control and promotions intended to make young people more responsible about the suburb in which they live, but the so-called freedom of choice to disregard the importance of the place in which they live gives no incentive at all for them to proudly identify with and protect that environment. In this, the International Year of the Family, the Government had better take a good look at the social costs of its policies that, of course, lead to costs of huge economic proportions. Schools should not have to dream up special programs to compete to enrol children from other suburbs. The spectacle of 23 different school uniforms on the platform of a suburban railway station in peak business hours, with children travelling 30 kilometres to attend selected schools, whilst the local school teaching staff is out touting for business like Coca-Cola salesmen, is a disgrace and reduces our children to objects of commercial derision. No wonder dedicated teachers and hardworking parents and citizens are despairing of the future directions of the Liberal Party-National Party Government.

There is no doubt that the theory of the interrelationship of all things could be reintroduced with great benefit to social development in New South Wales. Though the budget has been presented to woo the worried public, it seriously misreads the mood of the people of New South Wales. Despite all the self-interested attempts by the reactionaries, to denigrate the greens, a national Saulwick poll in April of this year revealed that the recession had not shaken most people from a strong commitment to environmental protection. This confirms a recent world poll which shows that Australians tend to be among the world's most environmentally concerned people. In fact, 67 per cent expressed a preference for environmental protection having more importance than economic growth. This was especially the case among women and young people. Even National Party supporters were fairly evenly split, with 45.2 per cent favouring the environment and 44.3 per cent putting growth first. Of course, the two issues are inextricably interwoven when dealt with by economists who understand that it is just not industries which become obsolete; it is the ideas that were generated along with those industries.

[The President left the chair at 6.02 p.m. The House resumed at 7.30 p.m.]

The Hon. DELCIA KITE [7.30]: What we now call economic viability is often a group of rusted intellectual activities that were designed for the world of yesteryear, before people understood the consequences of non-sustainable developments with non-renewable resources. To arrest the economic decline, the government that is to be elected in March 1995 will have to run the gauntlet against business interests, overseas and domestic, that aim to profit from public utilities. It will need to identify which business partnerships will operate to the benefit of the public, in order to quell the anxiety in the financial markets brought about by valid public mistrust. It will need to know who the adversaries are, and break the linkages between utilities' profits and the amount of power or water they sell. The new government will need to introduce a formula that will provide incentives for the saving of power and water by subsidising new technologies.

Public utilities should be able to keep 15 per cent of the savings from promoting such incentives, and the rest should benefit the customers by way of reduced charges. That has been done in Canada after only six months debate and with the cooperation of principal consumer groups. It means working with different partners and having the motivation to do it. Alvin Toffler reminded us that the fundamental nature of the economy is a subsystem of a large, ongoing but finite system. The 1994-95 budget does not recognise that basic principle. It is fixed on a false concept that the delivery of public services can be transferred to the private sector without regard for the shareholders' investment. It is a takeover budget. The New South Wales taxpayers' investments for more than a century will now be returned to shareholders in companies such as Transfield and Boral.

The worst of all aspects of the Liberal Party-National Party Government's misuse of taxpayers' long-term investment is the transfer of hospitals and public land to benefit private entrepreneurs such as the transport giant Mayne Nickless and other private corporations. Again the New South Wales taxpayer has provided the development capital for the privatised health care system, which will pay out its dividends to overseas companies such as the American Markalinga Group, which changed its name to Australian Medical Enterprises.

The Fahey Government has formed alliances that will take the ownership of our health care services out of Australian hands. Unless the Australian public rebels against this irrational direction we will face the same disastrous situation now experienced in the United States of America, where 38 million people are without any health insurance and therefore have no access to health care.

Author Ron Williams summarises the situation clearly in his work, *Remission Impossible*. He writes, "There is a very small possibility that an Australian megacorp will emerge that will ape the business and service practices of the overseas megacorps, that will dictate to us. This appears to be our best realistic prospect". Any thoughtful citizen in New South Wales will agree with Ron Williams that "the next decade will bring a huge and depressing departure

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from the system as we know it". For consumers and for professional providers of service there is little but doom and gloom. Ron Williams' words reflect the utterance of every one of the constituents who speak to me on this matter. He said "The truth is that the pot of honey in the health industry is there for all to see, and it will be seized by the most powerful corporations in the world . . . for the health industry, compassion will give way at an increasing rate to profit. Care for the patient will give way to the corporation. Pride in professional care will give way to clock-watching and search for interest-added daily".

The DEPUTY-PRESIDENT (The Hon. D. F. Moppett): Order! The Hon. Delcia Kite does not have a very robust voice. Members should restrict their conversation to assist Hansard and myself to hear her.

The Hon. DELCIA KITE: It is imperative that the citizens of New South Wales heed the warning that, whether they like it or not, unless they intervene they will be burdened with a health industry controlled by overseas megacorps, described by Ron Williams as "part of an international oligopoly whose primary concern will be measured in terms of profits, derived from the exploitation of the local population and its indigenous labour force". Despite all the problems that have beset our public hospital system, by world standards it performs exceedingly well. People have access to the services they need, mostly at a price they can afford. Among international comparisons Australia ranks well towards the top. Our public health system and training have attracted high standards of professionalism. However, we continue to be bombarded with American ideas, which are not compatible with Australian values. Right must triumph over might and over the Liberal Party obsession to sell us out.

As this may be the last speech that I am called upon to make in this Chamber, I should like to say that I am very proud to have been the first representative of the left wing of the Australian Labor Party to serve in this House. Also, I have been proud of the heritage of my grandfather who, as a shearer, fought for justice and equity in the workplace during the shearers' strike of the 1890s. I was indeed fortunate to be able to continue this commitment through the Australian Labor Party, and to have been supported by my husband and my family in this quest over the past 18 years. The comradeship of my Labor Party colleagues and the loyal friendships of those notable socialists such as Jack Ferguson, Mick Ibbett and the late John Garland kept the light on the hill aglow.

Despite the obvious differences in policy and the heat of the debates, I have enjoyed many pleasant personal associations with members on both sides of the House and on the crossbenches. I should like to thank John Evans and his predecessors, Mr Saxon and Mr Jeckeln, for their direct assistance. Their respective staff members, including Hansard officers, have also been very helpful to me over the years. And to the wonderful attendants who are there at our beck and call to attend our every need at all hours of the day and night, I give many thanks. I have appreciated the consistent and responsible concerns of Alan Beverstock and his assistant, Jan, in ensuring my security and wellbeing. The impeccable way in which my office has been kept by the invisible cleaning and building services staff has been appreciated.

To the amanuenses Merle Cookson, Lorna Eaton and Carol Boughton, who efficiently attended to my secretarial work for so many years, I say thank you. I was fortunate to have had only the best in that field. To the dining room staff, David Draper, Kevin Connolly, Jose, Santiago, Royce, June, Jonathon, Maureen, Joy and the chefs who create such tempting delights, I give many thanks. It has been a pleasure to be able to entertain

my friends in such a delightful atmosphere. The Parliamentary Library has consistently provided the most professional and reliable resource for research and information and I thank all library staff, with a particular mention of David Clune, whose long service is most appreciated. On many occasions I have depended also on information from the media monitoring services, and I thank Jan Duncan for her prompt responses. Of that technological whiz, Neil Dammerel, I must place on record my appreciation of his skills and patience. In persuading me that WordPerfect is a virtual reality, he persisted with me until I mastered the computer. Without Neil I could not have achieved that.

I cannot speak highly enough of the overworked and underpaid workers in the printing department. My sincere thanks go to my friends Pat Makin, Paul Guilfoyle, Dem, Carla, and David, and Margaret and Lynne who are no longer with the department; in stationery Dennis, Greg and Kevin; in bookbinding Brian and, of course, Wally, who will be remembered for his wonderful birthday cakes. They have left me in no doubt that a happy workplace where people care about each other is a productive one. And last but not least, to my treasured friend of many years, my secretary and researcher, Hazel Wilson, thank you. You have lightened my workload in this Parliament so much and your happy personality always brightened up my office. Thank you.

The Hon. PATRICIA FORSYTHE [7.40]: Before I commence my contribution to the budget debate it is appropriate that I say a few words about the two previous speakers. Following her speech I must say at this time to the Hon. Delcia Kite that I am sure this will not be the last opportunity she will have to speak in this Chamber, but if it is I know that everyone on this side of the House wishes her all the best in her retirement. We have all looked forward to her contribution in debates and there will be other significant debates before the year is out. I am sure she will take the opportunity to share a few more thoughts with us. There are other members about whom we shall need to speak and I hope there will be opportunities to do so.

I would like to say something about the speech of the Hon. D. J. Gay because the community has so much cynicism about politicians. Perhaps something

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of the genuine nature in which that speech was delivered may be lost, though I do not think so. The words of the Hon. D. J. Gay touched a chord with everybody, not only because he was related to many of the people involved in that tragic Monarch air crash but because of the depth of the research that he has undertaken. One would have to feel for him after hearing of the amount of research he undertook. My daughter attends the school of the three girls who were killed in that air crash. Having been a good friend and admirer of Stephen Ward, sitting here listening I felt very much for what the Hon. D. J. Gay said tonight. My daughter has a photograph of one of those girls still on her desk. All the girls in that school suddenly one day last year in June ceased just to be students and began to understand about the real world of adulthood.

The words of the Hon. D. J. Gay were very much a tribute to those families, to those girls and to their memory. I hope that many of the things he has called to be done will be acted upon and their lives will not have been in vain. I hope the people who see only the cynical side of politics will recall the work and many months of effort that the Hon. D. J. Gay has put into that speech. My office is next to his and over many months he spoke to me about the painstaking task of uncovering the facts. If Parliament is not always relevant, it is relevant at times like this. As we see the emotion on the face of the Hon. Delcia Kite we realise that this place is one of friendship. Though we come here from many different perspectives, it is a place for seeking facts and doing what is best for the community as we see it.

Those two speeches tonight from two people of different backgrounds said something perhaps about this place and this Chamber, the Parliament and the people who are members of it. Perhaps I am now beholden to return to politics with a few words about the budget. The Leader of the Opposition, the Hon. M. R. Egan, began his contribution to the budget debate with a quote from some newspapers. I thought I should perhaps take the lead, and I shall quote the *Newcastle Herald* of 15 September after the budget was delivered:

The budget then is an election sweetener of a different kind, one in which the handouts are modest but aimed at making voters appreciate the Government's performance in helping to put New South Wales on the road to prosperity in the wake of alleged poor financial management by its predecessor and the pain of a deep recession.

It came as a surprise to many people that what we set out to do in this budget was not a major election gimmick but, as the newspaper said, modest handouts directed clearly to the needs across the community and not directed at specific marginal seats, seats the Government has to win or has to hold. That has been a feature of this Government's performance since it came to office in 1988. All the budget papers contain the line "Commonsense priorities. Building a better future". They are our goals; they have been our goals since 1988; they are still our goals today: commonsense priorities in the key areas of health, education, and law and order in particular. This Government is about building a better future. What else should we be about? We are always about the future and about the next generation. What we give to our children will count. This budget is part of sustaining a strong financial position for New South Wales.

Since 1988 the Government has said that its role should be ensuring effectiveness and efficiency of government and not for its own sake. None of us here talks about that in a dry economic sense but rather in relation to the delivery of quality of services. I will particularly focus upon quality of services. I thought it appropriate that I should focus on three areas of the budget. First is the status of women portfolio and the work that this Government has done in its commitment to the status of women generally. It is appropriate that I should make those remarks this week when some members of this Chamber visited South Australia to celebrate the centenary of women's suffrage at the women, power and politics conference. The conference was an opportunity for women of all political persuasions and from across the world to come together to focus on issues of concern to all women.

As I say more on the subject I suspect quite clearly that we approach this matter from many different perspectives, yet the outcome we all strive for - equity for all, a better socioeconomic position for women - is one on which we would agree. Perhaps the means by which we reach for our objective is something that we do not entirely share, but this Government has been about action, not rhetoric. I should congratulate the members of the Labor Party for a very significant public relations coup, that is, the 35 per cent quota for women in Parliament. It was well received in the media, but going beyond the rhetoric I was horrified at the sight of women members of the Labor Party appearing to be satisfied with having achieved the 35 per cent quota. I was disappointed and surprised because it seems to me that in accepting a 35 per cent quota they have imposed upon themselves their own glass ceiling. That figure will be one on which private enterprise will hang much of the statistics against which they will measure things.

There is nothing magic about the figure of 35 per cent, but it will become the benchmark by which so much is judged. Australian women constitute greater than 50 per cent of the community yet the Labor Party has set 35 per cent as a goal. The women who sought suffrage 100 years ago did not seek it for just some in the community but for all. I was disappointed that the women members of the Labor Party accepted a 35 per cent quota. No doubt last weekend when they spoke about the change in affirmative action agency to become a glass ceiling commission, the first place they start -

The Hon. Ann Symonds: With Labor in Victoria.

The Hon. PATRICIA FORSYTHE: As the honourable member will know, figures do not count for anything. It is not the rhetoric of numbers; it is

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what you do when you get there that counts. What this Government has done and is doing for women is really what will count. The figure of 35 per cent shows that they did not focus on the ministry. Today was the perfect opportunity for the Labor Party to increase the numbers by adding to the two shadow Ministers. It did not take the opportunity. Yesterday, in Adelaide, Susan Ryan and Dame Margaret Guilfoyle reminded the conference that it is not numbers that count but access to power, and that is truly measured by Cabinet status. That is why this Government with four female Ministers, the highest number in Australia, has much to be proud of.

The Hon. Franca Arena: We will when we are in government.

The Hon. PATRICIA FORSYTHE: They are promises, promises. The Government has done it. It not only has four female Ministers, it is the first government in Australia with a stand-alone portfolio for the status of women. This year the budget allocation for women's services has been increased by 44 per cent. The Government's claim of increasing the status of women is not rhetoric; it has taken real action. The Government's commitment can be measured by the number of women in Cabinet, by the allocation of funds in the budget, by the establishment of a stand-alone portfolio, and by the impact across all portfolios of giving women access to power. It seems to me that it is appropriate to focus on some of the areas where the Government's commitment has made a difference, not only in the portfolio for the status of women but in many other portfolios.

For example, in relation to small business the Government has this year inaugurated a women in business mentor program, for which funds have been allocated. This program has been commenced in recognition of the fact that women represent 41 per cent of those in small business and more than one-third of all small business owners are women. The concept behind the program is to link women who are new to small business with established business proprietors. The program is not unique to New South Wales, although it is the first such program I am aware of in Australia. In British Columbia it has been trialled and hailed as a great success. That program is but one example of the Government taking action in the small business portfolio.

This year in the health portfolio the Government has also shown its commitment to women, not by talk but by allocating \$93 million specifically for women's health services. That figure is to be contrasted with the \$10.3 million specifically earmarked for women in the 1987 budget. The allocation includes \$1.5 million to establish the Breast Cancer Institute and six new breast screening services, particularly in the western districts and on the northern and central coasts. The construction of the \$40 million royal hospital for women at Randwick has been put out to tender. More than \$2 million has been provided for the implementation of a program to prevent cervical cancer. That program will focus on communities that might otherwise miss the message, including the Aboriginal community.

In relation to industrial relations, employment and training, the Government has provided \$90,000 for the women's employment and training strategy to ensure that services are delivered equitably and without discrimination, and that gender equity issues in the work force are addressed. In addition, \$50,000 has been provided to the ongoing tradeswomen on the move program. That program is designed to introduce young women in secondary schools to the possibility of working in trades. In other words, the Government is trying to break down the stereotypes and to broaden the horizons of many women. The media focus is often on city schools, but this year the tradeswomen on the move program will be taken to schools in country areas of New South Wales.

The commitment this Government has made to improving the status of women and to helping them to achieve full socioeconomic equality is evident in every portfolio. At one stage the Federal Government issued a report entitled "Halfway to Equal". Halfway to equal is not good enough, and women do not deserve 35 per cent or any other figure one wants to pick out of the air that does not relate to equality. This year the ministry has emphasised the status of women by holding extensive consultations with women from a great variety of backgrounds. The Government wants to be as inclusive as possible. In addition, last year the Minister released the "Working with Women" document. That document contained more than 200 achievable goals geared to every portfolio and about which every portfolio is required to report quarterly. In other words, the Government is not merely involved in making promises, but is fulfilling promises and requiring every portfolio to look at its goals and policies to ensure that women get a better deal.

As I have said, I take my hat off to the Australian Labor Party, because achieving a quota for women was a brilliant public relations exercise. However, because of its work on the ground and its genuine commitment to women the New South Wales Government is no less deserving of the accolades. The Government has a broad commitment and is doing the work. The Minister has made a particular commitment, as had the two previous Ministers responsible for the portfolio, the Hon. Anne Cohen and the Minister for Education, Training and Youth Affairs. The second issue I should like to focus on is housing, which so often seems to get bad press. However, the Minister for Housing deserves the commendation of all, not only for the way he has prioritised the

dollars allocated to the housing portfolio but for his concern for the quality of housing and for policy shifts towards better integrated housing. In the past few months I have had the opportunity of opening a housing project and, on another occasion, of attending with the Minister when he opened a housing project.

The first project was for the Spanish-speaking community in Wollongong. It was a small project geared particularly to a number of elderly Spanish-speaking women who had come to this country, had been unable to settle with their families, and who had

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a particular need. That project in Wollongong is one of the best designed housing projects I have ever seen. It was designed in consultation with the Spanish-speaking community and in an architectural style that appealed to the women who would live in it. However, it was designed also with regard to the streetscape where it is located and to the general amenity of the area. The opening I attended with the Minister was of the People's Palace in Manly. That project has been designed to complement the historic Salvation Army buildings and with the heritage and history of the area in mind. The building, which is of outstanding design, is centred around a large courtyard and is one of the best buildings in the whole Manly area. The fact that it is a Department of Housing project only adds to its appeal.

All of the residents I spoke with at the opening were thoroughly delighted to be there and the building is now very well regarded in the local area. Both of those projects are examples of the quality of design on which the Minister has asked the department to focus. The projects are user friendly and have the support of the local community because they look good, they are sympathetic to the buildings around them and people will take pride in living in them. When one sees those types of building, one realises that there has been a quiet revolution in the Department of Housing. Although that has not received a great deal of media attention, its effect cannot be underestimated. Recently I noted in one of the press releases that the Minister regularly sends to me that the department had received two awards for landscaping in key housing areas.

The Hon. Ann Symonds: Isn't that lovely, isn't that nice!

The Hon. PATRICIA FORSYTHE: It is nice for the people who will live in the areas. It might raise community esteem for Department of Housing projects, so when it is suggested that Department of Housing projects are to be located in particular areas, the residents will not go crazy. The first project to receive an award was the 1992-93 Aboriginal housing program. The Minister's press release stated that the project represented a radical change in the department's delivery of housing which was aimed at providing flexible economic housing, while at the same time acknowledging and reflecting - and the word "reflecting" is important - the aspirations of the Aboriginal community.

The most significant change from previous years was in the use of landscape architects from the outset in primary consultations. The process included discussions with local communities and the intended occupants to determine the siting and orientation of the house, the size and location of verandahs, the microclimate of the site, the position of proposed gardens and trees as well as the retention of existing vegetation and other site features. Honourable members who know about most housing projects in New South Wales will acknowledge that issues such as proposed gardens and trees and a location in line with other features that exist on the site are a far cry from the type of housing projects that were undertaken for many years and for which none of us can take any credit. The people who live in such housing projects take very little pride in them and vandalism has become an all too common feature of them. But with the commitment of the present Government I know that the future for people living in those residences will be infinitely better.

The Minister has also placed an emphasis on moving away from the vast estates - and we should all be committed to that - to a better integrated style of housing. I accompanied the Minister to Manly only a couple of weeks ago when he announced that the 1.75-hectare Addiscombe Road proposal, which would have housed many at a site that was deemed to be inappropriate - partly because of its proximity to Manly lagoon, and partly because it was such a large and difficult site in terms of access - will not proceed; that the area will be given over to the council and dedicated as open space. However, the commitment of the department and of the Minister to find other sites for the development of public housing for the area is real and there is certainly no

less a commitment to meeting the demand for public housing in the Manly-Warringah area.

I accompanied the Minister and the Liberal candidate, David Oldfield, who had brought the site to the Minister's attention in the first place, on a walk around the area and talked to the Minister about the contrast between the attitude in the department now and a few years ago, for instance, when Manly Council persuaded the department to buy the site. There has been a dramatic shift in the thinking of people within the Department of Housing about the nature of public housing. I conclude this section by quoting from a paper presented to a conference at Terrigal by Jennifer Westacott, the Regional Director of the Central Sydney Region of the Department of Housing. She said:

In short, the Department's structure, policies, resources and corporate philosophy are being refocused to three key areas:-

- to the development and delivery of services which reflect a comprehensive understanding of client need;
- the creation of an organisation whose primary focus is to support a core business of client service delivery; and
- to create a new ethical organisational culture which values problem solving, cooperation; partnership with the community and efficient and cost effective operations.

Those three points perhaps sum up what the Minister has sought to do: to create a better corporate climate within the department with an emphasis on discussions with the local community, with concern for the people who will live in the houses; and recognition that the Department of Housing for a long, long time has not delivered the quality of services that this Government believes is appropriate for all people in the community. As a Liberal I must say that the right of all citizens to live with dignity is an important right. The facility of quality public housing is essential to the achievement of that right. I therefore commend

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the Minister for his approach to the department, and for the reorganisation and refocusing of the department. The measure of that is in the number of projects that are being constructed at the moment, and in the awards and the accolades that the department has received. It will be further demonstrated in the attitude of the people who come to live in many of the projects that I have had an opportunity to see in company with the Minister.

I shall make a few brief remarks about education, and I note that the Minister for Education, Training and Youth Affairs is in the Chamber. Having listened to the comments of the Hon. J. W. Shaw a couple of weeks ago I was somewhat surprised by what I took to be rather elitist comments, particularly with regard to scholarships. To some extent he must live in a somewhat ideal world. In an era when retention rates are high, much of what he was talking about was not appropriate to the vast majority of students in the system. I share his commitment - as indeed do the Minister and the Government - to a rigorous and strong public education process. The Government has been able to demonstrate its commitment by its budget and the work that has been done to ensure that the public education system in New South Wales is one in which we can all take pride. If the honourable member's views are now broadly reflective of the Opposition's views, the era of education that this Government inherited in 1988 will never be repeated. That was an era when everyone went to average quality schools where there was very little choice and very little sense of competition, and that was so inappropriate for many students.

The Hon. Virginia Chadwick: They stifled our teachers and stifled our students.

The Hon. PATRICIA FORSYTHE: Indeed, they stifled students. Almost all of the selective schools had been closed, and for the gifted and talented in all other fields there was simply no other choice of school. Now there are not only selective schools but schools with a focus on excellence across a broad range of education and in which there is a place for every student.

The Hon. Ann Symonds: We have had them for some time.

The Hon. PATRICIA FORSYTHE: Indeed, under this Minister and under this Government.

The Hon. Ann Symonds: Oh, no, well before her.

The Hon. PATRICIA FORSYTHE: My memory is quite good and I do not quite recall the time that the honourable member is talking about. The Hon. J. W. Shaw said also that he was not an expert in education. Having been out of the education system as a teacher for eight years, I am not going to claim to be an expert either, but I found his views on the years 7 to 10 history syllabus somewhat surprising. He expressed concern that there was an absence of a core of accepted knowledge. In the years 7 to 10 the first responsibility is to focus on the development of some of the skills that might take students forward to become good historians; to help them develop a love of the subject, be it through the development of an understanding of how one uses primary and secondary documents or just the development of some understanding of the historical process.

The Hon. Ann Symonds: But I thought you only approved of geographers.

The Hon. PATRICIA FORSYTHE: No, but I know that you spit on them.

The Hon. Ann Symonds: No, the quote was: "I would not even spit on them". Get it right.

The Hon. PATRICIA FORSYTHE: I noted that in his speech the Hon. J. W. Shaw commented on the years 11 to 12 history syllabus. Unless one develops skills in years 7 to 10, the capacity to understand the knowledge that will be developed in the very rigorous years 11 and 12 syllabus will not be there, because students have to have the skills behind them. I know the honourable member claimed he was not an expert in the field, but as there are at least four history teachers on this side of the House, I thought he chose rather thin ice on which to skate.

The Hon. Virginia Chadwick: The honourable member draws policy from his own experience of the 1950s.

The Hon. PATRICIA FORSYTHE: The Minister makes the point that the honourable member draws his policy from his personal experience of the 1950s. As I sat and listened on that night, that is exactly the view I had. While I do not know what school the honourable member attended, it had all the hallmarks of a selective boys school.

The Hon. Virginia Chadwick: Back to the 1950s.

The Hon. PATRICIA FORSYTHE: Back to the 1950s. I think the Minister and I would be aware of the schools in which that sort of philosophy might have been very strong. The Government is meeting the challenges of education; it is about quality of learning and teaching; it is a Government that has put the focus on schools and has changed the old concept of the bloated head office. A couple of weeks ago the Minister and I visited two schools in the Manly electorate, Manly Vale Public School and Balgowlah Heights Public School. I understand that last week, tragically, the principal of Balgowlah Heights Public School died. The death of Geoff Purnell must have come as a great shock to the community. The opening of the school library two weeks prior to his death, when its students were so well turned out and performed its music brilliantly, was a fitting tribute to him. I am sure that all honourable members of this Parliament express their sympathy to the community of the Balgowlah Heights Public School.

As I visited Manly Vale Public School and Balgowlah Heights Public School, I had the opportunity of talking to the parents, the parents and

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citizens organisations, and the school councils. Representatives from both schools made the point that the days when head office was there to be served by the schools had gone. Head office understands it is there to help and serve the schools. That point was made to me by the president of the school council at Manly Vale Public School. It should be noted that was also said, genuinely, by representatives of both schools. The Government was the subject of much criticism when it closed down the head office at Bridge Street and moved the staff out,

but this is about recognition at the local level that the Government has empowered the schools, as the Minister said. Schools have the opportunity to have their individual identities recognised.

This budget has provided more than \$3.5 billion in current and capital funding for education. As in past years, the Government has put emphasis on improving access to computers and improving maintenance within schools. The Government inherited a system of which none of us could be proud, but all of New South Wales ought to take great pride in the present system, wherein students, the gifted and talented in all fields - not only academics - can find a place; it is a system in which there is choice; and a system from which teachers and students should derive much pride. Anyone who had the opportunity of seeing anything of the Rock Eisteddfod recently knows the extent of the talent in New South Wales.

The Hon. Virginia Chadwick: Look at the school that won the Rock Eisteddfod.

The Hon. Ann Symonds: Where is it?

The Hon. Virginia Chadwick: It is a very deprived school in the western suburbs of Sydney.

The Hon. Ann Symonds: The name escapes you for the minute, but you can insert it in *Hansard* tomorrow.

The Hon. PATRICIA FORSYTHE: The Hon. Dr B. P. V. Pezzutti would be able to assist us because he has been singing the praises of the school ever since.

The Hon. Virginia Chadwick: It was a very deprived school in the western suburbs of Sydney that has developed a performing arts section. The Sarah Redfern High School won the Rock Eisteddfod this year against all comers.

The Hon. PATRICIA FORSYTHE: Sarah Redfern High School has been a finalist on a number of other occasions, which says something for the work and efforts of the people in the school. The Government is proud to acknowledge and to endorse the achievements of that school. One could not fail to acknowledge the move towards extending the choice of courses at schools through the provision of pathways. A number of students are not only undertaking school courses in the traditional sense but have chosen to combine school courses with TAFE courses as a sensible and logical way to complete their academic requirements and to prepare for technical and further education. In 1994 more than 20,000 students in New South Wales in years 11 and 12 are enrolled in vocational education training units as part of their higher school certificate, compared to only two per cent of year 11 and 12 students who were enrolled for such courses in 1987.

The Government has marketed this program well. For many students this is a most appropriate direction. It is something that the Minister has taken great pride in sharing with the community. I am confident about education in New South Wales because of the work of this Minister and the Director-General, Dr Boston. I am proud of the direction and future of this Government because of the work and effort of all its Ministers. The note on the front of the budget papers is "commonsense priorities". Each of the matters that I have mentioned tonight is about commonsense priorities and, as the budget papers say, we are building a better future.

The Hon. ANN SYMONDS [8.15]: I am happy to be able to make a contribution to the budget debate for the twelfth time.

The Hon. Franca Arena: It will not be the last time.

The Hon. ANN SYMONDS: Certainly it will not be the last occasion. I am sorry that I did not have some warning that our colleague the Hon. Delcia Kite was to make some farewell remarks in her contribution tonight. She is a woman who is deserving of an extraordinary tribute from the members on my side of the Parliament. I was moved and delighted to hear her say publicly that she was the first representative of the Left to be elected under a new system in 1973. I remember the days when membership of the Left was not admitted to

within the party. We now quite proudly admit it. It is because people of the calibre of the Hon. Delcia Kite gave such a stamp to the Left that it has extremely high standards.

Many people are not aware of the extent of the contribution that the Hon. Delcia Kite made by her loyalty to the Labor Party. Loyalty is one of the attributes she most values in others and one that she certainly possesses. She has an extraordinary strength of purpose, and is a woman of great conviction. The honourable member has always maintained a strong interest in and deep concern for environmental issues, something she shared with her longstanding friend Hazel Wilson who also spent a great deal of her time in the Labor Party fighting for the protection of the environment through her activity in local government and her membership of the Left of the Labor Party. I would not be in this Chamber but for the support of the Hon. Delcia Kite. People who understand her devotion to the Left and to women in the Left will appreciate that many people owe their positions in this Parliament to the work that she has done.

The Hon. Virginia Chadwick: Delcia did it, did she?

The Hon. ANN SYMONDS: Yes, she did and I am extremely grateful to her for the way in which she supported me when I first became a member of the Parliament, because there was not much support around.

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The Hon. Virginia Chadwick: I can understand that.

The Hon. ANN SYMONDS: From time to time I have noted that there are a lot of ungenerous people in the House. However, I would like to publicly state my appreciation for the support of the Hon. Delcia Kite in getting me into this House. I hope that she has the most splendid, joyous and long retirement because she definitely deserves it. I was a little bit sad that the Hon. Patricia Forsythe was so ungenerous in her general remarks about her party and its achievements for women - she did not recognise the work of others on women's policy nor the changes to women's lives. If the honourable member had any memory of women's activity over the past 15 years - perhaps she is much younger than she looks - in the spirit of generosity and in the interests of all women she would have acknowledged the advances that were made for women during the 1970s. She should have acknowledged Vi Lloyd, who established the Women's Advisory Council in the early 1970s. From that effort, the Labor Government from 1976 to 1988 built great programs for women.

The Hon. Virginia Chadwick: Vi Lloyd gave the Hon. Franca Arena her start by appointing her to the Women's Advisory Council.

The Hon. Franca Arena: No, I was not on that council.

The Hon. ANN SYMONDS: No, it was reformed. I think the Minister for Education, Training and Youth Affairs has also forgotten. I am beginning to believe that I have the "race" memory in this place on women's policy. I have been appreciative of the analysis of the budget provided to honourable members by the Council of Social Service of New South Wales. It summarised the general view that Peter Collins has produced a clever budget, cleverly promoted. NCOSS said that the Government delivered a small number of well-targeted enhancements to priority social programs, some popular tax cuts and a \$77 million deficit reduction.

The media did not pay one iota of attention to the fact that there is a revenue side to the budget deficit equation. The \$7 million lost through tax cuts on low-alcohol beer would have more than covered the needed increase to the community services program, one of the community sector's top priorities, without affecting the pace of deficit reduction. But that was not to be. I believe that the deficit fetishists have overwhelmed the development of public policy in the management of budgets. I raise an issue that I believe is of extreme importance to New South Wales, its citizens and the potential of any government to formulate its budget in a useful way -

[Interruption]

I would love to respond to all the interjections of Government members, but I am so seriously focused on the subject matter of my contribution tonight that I do not wish to be deterred. The vast majority of Australians are unaware of the national competition policy committee report that was released last year. The committee was chaired by Fred Hilmer; the report is therefore known as the Hilmer report. A year down the track, when the report is about to radically transform Australia into a less equitable society, it still has not gripped the public's attention. The Hilmer report proposes the most diverse change in the relationship between the State and Commonwealth governments and consumers since Federation.

Its proponents assert that the national competition policy will make Australia more economically competitive, increase growth, provide jobs and lower prices for our rational consumers. Cure-alls like this are hard to swallow. Sweeping changes that will so drastically alter the nature of the provision of social services deserve close scrutiny. Evidence so far from the United Kingdom and Australia on the outcomes of a more market orientated economy is at best inconclusive. As the negative aspects of a more rational market policy will directly affect us all, we should examine these issues very closely. I am not prepared to concede that these issues should be the subject of agreements of the Council of Australian Governments made behind locked doors and not available for general public debate and understanding of the direction in which they will take us.

We must be looking at the consequences of the introduction of the Hilmer proposals, particularly as they concern revenue to the State. I refer to a brief summary of what the Hilmer report is about. The Hilmer committee recommended that all Australian governments adopt a set of principles aimed at ensuring that, as part of reforms to introduce competition policy to a market traditionally dominated by a public monopoly, the public monopoly be subject to appropriate restructuring. The principles deal with the separation of regulatory and commercial functions of public monopolies, the separation of natural monopoly and potential competitive activities, and the separation of potentially competitive activities into a number of smaller independent business units.

The committee concludes that the primary basis for permitting exemptions from the rules should be an authorisation process of the kind currently administered by the Trade Practices Commission, and the proposed successor to that body, the Australian Competition Commission, should be directed to give primacy to economic efficiency considerations in determining questions of public benefit. It believes that the new regime of user-pays fees should be reviewed. This is the most significant aspect: public benefit is to be subservient to economic efficiency. If that is not a redirection of government policy, I do not know what is.

To understand the implications of this, we have to look at the experience of the United Kingdom. It is impossible to say that a more deregulated economy is a self-evident benefit to voters. The winners and losers from an applied rational market theory either become more polarised or the term "winners" becomes very hard to justify. In the United Kingdom

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where this rational market approach has been pursued with zeal over 10 years, concerns over pricing, service delivery and quality have become apparent in the provision of essential services. The following points will illustrate the pitfalls of a more rational market where competition is supreme.

In the United Kingdom the gas industry was privatised as a complete monopoly in 1986. Although price cuts have occurred, the areas of British society they have been concentrated in provide a warning for us. According to British Gas annual reports, in early 1985 private consumers paid 54 per cent more per unit for their gas than industrial consumers and 19 per cent more than commercial consumers; by 1987 the gaps had increased to 81 per cent and 21 per cent respectively; and by 1992 the gaps had increased to 122 per cent and 31 per cent respectively. As honourable members will realise, this more liberalised approach has indeed allowed the market to become more rational - rational it has become by courting industry at the direct expense of the consumer. It is hard to envisage where the benefit to the consumer lies.

The 10 British water companies that supply 75 per cent of water to the United Kingdom were privatised in

1989. The result appears to suggest the problems of a captive market: limited scope for competition, all constrained by an essential public service. Over the four years since December 1989, water charges have increased nearly three times as fast as inflation - a real increase of around one-third. To make matters worse, this already unacceptable price increase became unconscionable in some regions. Hence, in 1985-86 the gap between the most expensive and the cheapest regions was only 39 per cent.

By 1993-94 it had risen to 76 per cent. Some voters in Britain were subject to punitive increases in charges. For example, the south-west of England suffered an 82 per cent increase in prices for water supply. Introducing the provision of an essential public service to the rigorous discipline of the market is not just dangerous in terms of price disparity and increases; what happens when people simply cannot afford to pay the increased charges is an ugly example of unregulated competition. This relates to the escalating risk of disconnection.

The number of water disconnections rose from 7,673 households during the year of privatisation to 21,286 in 1991-92, a rise of 177 per cent. We have to consider not only economic rationalism in the provision of services; we have to consider the implications for public health of introducing user-pays into such essential services. Clean water is essential as a public health measure. That more than 21,000 households in Britain are without clean water is a disaster. The need to maximise profit as opposed to make a profit is the essential difference between a private utility company and a mere public utility. According to the Oxford University regulation expert George Yarrow, electricity prices over the first couple of years of privatisation were 25 per cent higher for domestic consumers and up to 19 per cent higher for industrial consumers than would have been predicted on the basis of a continuation of preprivatisation trends. This pricing outcome presumably helps to explain the record profits made by electricity companies in the years immediately following privatisation.

All these points have demonstrated the efficiencies of allowing the market to influence public utilities, which is the primary goal of the proposals of the Hilmer report. The theory of having a regulating government agency has been put into practice in order to correct market failures. Internal standards monitoring of public utilities having gone in the sell-out to the private sector in privatisation, and the general standards not being able to be guaranteed, the response of the United Kingdom Government has been to establish regulatory agencies to overcome some of the loss of standards and quality in the private sector. It has reached such absurdity that there is a general outcry to demolish the extensive number of quangos that are now in place because they are costly and ineffective and the whole dismal experiment of handing the public utilities over to the marketplace has failed - it has failed in the marketplace and it has failed the consumer.

The Hon. Virginia Chadwick: That is not true.

The Hon. ANN SYMONDS: You obviously have not been listening and I am not going to repeat what I said. You will have to read my speech tomorrow morning. The United Kingdom is held aloft by critics and proponents of the Hilmer report as a test case for the introduction of more competition in the provision of essential public services throughout Australia. I was giving examples of privatisation in the United Kingdom, but I hope that good sense will prevail and we will not allow the demolition of our public utilities, because they are quite effective at the moment.

The Hon. R. T. M. Bull: You can still have government trading enterprises.

The Hon. ANN SYMONDS: I do not believe that we need to introduce competition in the provision of essential public services throughout Australia. As I mentioned before, the proponents of the Hilmer report will try to convince us that a national competition policy will provide lower prices for our consumers and foster a more economically competitive economy that will in turn nurture more growth and provide more jobs. The introduction of competition and privatisation has been going on in the UK since 1981. With the introduction of competition or privatisation occurring in everything from aeroplanes to water it would not have been too bold to expect improvements in the British economy.

The 1993 figures for Britain supplied by the Organisation for Economic Co-operation and Development

tend to disprove the competition theory as unemployment in 1993 averaged 10.6 per cent, the pound sterling continues to crumble and is hovering at a mere 65p to the United States dollar, and gross

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domestic product per capita is just the same as in Australia. Since 1983 the Australian Government has established the foundations of a national competition policy by embarking on micro-economic reform. This has been reflected in all States. In fact, New South Wales boasted of being extremely competent in its pursuing of micro-economic reform.

In 1990 the telecommunications industry was awarded a second full operating licence: Optus was the new arrival. The competition has undoubtedly given rise to better service and efficiency. The problem is that not all consumers have shared the gains of competition in a uniform manner or a fair manner. Hence, where a consumer lives or in what fashion consumers use the telephone will, to a large degree, dictate the prices paid. In addition, the service provisions made by Telecom are directly influenced by a person's residential address. In September 1993, 86 per cent of urban residential customers had their telephones connected before the required date. However, in the rural areas of Australia only 69 per cent of on time connections were achieved. Essentially, this means that quality of service is not uniform throughout Australia. Under a more competitive or profit oriented system such as that proposed in the Hilmer report these inequalities are likely to expand as it is simply not profitable to service the bush at the same level as urban areas.

What is the National Party doing about this? In the history of Australia the development of a notion of equity, no matter what geographic location of Australia one lives in, has been one of the shining examples of our democratic function. It has been a consensus in our society. I do not understand why the National Party should be abandoning a fight to retain equity of access to essential services. It is clear that under the proposed Hilmer recommendations the first victims of privatisation of essential services will be country people. I wish National Party members the greatest of strength in challenging their Liberal coalition partners to desist from their unrestrained economic rationalism and to have a good look at what they are doing to ensure equitable access to services in the country. In the Federal Government there is already an awareness of the likely problems of inequity developing.

The Hon. R. T. M. Bull: Are you opposed to Optus being involved in phones?

The Hon. ANN SYMONDS: I have just said what I think about Optus. I do not want to repeat myself. I was raising the inequities that arise in the user-pays system. I have admitted that some services have improved. I was raising the problems for rural people. You are supposed to be a defender of people in the rural sector. They are not being well served by current policies. The Federal Government has established a number of committees to examine each issue to ensure, I believe, that no outright detrimental impact will occur in the equitable provision of service. However, realistically we all know that economic rationalists are everywhere these days, untrustworthy lot that they are.

The Hon. Virginia Chadwick: Even Paul Keating?

The Hon. ANN SYMONDS: Would I deny that? One person who would appear to be aware of the pitfalls created by a more profit oriented public service provider is our leader, Bob Carr. On 20 April this year, when it was revealed that the Sydney Water Board placed the linking of the outer suburbs of Sydney with the sewerage network on the backburner until it could make a commercial return on its investment, our leader neatly summarised our concerns. Under the heading "Profit before Sewers" appearing in the *Sydney Morning Herald* Bob Carr was quoted as saying in Parliament:

[If the Sydney Water Board was corporatised] it would become a profit maker rather than a service provider.

That is the fundamental issue so far as the Hilmer report is concerned. In relation to impact on consumers, I beg honourable members to look seriously at what has happened in the United Kingdom. The United Kingdom National Consumer Council says that inadequate price controls have left consumers funding huge profits by the 31 water companies. Lady Wilcox, the chair of that council, said:

We have been forced to conclude that consumers have paid too much towards the cost of investment in the industry, and the companies have received the lion's share of the benefits of privatisation.

That is the critical issue - competition policy is a newly coined descriptive label for privatisation. It is widely acknowledged that Thatcherism has failed to benefit British society. Even the Victorian Treasurer, Alan Stockdale, acknowledges that there were some problems in the United Kingdom. Now the term privatisation is avoided. I suppose honourable members witnessed the Minister for Planning, and Minister for Housing, the Hon. R. J. Webster, on *Lateline* in August this year saying:

One of the reasons we don't like to talk about privatisation is that it's inevitably misconstrued. We don't like to fall into traps by using emotive terms. I prefer to use "contracting out", "creating competition" in the provision of service rather than using emotive terms.

What is emotional about it? It is misleading.

The Hon. Virginia Chadwick: You are emotional.

The Hon. ANN SYMONDS: Of course I am emotional about this subject, and I am pleased that the Minister recognises that. I do not mind admitting to the fact that I am emotional about these issues. In fact, I belong to a very small faction in the Left known as the emotional Left - membership of which varies from time to time from one to three.

The Hon. Virginia Chadwick: Robert was right, then? Your emotions -

The Hon. ANN SYMONDS: No, the Minister for Planning, and Minister for Housing is intent on misleading us. I am sorry if he is afraid of emotion. I am not afraid of emotion; he is. Is it because there
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is a sorry history of the sale of public assets, usually at way below their value to the community? Is it because after 10 years of privatisation in the United Kingdom it is clear that the quality of service declines, the cost to the consumer goes up and a few smart operators and overpaid executives make a lot of money? The model of the marketplace operating with free market competitive equilibrium is rapidly becoming acknowledged and exposed as being flawed.

The great guru and Nobel Prize winner Kenneth Arrow, who in the early 1950s provided the theoretical mathematical model to demonstrate the validity of the free market beloved by economists, announced in January 1994 that the model was empirically flawed. How disastrous that it took him so long to realise that the theory would not benefit society. I should, of course, mention the people on the Hilmer committee. They were a wonderful group of people. The chairman was Mr Fred Hilmer, Director and Dean of the Australian Graduate School of Management, a former director of the Macquarie Bank, and a director of Fosters Brewing since 1990. The other two committee members were Mark Rayner, the Chairman of Bougainville Copper and Pasminco Limited, and Geoffrey Taperell, a partner in the law firm Baker and McKenzie, who has just left that company under a cloud prior to legal proceedings involving a number of partners and former partners who had a horseracing syndicate.

I ask honourable members to contemplate what benefit the consideration of those three people for the future strategic management of our resources and the relationship of our utilities and consumers was likely to be. It was likely to be disastrous, and it has been disastrous. Are our utilities inefficient? Certainly not. We have the most efficient utilities in the world. There has been an 80 per cent increase in productivity and a decrease of 12 per cent in the costs associated with electricity generation in New South Wales. We are very successful.

The Hon. Virginia Chadwick: That is what this Government did. That is what the Minister for Energy said.

The Hon. ANN SYMONDS: That is why I thought the Minister would like to know that I acknowledge it. I am acknowledging the fact that we do not need to introduce the break-up of that utility in order to increase

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The Hon. R. T. M. Bull: That will provide a bit of competition.

The Hon. ANN SYMONDS: No. The Hilmer report acknowledges that there is no advantage in just selling a monopoly. However, monopolies in capital intensive activities have occurred because of economies of scale. If monopolies are broken up, they will be re-formed unless legislation artificially prevents them from re-forming. The Hilmer report acknowledges that there will only be "competition at the margin", as it is not possible to have two sets of pipes or wires to each house. In the light of the implementation of the Hilmer report, the most significant impact on our budget process is the fact that the State Government has been able to raise revenue from our utilities of \$1.2 billion a year. The cost to consumers could be dramatically reduced tomorrow, of course, with no change to the operation of any sector of, say, the electricity industry if the State were to forgo the \$800 million it takes and convert that into price cuts for electricity.

Is it a bad thing for the Government to raise revenue through charges for utilities? Electricity and water charges are similar to a petrol levy. It is a form of government revenue that is spread throughout the community. Many government trading enterprises were, in effect, monopoly suppliers of essential public services like water, electricity or telephones. Painful experience has proved that if such services are run by private monopolies they are so unrestrained in their search for profit that they cannot be tolerated in democratic societies. Private monopolies also break the rules of competition in a free market. For most of this century, conventional wisdom has been that essential public services must be either run by the State or operated under stringent democratic supervision.

The Hilmer strategy will overturn this model of government service and responsibility to all its citizens. Let us consider Commonwealth-State relations. Not since ceding income taxing power to the Commonwealth during World War II have the States been faced with such an enormous power shift to Canberra as will happen if the proposals of the Hilmer report are implemented. If the utilities are privatised, not only will the States lose control, which will go to the national competition commission, but, significantly, they will also lose the revenue stream. A national competition commission will mean that the States will give up the sovereignty over industries that they have controlled for a long time. There will be increased fiscal imbalance. Without a revised formula for revenue sharing between the States and the Commonwealth from the taxes collected by the Commonwealth, the States will be in a greatly disadvantaged position. I cannot believe that the Government would support that happening.

When change is proposed, we must always ask who wins and who loses. To introduce the concept of competition into the delivery of health, education and community services is clearly absurd. Is the health of the community improved because more operations are performed in a shorter space of time? When the role of carers is considered, whether it be as parents or looking after the elderly, is it helpful to look at competition as a means of delivering care? Do parents look after their children in some sort of competition model with other parents, or do they perceive a need to care for their children as an absolute requirement to do certain things and to do so from a mixture of instinct, moral imperative, love and care? One cannot apply the idea of more services in less time to community services, or to symphonies for that matter. I ask honourable members to consider: is a string quartet better if one instrument is played at twice the speed?

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The Hon. Virginia Chadwick: It is like the minute waltz.

The Hon. ANN SYMONDS: That is micro-economic reform. Accountants today are everywhere. Coopers and Lybrand gave four-hour briefings to applicants for senior education positions. Now they are doing reviews of community services, health services and anything else. Of course, they are forced to hire outside

consultants to help complete the report. Ernst and Young have just done a review of the supported accommodation assistance program using Purden and Associates for an estimated \$300,000. If only that money we are using to pay accountants to do reviews was being spent on service delivery! And Minister, I am not an economic Luddite. I am an open-minded person who takes the business of government provision of service very seriously. If, from time to time, adjustments may be made because of economic conditions, I am quite happy to contemplate them, but not demolition. Adjustment is a different thing.

The public service, which was responsible for implementing legislation and was set up to be accountable, has been dismantled everywhere. It is being replaced by accounting firms that do not have the expertise to run government programs and have absolutely minimal understanding of the kinds of programs they are supposedly assessing. It is worth noting that it was these large accounting firms that year after year certified the accounts of the failed entrepreneurs of the 1980s as being satisfactory when a number of these now defunct companies had been insolvent for years. These same companies that failed in their duties as auditors year after year are now turning to government to advise on every aspect of government policy. It is most inappropriate.

The Hon. Virginia Chadwick: Which company would do that? Give me an example.

The Hon. ANN SYMONDS: I will do better. In the morning I will send you the document that names them. If the move towards greater core service delivery by government trading enterprises represents a move towards less and less budgetary control by elected government, that is, moving operations off budget, with the only areas of concern left to elected governments those to do with the so-called community service obligations, the ability of government to effect any form of social justice strategy is also being eroded. In one sense government is being reduced to the level of determining a particular income stream for a series of profit oriented private companies who will often be monopolies. The question then becomes one of basic citizenship.

The Hon. Virginia Chadwick: What is wrong with the Government determining the CSOs?

The Hon. ANN SYMONDS: Do you want to embark on a dissertation about community service obligations? In fact, community service obligations reducing the notion of the responsibility of government to core functions to be defined as community service obligations has implications of extreme concern for me. If that means the break-up of existing functions and monopolies in which the profitable sections are sold off to the private sector and the community service obligations remain as the only function of government, again we are looking at serious concerns for budget implications. The manner in which the Minister interjects demonstrates that she does not understand the serious implications for impacts on State budgets of community service obligations.

In one sense the Government is being reduced to the level of determining a particular income stream for a series of profit oriented private companies that often will be monopolies. The question becomes one of basic citizenship. What representative power can we expect from elected governments that are continually ceding their authority to market competition and the private sector? Who is going to ensure basic citizen rights to those who may be disadvantaged if we cannot expect that function to be effectively carried out by government? Is social justice to be reduced to the realm of customer complaints or consumer rights? We will be reduced to a nation of shoppers - shop till you drop is the current theme. We have adopted as a new status quo the goal of management as a major function of government in society. It began in New South Wales when we were subjected to the "Let the managers manage" slogans of the early days of Greiner in 1988. I should really say the early days of Sturgess, but he has passed on and was never given the public status of an elected leader.

The Hon. Virginia Chadwick: He has not passed on.

The Hon. ANN SYMONDS: He has been passed over instead of being passed on. I hasten to have the Minister's assurance that the Government really does not still rely on him for economic advice. I thought the Government had banished him from the Cabinet room because of his deficiencies. A person who was such a zealot is a very dangerous person to have in one's Cabinet midst, as the Minister knows.

The Hon. J. F. Ryan: A zealot?

The Hon. ANN SYMONDS: He was a zealot and you know it. My fear is that because of the way the managers are managing and the market is replacing government, this is a real challenge to democracy. The value of democracy is in question because of these two directions. If by deregulation and retreat from ministerial responsibility politicians are giving away the right to intervene in important aspects of our lives in favour of allowing the managers to manage and the markets to flourish, what is the point of electing politicians? If via a series of international agreements like General Agreement on Tariffs and Trade there is no role for a nation in defending its industrial, environmental and social policy gains, why bother to elect politicians? If former Federal Treasurer John Dawkins can openly say prior to his resignation that in the past 10 years the Business Council of Australia has been the greatest influence on national government, what is the point of joining a political party?

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The question of cultural cringe is worth raising. We hear persistent references to the cultural cringe in Australia. We always have. Historically it is something that always has been raised. At the moment it is being heard again in the republican debate. However, ironically we are currently witnessing the most alarming cultural cringe as far as our own societal goals are concerned. Apparently we are totally committed to imitating everyone else in the northern hemisphere. We are religiously pursuing Reagan economics. We are relentlessly replicating Thatcher's process of user-pays and privatisation. This is the worst cultural cringe that anyone could imagine. We have to ask ourselves: is it right to just go along with the needs of capital? Is it the rational way to go? Why is the wellbeing of citizens no longer the central purpose of government?

We should ask ourselves who wins and who loses when governments consider that the benefits of the operation of the free market are dominant. The market has never been interested in seeking equity for citizens in society. Who wins under such a strategic goal? Markets may win but citizens do not. Who loses? We all lose in that we and our elected representatives no longer act in the best interests of our society from a national perspective. If we have internationalised capital, if we have a deregulated Australian financial sector, if we have accepted international treaties like the general agreement on trade and tariffs, we are losing our national identity. We have had seven years of extraordinary, disruptive budget processes in the State of New South Wales. It has been a scorched earth policy in so many areas in which I have an interest that I will not attempt to list them now.

I am intrigued by the current development in political life, and in the Government in particular, of the increasing pursuit of sanctions rather than budget strategies when addressing some social problems. For example, I note that recently the Attorney General has proposed outlawing child pornography, but his Government has abolished 80 specialist child protection worker positions. That seems to be a poor decision in an effort to change some unsatisfactory areas of society where children are still at risk. The Australian Institute of Health and Welfare has revealed that the poor have more sickness and die earlier than the wealthy. In a study of 25- to 64-year-old men and women, the institute found that men and women of lower socioeconomic status have higher rates of illness and death rates. What is being done to address that shocking inequality?

The Hon. D. F. Moppett, who is in the chair, and I both know that suicide rates are alarmingly high. I believe that much of the reason for the increase in the suicide rate is a sense of despair and purposelessness, particularly in young people, because of a lack of employment opportunities. Forcing people out of society and jobs increases alienation and anger. If that anger and despair finds expression in destructive personal behaviour such as self harm - which occurs in many ways, including drug abuse by young people - or public behaviour in the form of burglary, vandalism or assault, will more funds be committed to establishing harsher penalties or will intervention be taken by budget design to include all our citizens in a participatory community as workers, students or carers whose roles are recognised and valued? I want to be part of a State that restores dignity and respect to all its citizens, and protection for the vulnerable in our community. Those goals, not competition policy, should be the central measure of good government. I reject market dominance and profit as the primary roles of government. Hilmer's proposals should be recognised as a force for the major destruction of the New

South Wales public sector and a decline in the revenue from which the State designs its budget. His proposals should be roundly rejected by all of us.

The Hon. R. T. M. BULL [9.03]: Honourable members have certainly heard some interesting contributions to this debate today. In my initial remarks I should like to acknowledge some of those contributions. I will deal with the contribution of the Hon. Ann Symonds a little later. I congratulate the Hon. D. J. Gay on his contribution. The issue of commercial aviation safety in New South Wales has certainly occupied his heart and his mind for a long time. The fact that commercial aviation safety in New South Wales has reached a stage of some doubt in the mind of commuters is an issue about which all honourable members are concerned. The Hon. D. J. Gay put forward some excellent proposals, and both this Government and the Federal Government should look seriously at their implementation to ensure that the public of New South Wales, particularly country commuters, have confidence in the airline industry and the commercial aviation sector.

The Hon. Delcia Kite may have delivered her final speech to the Chamber. I would not like to let that moment pass without offering my congratulations to her. She indicated that she may be speaking on another bill, but she certainly will not be speaking in the same vein as she spoke earlier today. It is good to hear from her about her feelings. As she said in her contribution, she has strong country connections. Her husband was heavily involved in the shearing industry and the early disputes in that industry. She is a proud member of the left wing of the Labor Party, with which I like to believe that I have some affinity. At least I know where it is coming from and what it stands for.

The Hon. Ann Symonds: What did you say?

The Hon. R. T. M. BULL: I am sure the Hon. Ann Symonds would approve of that. I will repeat my remarks for her benefit.

The Hon. Ann Symonds: Did you say you did not approve of the left wing?

The Hon. R. T. M. BULL: No. I said I have some affinity with the left wing of the Labor Party because I understand that it -

The Hon. Ann Symonds: A natural affinity with the National Party, yes.

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The Hon. R. T. M. BULL: Not a natural affinity. The Hon. Ann Symonds is drawing a long bow and is putting words in my mouth. I am being verballed. The Hon. Delcia Kite has served a long term in this House and has obviously been very loyal to her party and to what this House stands for as a House of review. I congratulate her on her contribution and wish her well for the future. As honourable members reflect on the budget during this debate it is timely to reflect on what now appears to be a major tragedy in rural New South Wales. The Hon. D. F. Moppett, who is in the chair, made similar remarks during his contribution. I am referring, of course, to the drought which is enveloping most of the State; about 93 per cent of New South Wales is now drought declared. As a farmer, I have been through several major droughts, the last in 1982. There had been many droughts prior to that and I have been involved in some of them, the droughts in 1967 and 1976 in particular. The problem, of course, about the present drought is that it has come on the heels of a severe rural recession that has put those on the land in a parlous state.

[Interruption]

I would have thought that the Hon. Ann Symonds would have regarded this issue a little more seriously than her flippant remarks indicate. If she has nothing further to contribute except cynical remarks about Hilmer, to which I will refer a little later, I may have to withdraw my remarks about the left wing of the Labor Party. The issue of the drought is particularly serious because, unlike other droughts in the past, it has come on

the heels of a severe rural recession that has put the majority of people on the land in a parlous financial position in terms of their equity. The drought has compounded a serious situation which has been developing for the past 10 or 15 years, or probably in a narrower time span than that.

The drought is a crisis not only for farmers but for those involved in businesses in rural towns, those who rely on the farming community for their livelihood. One only has to go to any typical rural town to see how many are involved in quasi-rural activities - whether they are buying grain, selling farm machinery, running the local grocery store, whatever it is - to see how the drought has compounded a serious situation. I hope that rain is around the corner, but as the Hon. D. F. Moppett would know, rain overnight will not solve the serious issues that now envelope New South Wales. I speak about the drought from personal experience. As I have said, the 1982 drought was the most severe I have experienced. One thing that differentiates that drought from this one and previous droughts is that somewhere in northern New South Wales there were better times for other producers, so one had the opportunity to send stock on agistment or to import fodder or grain, and to survive through that escape avenue. Of course, with this drought there is no such avenue. The drought envelopes most of Queensland, almost all of New South Wales and is very serious in Victoria - where farmers are now shooting sheep in an attempt to reduce numbers and to sustain those that are worth keeping. The drought covers the whole of the eastern States of Australia.

As members of Parliament we should duly acknowledge that the issue is extremely serious, not only for farmers but for everyone in New South Wales. It is very serious for the economy of this country; it is serious for the economy of New South Wales; and it is certainly serious for the survival and livelihood of people who live outside Sydney, Newcastle and Wollongong. It could be a major tragedy unless it rains in the very near future. The Government has allocated \$73 million towards rural assistance and the combating of the drought, including \$10 million for exceptional circumstances drought support; \$10 million to continue transport subsidies to assist drought affected farmers; and \$1.1 million for rural community and family support counselling. No funds government can offer in a drought such as this are ever enough. The New South Wales Cabinet will meet tomorrow night to again review this very serious situation, and hopefully devise a strategic plan to try to overcome problems such as maintaining seed stock during this period, whether sheep or cattle, so that when it eventually rains there will be seed stock, breeding stock, to allow the country areas and those involved in rural industries to get back on their feet.

The Hon. Ann Symonds gave us a very strong lecture on how she sees Hilmer, general competition policy and many economic issues through her left-wing eyes. I would be unkind if I said that she represented the left-wing troglodytes of the Labor Party, because I do not think she is a troglodyte. But in terms of economic issues, the honourable member is certainly quite blinkered and living in the past. I have been to England and have had a look at what former Prime Minister Thatcher has achieved there. I certainly agree with the point that if we are to deliver the best services to the people or the taxpayers of New South Wales, we have to offer competition. This does not mean that the monopolies that have existed under governments over the years cannot find a new place in harmony with competition.

The honourable member must agree that the best competition we have seen at any time is in telecommunications where, with the advent of Optus, telephone prices and the price of services have gone down suddenly. Why did those prices not go down before? The honourable member would know that without competition Telecom, together with the other monopolies that have existed under government over the years, had no reason to reduce its prices.

The Hon. Ann Symonds: You are an anti-public sector person, are you not?

The Hon. R. T. M. BULL: No, I am not anti-public sector. I believe the public sector can exist in harmony with the private sector, and competition will deliver the best services at the best price for the taxpayer. The poor beleaguered taxpayer is going to suffer while this sort of nonsense is being proffered by honourable members opposite. If there are not going to be cheaper prices and cheaper services, who

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will pay? The poor old taxpayer. If the honourable member is here representing anyone other than the

taxpayers of New South Wales, she should consider why she is occupying a seat in this Chamber. Really and truly, if honourable members are here to obtain the best for the people of New South Wales they should certainly be advocating better services at a better price for the taxpayer. In the end, if honourable members are not representing the interests of the people of New South Wales they should examine why they are actually in this House.

The budget that has been handed down by the Treasurer, and Minister for the Arts is a very good budget and, as other speakers have indicated, sets a commonsense pathway for the Government to pursue - that is, to continue to strengthen the State's financial position; to provide consumer responsive quality services; and to reduce the call of the State on the community's resources. In other words, the budget will make the tax dollar stretch further. Total budget receipts for 1994-95 have increased by \$700 million from last year. This has allowed the Government to reduce the State's deficit from \$890 million last year to \$353 million this year.

I hope that, when the opportunity arises, members of the Australian Labor Party will see the benefit of having balanced budgets in New South Wales and will allow themselves to support this excellent measure which will protect the State's finances and ensure that future generations of people in New South Wales will not suffer from the mismanagement by Labor governments that has occurred in other States, in particular South Australia, Western Australia and Victoria. It is important, of course, that the Government has looked after the core services. State governments in particular should look after the core service areas within their particular States. Of course, this Government has the runs on the board, but it is interesting to note that, apart from core services, there has been a massive increase in tourism, which I will reflect on shortly; a 32.5 per cent increase in employment and training; a \$24 million allocation for special drought relief; and a very important increase of 11.2 per cent in mining and energy.

Business, which is an important indicator and the genesis, I suppose, of improved activity in New South Wales, has not been forgotten. The budget contains a \$70 million saving per annum to businesses and residents of New South Wales as a result of a special taxation reduction for payroll tax, land tax concessions, low cost rental accommodation, a change in land tax treatment of nonresidential strata units, and exemptions from stamp duty for intergenerational transfers of farm property. This is an extremely important initiative to ensure that the family farm structure is protected for future generations. The old problem of farmers not being able to hand on their properties and restore the viability of the family farm operation will be overcome by this very important initiative. I congratulate the Treasurer and the Government for introducing this measure. The Hon. Ann Symonds spoke about a reduction of \$77 million in the deficit this year. I must acknowledge that she was extremely truthful in her reporting of the budget, not only in respect of the \$77 million but a number of other initiatives - which is a pleasant surprise coming from honourable members opposite.

The Hon. Ann Symonds: Have you ever heard me speak an untruth in this place?

The Hon. R. T. M. BULL: No. I am praising the honourable member. She is, as all good left-wing members of the Labor Party are, very truthful in her reporting. But I am concerned -

The Hon. Franca Arena: What about the Right? Are you implying that the Right has untruthful members?

The Hon. R. T. M. BULL: I am implying that the Labor Party will have a great deal of difficulty voting on the bill for the sale of the State Bank of New South Wales. All the proceeds from the sale will go towards reducing the State's contingent liabilities. Anyone who has read impartial comment on this issue - and I have been eager to familiarise myself with impartial comment on the sale of the State Bank - will acknowledge that the Government has made a sensible decision, a decision that could well have been taken by the Victorian, the Western Australian and the South Australian governments, which inevitably fell into serious financial difficulties because of their role in banking. Clearly commercial activity is not the province of State governments, indeed any governments.

The Hon. Ann Symonds: Do you remember when it was the Rural Bank?

The Hon. R. T. M. BULL: Yes, I remember that.

The Hon. Ann Symonds: Do you remember why it was set up?

The Hon. R. T. M. BULL: Yes. It has been structured differently, but as it is now structured, in a deregulated banking environment it is not the province of government. I look forward to hearing the contributions of the left-wing members of the Labor Party - indeed all honourable members of the Labor Party - as they try to defend their decision, which has been well trumpeted by the Leader of the Opposition in this House, to oppose the measure. Yesterday in an article in the *Sydney Morning Herald* the Leader of the Opposition in this House, while canvassing most of the issues that have been raised about the sale of the State Bank, did not once raise the issue of the preservation of staff or branches. If one wants to talk about devalued prices, one must acknowledge that the price negotiated for the State Bank was achieved by acknowledging in the contract that all of its branches and all of its staff have to stay in place. That is not a terribly conducive arrangement when one reads in today's papers that a number of major banks in the real world are laying off staff left, right and centre. Obviously the preservation of staff and branches had a significant bearing on the negotiated price.

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The Government throughout its period in office has been keen to reduce debt. An extra \$152 million has been committed to meet unfunded superannuation liabilities. I am sure that honourable members opposite will acknowledge that that is a worthwhile direction of funds from the budget; but more needs to be done. When the Government came to office in 1988 it inherited an enormous unfunded superannuation liability. Health is occupying the minds of a lot of honourable members at the moment. How can one deny that this Government has put real dollars back into health services in New South Wales - record health budgets every year since we have been in government; the amount of services; the number of patients who have been treated; the extra 33 hospitals that have been built or redeveloped; and a capital works budget of \$460 million, up by \$18.6 per cent. In 1988 the Labor Party left this Government an atrocious record. The hospital system was out of date and funds were misallocated. The western areas of Sydney were completely ignored. Hospitals were being held together with chicken wire. The capital works program was way behind and had been virtually ignored.

Since 1988 the Government has revolutionised the delivery of health services. It is a great tragedy that the Labor Party members are trying to peddle these lies about health services, running around New South Wales trying to find someone who could not get a particular service, and trying to find people to demonstrate against the health services of New South Wales. A few weeks ago when I was in Queensland people were marching in the streets in protest against the Labor Government. What were they marching about? In Queensland they were marching about hospitals. Obviously honourable members opposite have not noticed, but health services all over Australia are struggling for funds. It does not matter how many billions of dollars one puts into it, whether it is the record \$5.2 billion in New South Wales or whether it is a record health budget in Queensland or Victoria, the Commonwealth Government has continually cut back its contribution to the public health system in Australia. The New South Wales Government, to the best of its ability, has tried to plug the deficiencies of the Commonwealth, the way it is running down private health funds and the private hospital system. In Victoria the private sector is a major contributor to the delivery of health services, and that has led to a crisis in funding in health.

The New South Wales Government has done extremely well and any fair-minded appraisal of health services should acknowledge that the Government has delivered. Approximately 1.2 million people attend hospitals each year for operational services, a figure well in excess of similar statistics for any other country in the western world. The Government is delivering. It is providing the extra capital works to make sure that our hospitals are up to date; it is reallocating its resources to areas where they are needed, the western suburbs of Sydney in particular. I should mention the record allocation by this Government of \$169 million to mental health services as a result of the Burdekin report; the \$8.3 million allocation to women's health initiatives; the \$17 million allocation towards the reduction in hospital waiting lists; and the \$33.5 million allocation to

emergency departments.

Another core service of which this Government should be extremely proud is education. The budget has been increased by \$73.6 million to \$5 billion - an extraordinary level of commitment by the Government. An extra 1,466 teachers will be appointed to reduce class sizes. Since 1988 an additional 3,500 teachers will have been put back into the system. The Department of School Education and TAFE Commission capital works budget is \$333 million, with an extra \$5.5 million to be spent on TAFE and adult community education projects. The Government really has the runs on the board with rural education. A \$50.7 million rural education strategy has improved access for 30,000 students across New South Wales, through the central schools access programs, the distance education centres, the agricultural high school scholarships, which will provide 120 scholarships next year for the three agricultural high schools at a cost of \$360,000, the living away from home allowance and the isolated schools grants.

Many things are happening to improve access to education in the rural community. The great philosophy behind a lot of these changes is that we have taken education to the students, which is in complete contrast to what we inherited - the students having to travel to the Correspondence School in William Street to get their education. Now education goes to the students in the distance education centres. That is an important change that is greatly appreciated by students and families in the bush.

The Hon. Ann Symonds: But you have not re-funded the 14 financial counsellors even though people desperately need them in the bush.

The Hon. R. T. M. BULL: We have funded a number of extra counsellors.

The Hon. Ann Symonds: No, you have not.

The Hon. R. T. M. BULL: Is the honourable member talking about education counsellors?

The Hon. Ann Symonds: No, 14 country financial counselling services, the statewide 008 service, regional casework and legal resource work. They have not been re-funded.

The Hon. R. T. M. BULL: The honourable member would know that the Government has employed a number of rural counsellors over the last couple of years.

The Hon. Ann Symonds: But you have not re-funded them in this budget.

The Hon. R. T. M. BULL: We have re-funded many programs. I am not familiar with the program the honourable member is talking about. I assure her that millions of dollars have gone into rural counselling in New South Wales, assisting many

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families in dire straits in country areas. If the Hon. Ann Symonds wants to show me her document later I will clarify it for her. I am sure that she is misquoting some document she has received from the Australian Labor Party that has no relevance to what is going on in country New South Wales. There have been significant enhancements in community services, law and order, and public safety. Transport has received an additional \$104 million for roads and road safety improvements. Water and sewerage have also been enhanced. Mining has received \$10 million in this budget to develop a comprehensive geological survey database of the State's mining resources and potential. Some honourable members would know that mineral, oil and gas exploration in New South Wales is virtually untapped. I am sure that over the next four or five years greatly enhanced exploration activity will follow this geological survey, which I am sure will produce some good information so that the private sector can get in there and find out what is available.

The Hon. Ann Symonds: That is important, isn't it?

The Hon. R. T. M. BULL: I hope the honourable member is not suggesting that the Government should

be out there doing the exploration for minerals and oil. If she is, that is something we should put down as part of the agenda for the left-wing trogs if they ever get into government. It should be acknowledged that in recent times North Parkes, a new goldmine on the outskirts of Parkes, has grown to be the major mine west of the Great Divide. The contributions of Cobar and Broken Hill were mentioned earlier, but this is an extraordinary and significant find, and is probably only a forerunner to many more such finds once the geological survey has been completed.

The outlook for New South Wales is very exciting. I think New South Wales is on the threshold of a mineral boom. We may be on the threshold of an oil boom also. There is no reason that oil should not be found in New South Wales when one considers the number of basins - the Cooper Basin, the Moonie Basin which comes through the Darling Downs, the Murray Basin and the Great Artesian Basin - where oil and gas have been found in plentiful proportions in South Australia and Queensland. There is no reason to believe that such deposits do not exist in New South Wales. We should look forward to this exciting time.

Honourable members know that I assist the Minister for Tourism as part of my responsibilities. A lot of honourable members would not be aware that tourism is the number one industry in New South Wales, contributing \$8.1 billion to the economy. It is pretty tough for me, as a farmer, to admit that. The Government has acknowledged that fact by providing big increases in the budget allocation over the last couple of years. I am proud to say that the big increases and the commitment to tourism have occurred under Premier Fahey and Minister Chadwick. I congratulate them on having the foresight to realise that every dollar spent in tourism has a multiplier effect for New South Wales.

The tourism budget allocation this year is \$32.5 million. We expect it to create 3,000 jobs and to provide business opportunities throughout the State. The new \$5 million budget enhancement will be distributed as follows: \$3.9 million for new marketing strategies; \$400,000 for new industry development strategies; \$500,000 to stimulate private enterprise production of New South Wales holiday packages; and \$200,000 to extensively update the State destination database and reservation system. The key initiatives for this year will be the continued aggressive marketing of New South Wales - a marketing budget boosted to \$19 million for marketing holidays. This will ensure that New South Wales retains its place as Australia's principal tourist destination. We will continue the highly successful Seven Wonders of New South Wales campaign, with an additional \$3.9 million for new Asian and New Zealand campaigns. International advertising and promotions will be more active than ever with a \$6.4 million budget.

The launch of the tourism master plan for New South Wales includes more than 60 strategies for increasing the State's market share of the tourist industry; direct marketing will be stepped up with campaign funds doubling to \$400,000. There will be a boost to regional tourism. Funding will increase to a massive \$5.1 million and will be used for things such as regional marketing campaigns, holiday brochures, subsidies for tourist information centres and industry seminars and publicity. The regional tourism strategy aims to strengthen partnerships between local and State governments and the tourism industry's private sector. This will guarantee a stronger, more competitive profile for the diverse tourism product of New South Wales.

I should reflect on the major achievements of our campaign so far. The successful seven wonders campaign has increased domestic visits to New South Wales by 0.4 per cent, resulting in almost \$18.3 million being spent. Grants of more than \$100,000 were given to each of the regional tourism zones in New South Wales for marketing and promotion. Employment in tourism has continued to grow by 3 per cent annually over the last 10 years, despite the difficult economic climate. In 1993 an estimated 11,000 new jobs were created. I remind honourable members opposite that these jobs have been provided and created in the private sector, not the public sector. This is an investment for the future of New South Wales.

I hope the Hon. Ann Symonds realises that it is not only the public sector that has to perform. It is the role of government to provide the scenario, the environment and the promotional activity to ensure that the private sector can produce these sorts of outstanding results. I believe that tourism will grow very strongly over the next few years in New South Wales, culminating in the year 2000 with the Olympic Games and the first international garden festival, which will be held near Gosford. I am very keen to see that festival through to

fruition.

The Hon. P. F. O'Grady: What is the international garden festival?

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The Hon. R. T. M. Bull: The honourable member has not been reading any of the news releases. The international garden festival will be held from 1 August 2000 until 31 January 2001. It will have five million to seven million visitors - it will be much bigger than the Olympics - and it will be an A1 festival similar to the Expo which was held in Brisbane. It will be an extraordinary plus for New South Wales in attracting interstate and international visitors. It is proposed that it will cover 60 hectares adjacent to Gosford in an area around Mount Penang. We should look forward to that festival as well as the Olympics.

The Hon. Ann Symonds: In Barry Cohen's front yard?

The Hon. R. T. M. Bull: Barry Cohen, who is well known to honourable members opposite, is the chairman of the board. I represent the Minister on the board as an interim member. I am finding this task extremely fulfilling. The future for tourism activity in this State is very exciting and there will be increasing growth in the next five or six years leading up to the year 2000. In conclusion, I congratulate the Treasurer on bringing down a very good and sound budget which delivers to the core areas that we expect State governments to look after. It reduces the deficit, retires debt and provides for future generations in New South Wales a very sound financial position.

The Hon. P. F. O'Grady [9.42]: This is the last budget that will be presented to the Parliament before next year's State election. In only six months we will see the end of the seven long years of the callous and heartless Government which sits opposite - in the corporate sense rather than any individual who may be sitting in a ministerial chair tonight - not addressing the needs and concerns of the people of New South Wales. That ultimately is why the Government will be defeated on 25 March next year. This last year of the long seven years seems to have been much longer than any of the previous six. Every issue has been covered twice: once when the Government rolled out the lies and again when it was forced to backtrack. One has only to think about that great Christmas gift of wilderness which the Premier and the Minister for the Environment told us would be preserved for our grandchildren.

The Hon. L. D. W. Coleman: I am glad you have mentioned that.

The Hon. P. F. O'Grady: Cockies' corner is reminding us of the way in which the National Party made the Premier roll back that Christmas gift in yet another backdown and another backtrack. The Government is in decay.

The Hon. E. P. Pickering: Where are the signs of decay?

The Hon. P. F. O'Grady: I will get to that. I am pleased that the Minister asked that. Not only is there decay; there is a smell of desperation. Despite the closeness of the polls everyone knows that the Government is on the way out. One has only to look at the ministerial line-up and the backbench members each question time to see that honourable members opposite know that they are on the way out. Come 25 March they will be swept from office. There is no doubt that the Government will be swept from office on 25 March. There are two reasons. One is the numbers. The coalition needs to lift its popularity if it is to be capable of winning 50 seats. But we know that one of its problems is its great and glorious leader, the man who is the Premier of this State.

The Hon. E. P. Pickering: What?

The Hon. P. F. O'Grady: I am pleased the Minister thinks he is so good. The Premier talked in his Craig McGregor article of February this year about his secret strategy for winning government. We all know

what the secret strategy was. It worked stunningly well in Parramatta!

The Hon. Franca Arena: You are being cruel to them.

The Hon. P. F. O'GRADY: No, I am not being cruel; I am being honest. The Government has to contemplate that John Fahey has shown no capacity and he has the job of turning the perception around.

The Hon. E. P. Pickering: You would give your right arm for a leader as good as John Fahey.

The Hon. P. F. O'GRADY: We are pleased that the coalition has him because John Fahey's leadership has been one long, slow slide towards opposition. He has had no initiative. He certainly has not been dynamic. There are no surprises in John Fahey. He is a loser, as Government members are losers. Even if he did one of his great leaps when the Pope is out here in January he would still -

The Hon. J. M. Samios: You would be paralysed if he did that.

The Hon. P. F. O'GRADY: No I would not. We know that it will not make any difference because it is too late. Only on Saturday last we read of Joe Schipp's comments.

The Hon. E. P. Pickering: Do you believe everything you read in the paper?

The Hon. P. F. O'GRADY: No, but there is a certain amount of gossip around this place and when it appears in newspapers it receives some credence. Joe Schipp put the boot into John Fahey after the Parramatta by-election. I hope that Government members will wake up to the sickening realisation that John Fahey can play only one tune. The simple fact is that the marginal seat strategy and the marginal seat dance to which John Fahey danced for so many months in the lead-up to the Parramatta by-election have failed. Honourable members will remember the slogan at the time of the Parramatta by-election, "Support John Fahey" and, of course, they know the outcome: the people of Parramatta did not support John Fahey. What was the sign? It was, "If you don't like Bob Carr, don't vote for Gabrielle Harrison". That brilliant political strategy was an absolute failure.

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Perhaps the Liberal Party slogan for the 1995 election should be "Don't blame me". We have already had, "Don't blame me, I didn't know it was illegal to bug private telephone conversations", and, "Don't blame me, I am just a touchy, feely, fatherly type". The classic slogan we have heard all through this term has been, "Don't blame me, blame the Independents". New South Wales has not had a Government; it has had a set of creative excuses. The Minister for Health has decided that it is too difficult to run a hospital system and that the hospital system should be fobbed off to the private sector. There was a lesson for the Minister for Health, too, in Parramatta.

The Minister for Health was responsible for hospital closures and for downgrading, long waiting lists, understaffing and underfunding. The people of Parramatta voted with their feet. They voted no confidence. On 25 March the people of New South Wales will vote no confidence in the Minister for Health. They will vote no confidence in hospital closures, no confidence in hospital privatisation and no confidence in lies about staffing, arbitrary funding cuts and expensive public relations exercises. The people of New South Wales are sick of Government lies. They want a health system in which the money is spent on beds, nurses and delivering services. They want a system that works; they want to know that when they go to accident and emergency departments -

The Hon. E. P. Pickering: When are you getting to the point?

The Hon. P. F. O'GRADY: I am getting there. The people want to know that when they go to our accident and emergency departments they will not have to queue for hours and hours or days and days. The

people want action. The Government, though, is a government that will not do anything about the nuts and the bolts of the health system. Instead, we get, "Don't blame me for the health system". The Government does not want to be blamed for the failure of community services. The Minister for Community Services wants to hand his responsibilities over to the charities. Rather than deal with the problems created by unemployment, dislocation and domestic violence, the Minister wants to off-load them all to the Salvation Army. That is a continuation of the "Don't blame me" slogans. The Government does not want to be blamed for the enormous number of State wards in correctional institutions; for the kids in care who end up homeless and on the streets; or for those who fall through the cracks in the system, the ones who disappear off the face of the earth.

The Minister has sold the homes for kids in care and has sacked the care workers who were responsible for protecting those children. He wants the charity sector to handle the Government's responsibility for community services. The Minister for Transport thinks that large private construction companies can run transport policy better than he can. He is not looking to the future. He is not attempting to solve transport problems creatively or in an integrated way. Instead, the Minister has decided that if a construction company can make a buck from a tollway, that is the right solution. Serious decisions have to be made about transport in this State. Someone has to stop the Los Angeles-style concrete highways from choking this city. Sydney needs a variety of transport hubs. It needs a better public transport system, alternatives to cars in the inner city, and a halting of the urban sprawl and the air pollution that goes with it. Tollway construction companies will not provide those solutions.

Private companies that build tollways are not interested in reducing air pollution in western Sydney; they are merely interested in building more highways - they want us to have more concrete. The Minister for Transport should be looking for solutions. Instead he is joining in the chorus of "Don't blame me". The police portfolio is one of the more interesting administrations in this State. Honourable members know what happens when a Minister for Police in this Government tries to run the Police Service. Ministers have given up trying to do that. If Terry Griffiths' hands had been occupied in running the department, there may well have been no need for a royal commission, but he saw what happened to the former Minister for Police, now Minister for Energy, when he tried to enforce -

[Interruption]

That may well be, but there will be a lot more said on that before this Parliament gets up for the next election.

The Hon. Patricia Forsythe: Is that a promise?

The Hon. P. F. O'GRADY: Absolutely. It is a promise, and I will enjoy the Terry Griffith debate greatly. I look forward to the contribution of the Minister for Energy to that debate. The former Minister for Police, Terry Griffiths, saw what happened to the current Minister for Energy when he tried to enforce drug security, and decided to leave it alone. He saw what happened when a duly elected Minister asked the Commissioner of Police to make the Police Service responsible to Parliament. Without the inconvenience of a Minister for Police, Commissioner Tony Lauer runs the New South Wales Police Service as his own fiefdom. One of the great things about running one's own fiefdom is that one gets to reward one's friends and punish one's enemies.

The different treatment meted out to Col Cole and Clive Small is a case in point. As honourable members would remember, Lauer, Cole and Small were major players in the drama of Harry Blackburn. Inspector Clive Small was the man who uncovered the bungling and mismanagement that led to Blackburn being falsely charged with sexual assault. Inspector Small sought to discover the truth about the Georges Hall and Sutherland sexual assaults - not a good media story. While gathering evidence against Harry Blackburn on behalf of the Director of Public

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Prosecutions, Inspector Small discovered that Harry Blackburn was innocent. He discovered that the case was full of contradictory evidence, prejudice, guesswork and the settling of old scores. In the words of Royal

Commissioner Justice Lee, "He found that the police had no case against Mr Blackburn and, further, that there was positive evidence available pointing to Mr Blackburn's innocence".

One would have thought that Inspector Small would have been congratulated on those findings by the Assistant Commissioner, Professional Responsibility. One would have thought that the assistant commissioner would be pleased that an innocent police officer was not going to be gaoled. Surely Inspector Small proved himself to be a capable, even admirable, police inspector, a man who might well have risen to the rank of assistant commissioner, professional responsibility. But, of course, that is not what happened, because the assistant commissioner whose bungling was exposed by Small was Tony Lauer. In the absence of a responsible Minister, Tony Lauer is able to hand out the rewards and the punishments in the New South Wales Police Service. Clive Small has been blocked for promotion to assistant commissioner, professional responsibility, by the same Tony Lauer.

Tony Lauer has delivered the payback on Blackburn. He has punished an honest policeman for doing his job capably and professionally. He has punished Clive Small for finding out the truth about Tony Lauer and his failure to properly oversight the investigation of Harry Blackburn. That situation should be compared with the treatment of Col Cole. Mr Cole was one of the senior police found to be at fault for improperly supervising the investigation. He and Tony Lauer shared the distinction of Justice Lee recommending departmental charges against them. One would think that Cole would have been damaged in Lauer's eyes by failing to properly supervise an important investigation, thereby causing his superior officer to face censure at a royal commission. But, no, that is not what happened. Col Cole became Assistant Commissioner, Professional Responsibility when Tony Lauer became commissioner. Lauer did not block Cole's promotion to that position. In 1993 the Frenchs Forest shooting led to 26 departmental charges and the suspension of Col Cole. Tony Lauer allowed Col Cole to be invalided out of the Police Service rather than face charges. Col Cole has been protected by Lauer and will never have to face investigation of his role in the Frenchs Forest incident.

The Hon. Dr B. P. V. Pezzutti: That is not true.

The Hon. P. F. O'GRADY: Why not? So Col Cole is going to be -

The Hon. Dr B. P. V. Pezzutti: If he suddenly gets well again.

The Hon. P. F. O'GRADY: If he suddenly gets well. Yes, that is the key issue. We all know that Col Cole will never get well because he might actually have to tell the truth. He will have a nice little medical certificate that will ensure his security and that of the police commissioner. The difference between Small and Cole is that Small told the truth to the Director of Public Prosecutions despite the truth reflecting on his colleagues. Col Cole knew better: he stuck to the police code of silence. He may have been incompetent, he may have broken regulations, but he knew when and how to keep his mouth shut. Tony Lauer is responsible for perpetrating the code of silence that has been condemned by every royal commission and investigation from Blackburn to black deaths in custody to Angus Rigg. He has punished Clive Small for telling the truth; he has protected Col Cole for his silence. The chorus we get from the police Minister is, "Don't blame me".

It is hands off Tony Lauer because if he does not like the police Minister, he will change him. The police culture of silence must change. If one thing comes out of the royal commission, it must be a recommendation to deal with the police culture. The racism, the violence and the thuggery have not changed. It will not change under the coalition don't-blame-me Ministers. I look forward to the next election because the people of New South Wales will reject the Government that currently sits on the Treasury benches because they know its members are tired and worn out. After seven long years the people will remove these Government members from the Treasury benches. If there was one indication of how desperate the Government is, it was in its announcement the day before budget day of the great balanced budget referendum strategy. What a stunning event in New South Wales politics. Of course, it is not this year we will have a balanced budget; it is one or two years down the track. If ever there is a recipe for defeat, it is that. I look forward to 25 March.

Debate adjourned on motion by the Hon. I. M. Macdonald.

ADJOURNMENT

The Hon. E. P. PICKERING (Minister for Energy, and Minister for Local Government and Co-operatives) [10.03]: I move:

That this House do now adjourn.

WILSON STREET THEATRE

The Hon. J. M. SAMIOS [10.03]: The Fahey Government's commitment to the arts was again reflected in the official launch last night by the Hon. Peter Collins of the Wilson Street Theatre Review at 229 Wilson Street, Redfern. The theatre venture is within the brick walls of Redfern's railway carriage workshop, which is part of the Eveleigh railway workshop built in 1884. It is a spacious building covering 8,500 square metres. To use the words of Geoff Thompson in the *Sydney Morning Herald* today, "It is bigger than a rugby league football field".

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Honourable members should be aware that the State Government has provided through the State Rail Authority a 10-year lease at a community rental and a \$200,000 grant for capital works, which were announced by Peter Collins, Australia's longest serving arts Minister and New South Wales Minister for the Arts.

The theatre venue is being developed by the Belvoir Street Theatre, which is chaired by Liz Mullinar, who spoke on the occasion to a group of about 800 people. The venue will be used for fringe performance groups under the direction of the Belvoir Street Theatre. Groups such as Burning House, Legs on the Wall, The Theatre is Moving and Network will play an important role for the performing arts. As Minister Collins has said, the one-off injection of funds by the State Government will assist in the development of a performance space suitable for staging large-scale theatrical productions. Sydney has been in need for a long time of a venue of this kind in a city location capable of holding large numbers.

The Minister also pointed out that the funding has been awarded to Belvoir Street Theatre Limited, which will manage the project, and the funds will go towards securing the building and providing basic infrastructure. The considerable funding will kick-start a new approach to theatre presentation in Sydney. Once established the site will become a key venue in the lead-up to and during the Year 2000 Olympic Games. That is the assessment of the Minister, an assessment with which I agree and which honourable members will be delighted to know about. I pay tribute also to the good work of Liz Mullinar and the important role that she has played in supporting the concept.

The Eveleigh Street railway buildings are an historic part of Sydney. Carriages were built in the railway workshop building but more recently the building was a wrecking yard for Sydney's red rattler trains. Not far from the building where the launch of the theatre took place last night are the buildings where less than a year ago Neil Armfield staged the well-known production "Dead Heart" from Western Australia. I was present on that occasion. The production showed the advantages of an extremely large space into which cars could drive as part of the production and present the audience with the appropriate work of performing art. I pay tribute once again to the initiative taken by the Minister for the Arts on behalf of the Fahey Government. [*Time expired.*]

NRMA SHARE FLOAT

The Hon. K. J. ENDERBURY [10.08]: Last Friday week, 30 September, I opened my NRMA prospectus in order to complete the necessary forms, almost a fortnight before the deadline date of Wednesday, 12 October. I read that I was entitled to 500 shares to the value of \$1,000. Believing this to be wrong, I phoned

the NRMA hotline and informed the lady on the telephone that I was a gold member with 38 years continuous membership and with a current vehicle insurance policy. The lady informed me that I was entitled to 1,000 shares to the value of \$2,000 - exactly double the amount shown on my prospectus. I said, "So this can be corrected then?" She left the phone for several minutes to obtain advice. Upon returning she informed me that it was too late to make corrections because it finished yesterday. I said, "What is 'it'?" She said, "The appeals process". I said, "What appeals process? I have heard nothing about this". She said, "You should have told us earlier". As I had only received my prospectus a little over a week earlier, I was astonished. She stated that the situation could still not be rectified.

It seems that because I did not contact the NRMA to tell it about my membership details and insurance policy, both of which are in its records, I am to be deprived of my entitlement. The NRMA made the mistake but because I did not correct it in double-quick time, I am the financial loser. Clearly, the process is unreasonably rushed and seriously flawed. Last Friday I received a letter dated 6 October from Mr J. Gibson of Telopea, which reads:

Dear Sir,

I am writing to you protesting re the current NRMA ballot. My reasons are that in June this year I received notification of entitlement to only 500 shares despite the fact that I had caravan insurance with them. Following my complaint of the error I was notified that I was entitled to the further 500 shares and that they were in error. (Photocopy enclosed). My ballot paper arrived for proxy voting in NRMA Ltd (for membership) printed on one side only. By chance I spoke to a fellow employee at my work who said the ballot paper should be printed on both sides to include NRMA Insurance Ltd. I rang their office yesterday to be told that they had made an error (again) - a new form would be in the mail but could not guarantee its arrival before next Wednesday, 12th -

the deadline date -

I was questioned as to my insurance cover and when told it was a caravan I was told "It's rather difficult to locate in the system".

I believe that their voting data is not accurate as it was by chance I discovered my further vote entitlement.

I also wonder how many other persons may be in the same position as myself but unaware of their additional voting rights. The whole process appears to be in too big a rush with obviously inaccurate records.

Yours sincerely,

J Gibson

I have had further contact from a journalist who informed me that her incorrect prospectus would cost her money. She informed me that she had phoned the NRMA three times during the previous fortnight to have her prospectus corrected. This had not been done, despite the calls being made within the so-called appeal time about which I was informed too late to take action. No-one seems to know anything about this somewhat mythical appeal time. I am further informed by an NRMA director that in many other

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instances members have been allocated less than their entitlement because of NRMA mistakes. I understand that mistakes can occur, but to be then told that the NRMA refuses to correct the errors is appalling. It compounds the errors. This situation smacks of the worst kind of bureaucratic bungling and a callous indifference to the needs of members of many years standing. This can only be thought to result from monopolistic control of motorists' membership in this State.

I understand that from a month ago the returning officer for the ballot has been counting the votes as they have come in and is reporting the results daily to the NRMA management. The present process should be scrapped, or at least postponed, hopefully to enable the NRMA to get its records in order. If the NRMA does not correct its mistakes, I can only conclude that it cares nothing for its membership. Perhaps it is time for another organisation to step in to replace the NRMA in providing road service and a fair deal for members.

LAKE MACQUARIE LAND REZONING APPLICATION

The Hon. R. S. L. JONES [10.12]: For many years there has been considerable public interest in establishing a regional bushland park on the shores of Lake Macquarie. In 1957 the Lake Macquarie Shire Council proposed such a park to the inquiry into the draft Northumberland county district planning scheme. The commissioner recommended that the existing coal be mined before the land was made into a park. In 1974 Mr Les Savage purchased the shares of the Belmont Colliery Company, which was mining the land of the Cardiff Coal Company. He paid about \$8,000 for the shares. He registered a company called Cardiff Coal Company Proprietary Limited and registered a trade name, Cardiff Coal Company, and had a Cardiff Coal Company letterhead made. In 1976 Mr Savage took possession of a trunk full of documents from Allen Allen and Hemsley, the solicitors for the Cardiff Coal Company. The Lunn family claim that these documents had been forged to show certain transfers of shares from Cardiff Coal to Belmont Colliery.

A proposal for the development of the land was placed before the Lake Macquarie council by Mr Savage in 1983. It included hotels, marina and tourist facilities, and a housing estate. Mr Parry, the Western Australian entrepreneur and at that time the owner of NBN Channel 3, was to join Les Savage in the venture. It was proposed that Parry pay \$350,000, half as an option fee and half as an interest-free advance. Parry was to pursue the rezoning. An amount of \$1.65 million was paid on rezoning and a further \$4 million after two years. The council decided that a local environmental study was needed before the land could be rezoned for the project. The project disappeared until October 1988, when a local environmental study was exhibited. There was much public concern and objection to the rezoning.

In 1987 the Lake Macquarie council proposed a bicentennial park over part of the bushland area of Green Point. In October 1989 the council exhibited a conservation and recreation study with a view to setting the boundaries for a bushland park. In April 1990 the State Government set up a Green Point task force to make recommendations on the bushland park. The State subsequently offered \$1 million to help the council acquire the park. The Government subsequently withdrew the offer. The council acquired part of the estate, portion 37A, for a cost of \$1 million. In 1992 the council prepared the Green Point-Floraville wildlife study. The council resolved to acquire the whole estate.

Since 1989 the Lunn family had been trying to establish its ownership of shares in the Cardiff Coal Company. It sought out an injunction to stop the sale of the Cardiff Coal property, portions 35A and 36A, to the developer, Mr McCloy. Justice Bryson dismissed the application for an injunction but said there was a prima facie case for attacking a number of documents that were alleged to have been forged. He warned the defendants that if they had no warrant to sell, they could be liable to pay damages. On 22 December 1992 the Cardiff Coal Company land was subsequently sold to McCloy Proprietary Limited, a shelf company registered on 6 November 1992, for the sum of \$2.51 million. McCloy Proprietary Limited set about blitzing the council. Mr McCloy claimed the land was valued at \$10 million and placed armed guards on the property. He fenced the property and set about grazing goats. The mayor, Mr Doug Carley, broke under the strain and had to resign.

Under a new mayor, John Kilpatrick, the council set up a task force to make a deal with McCloy Proprietary Limited that would retain part of the land for subdivision and part for parkland. Some council land was to be made available to McCloy Proprietary Limited as part payment. On 20 September 1994 Mr McCloy shifted a real estate office on to the land. He may have the intention of selling from a plan before the land has even been rezoned or subdivided. Another shareholder has turned up, a man by the name of Owen Lloyd. He is the great-great-grandson of the Reverend L. E. Threlkeld, who ran the mission for Aboriginal people at Belmont. The Lloyds and the Threlkelds would have been the original promoters of the Cardiff Coal Company between 1862 and 1863. Mr Lloyd has come forward with letters from Les Savage trying to buy shares from his family. Many years ago Les Savage had written to his father claiming to be a historian researching the history of the early coalmining families. He had obtained details of the family tree and was approaching all the family members. His father refused to sell.

The Parliament is the only place where this story can be told, and a full public inquiry is the only way to establish how this sorry state of affairs could happen in this State. It is obvious that all the companies should be under the scrutiny of the Australian Securities Commission. How many deed of settlement companies are still in existence, and how

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many land holdings are still held by derelict companies? Who has the Lake Macquarie council been dealing with over the past 20 years? What did the council officers know about the company, and how could a council be so derelict in carrying out its decisions? Have Ministers of the Crown been involved in any way? Why have questions asked on this matter in the Parliament in the past not been answered? Why should it take five years to have a matter heard in the Supreme Court? This matter should be looked at urgently.

NRMA SHARE FLOAT

The Hon. E. P. PICKERING (Minister for Energy, and Minister for Local Government and Co-operatives) [10.16], in reply: I thank honourable members for their contributions to the adjournment debate. Having had a similar experience myself, I take on board as serious the comments made by my colleague regarding the NRMA. I will draw them to the attention of the NRMA tomorrow.

House adjourned at 10.17 p.m.
