

LEGISLATIVE COUNCIL
Tuesday, 19th November, 1991

The Chairman of Committees took the chair as Deputy-President at 10.30 a.m.

The Deputy-President offered the Prayers.

BROADCASTING OF LEGISLATIVE COUNCIL PROCEEDINGS

Motion by the Hon. R. J. Webster on behalf of the Hon. E. P. Pickering agreed to:

That this House authorises the broadcasting of the proceedings of the House to the Premier's Office and the State Office Block on terms and conditions as may be determined by the President from time to time.

PETITIONS

Stray Dogs

Petition praying that the Premier fulfil his promise to ban the sending of stray dogs to laboratories within New South Wales, received from the **Hon. R. S. L. Jones**.

Abortion

Petition praying that because of recognition of the right to life of the unborn child, the House support the Procurement of Miscarriage Limitation Bill, received from the **Hon. Elaine Nile**.

Cat Desexing

Petition praying that because wildlife is threatened by predatory feral cats, and because unrestricted breeding of cats results in their destruction, starvation, injury and disease, there should be compulsory desexing of all domestic cats other than those with registered breeders, received from the **Hon. R. S. L. Jones**.

**ENVIRONMENTAL PLANNING AND ASSESSMENT (CONTRIBUTIONS PLANS)
AMENDMENT BILL**

Bill introduced and read a first time.

Second Reading

The Hon. R. J. WEBSTER (Minister for Planning and Minister for Energy) [10.38]: I move:

That this bill be now read a second time.

The need to provide services and infrastructure in all areas where new development is occurring is well understood by this Government. The plight of residents of new release

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areas, with no access to transport, isolated from social contact and with no services or facilities for the community is not part of this Government's vision for Sydney. For councils currently experiencing a high level of growth, such as those in western Sydney and the North Coast, the

early provision of services in response to this growth is essential to avoid the physical and social problems associated with a lack of support facilities. A high growth in an area results in large numbers of newcomers who need their local council to provide the community facilities that bring them together and help develop social networks. They also need, of course, the usual services such as roads and drainage, as it is no good having a brand new house if access to it is over a potholed road.

Since the introduction of the Environmental Planning and Assessment Act in 1979, section 94 has assisted local councils in providing the services and amenities needed as a result of new developments. Under this section councils may require contributions from developers to help pay for these new services and amenities without placing a burden on existing communities. Section 94 is equally applicable in developed areas, particularly in regard to larger redevelopment sites. It is anticipated, for example, that in the Ultimo-Pymont area, to be known as City West, section 94 contributions will play an important role in the revitalisation of this old inner city area by providing funding for the services and amenities which will be needed for the workers and residents as a result of the new development.

Since section 94 has been available to councils many improvements have been made. In Sydney's west one finds new suburbs which have good community facilities and superior infrastructure. Often standards are higher than in the older areas which were built before section 94 was available. However, recent experiences of councils in other areas have not been satisfactory. These councils have been less than rigorous in their implementation of section 94 and have seen it as a source of general revenue to be spent where they choose. Contributions have been spent on facilities where the link between those facilities and the new development is not established and where interest has been creamed off and used for unrelated purposes.

An inquiry chaired by Commissioner Simpson investigated the many problems associated with section 94 and the criticisms levelled at councils' administration of it. Among these criticisms was the lack of justification for how contributions were arrived at, the inappropriate purposes for which they were being raised and the fact that many services or amenities were not available within a reasonable time. Special investigations under the Local Government Act have subsequently borne out some of these criticisms. Coffs Harbour City Council, for example, has been shown to have millions of dollars of unspent contributions invested and no firm plans about how or when they will be spent. Yet this area is notorious for water shortages and inadequate treatment of sewage. The need was there, the funds were collected but the council did nothing. Baulkham Hills shire is an example of another council found to have no clear expenditure plans and no satisfactory system for recording and monitoring section 94 contributions. My intention in introducing this draft bill is to eliminate such problems and to ensure that councils administer section 94 in a more consistent, professional and accountable way.

The amendments I propose will achieve these objectives and will address the concerns highlighted in the Simpson commission of inquiry. The bill amends section 94 to provide that, when granting consent to a development application made on or after a date to be proclaimed, a council may impose a section 94 condition only if it is of a kind allowed by, and in accordance with, a contributions plan approved by the council. These contributions plans will be drawn up by way of public participation and ratified by a full

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council. In this way accountability will arise from councils' section 94 policies being explained and justified in a public document. Improved consistency will be achieved through the establishment of principles in the levying of contributions, also made clear in the contributions plans.

Greater certainty will be provided through the contributions plans. Developers will know in advance the level of contributions which will apply to any development and councils'

intentions regarding expenditure. People buying into an area will know the level of section 94 contributions required and what services and facilities they can expect. These contributions plans will not reduce the autonomy of local councils. In fact, councils will be able to decide to make the number and type of plans to suit their area and focus on the specific local needs generated by new developments. These plans will be local plans drawn up through community involvement. Contributions plans can then be amended in response to the changing needs of an area and be the vehicle for the planned, efficient provision of services and amenities likely to be required as a result of, or to facilitate, new development.

Regarding the use of monetary contributions, the bill amends section 94(3) by removing the requirement that councils hold monetary contributions in trust. Councils are currently required to hold contributions in trust, but this has not served to produce either an efficient or equitable system. We ask why this is so. Although the words "in trust" appear to be very strong, they have not hindered many councils from holding money and treating the interest as general revenue. This is wrong in three ways: first, it defeats the purpose of section 94 to provide infrastructure early in a development; second, it leads to the erosion of the value of the funds through inflation; and, third, it is unfair to those who pay the contributions, who are in effect subsidising the general ratepayer. The removal of the reference to trust will allow councils to embrace the new Australian accounting standard No. 27, which recommends full accrual accounting and a streamlining of councils' financial arrangements. In this regard both my department and that of my colleague the Minister for Local Government and Minister for Cooperatives are working in close liaison.

Councils will be required to demonstrate in their financial statements full public accountability through disclosure of all receipts and expenditure of contributions. As a result of this amendment, contributions will be able to be used to provide services and facilities in a systematic way and councils will be able to establish priorities depending on local needs. Further, councils will be given a degree of flexibility in the way they apply contributions towards service provision and will have the opportunity to provide the required services and facilities according to an agreed works program in a phased and systematic way. Most important, the bill requires that any interest earned from the investment of any monetary contribution levied under section 94 be held by the consent authority and applied for the purpose for which it was levied within a reasonable time. Finally, in the light of the new requirements for contributions plans, it was considered necessary for the bill to define the powers of the Minister for Planning and the Director of Planning when imposing conditions under section 94.

I turn now to the provisions of the bill, which can be conveniently examined by reference to each clause. Schedule 1(1)(a) amends section 94(3) to provide that any monetary contribution received for the purpose of providing, extending or augmenting a particular public amenity or public service, together with any additional amount earned by its investment, is to be held by the consent authority and applied for that purpose within a reasonable time. On the application of contributions plans, schedule 1(1)(b) amends section 94 to provide that when granting consent to a development application

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made on or after the day proclaimed in that regard a council may impose a section 94 condition only if it is of a kind allowed by, and in accordance with, a contributions plan approved by the council. A condition of a kind allowed by a contributions plan remains appealable as unreasonable.

In relation to section 94, conditions imposed by the Minister or director, schedule 1(2) inserts a new section 94AA. The proposed section states that the Minister for Planning or the Director of Planning may impose a section 94 condition when granting consent to the carrying out of development on land that is within a growth centre, defined as including a designated area under the Albury-Wodonga Development Act 1974, or on other land that is within a single local government area. In the case of land within a growth centre, such a condition will be able to require a contribution towards the provision of public amenities or public services for the

whole of the growth centre, regardless of local government boundaries. When imposing a section 94 condition, in any case the Minister or director must have regard to, but is not bound by, any relevant contributions plan. Any money received as a consequence of any such condition must be transferred to the development corporation for the centre or the council of the area concerned and must be used within a reasonable time for the purpose for which it was levied.

I turn now to the making and effect of contributions plans. Schedule 1(2) also inserts proposed new sections 94AB and 94AC. Section 94AB provides for the making and approval of contributions plans. It requires that such a plan be consistent with any relevant ministerial directions made under section 94A. It leaves most of the subject-matter, together with the requirement for the drafting, exhibition and approval procedures, to be determined by regulations and provides a presumption that those procedures have been complied with. Section 94AC provides for judicial notice to be taken of a contributions plan and of the date it came into effect. It also prohibits a challenge to the validity of the procedures followed in making a contributions plan unless it is commenced in the Land and Environment Court within three months after the plan came into effect. The effect of anything duly done under a plan before it is amended or repealed is preserved. In conclusion, councils' powers to obtain developer contributions are extremely valuable. Indeed, without such powers councils would find it impossible to respond to the needs generated by new developments in their area. However, the key issue in the successful operation of section 94 must be the accountability, both public and financial, of local councils. The changes I propose will offer much greater accountability and will ensure that this important area of councils' powers is redefined to permit effective use in the future. I commend the bill to the House.

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

BUDGET ESTIMATES AND RELATED PAPERS

Financial Year 1991-92

Debate resumed from 19th November.

The Hon. ELISABETH KIRKBY [10.50]: Before I continue my remarks on this year's Budget, I should like to bring to the attention of the House two pieces of information relating to the portion of my remarks on the Budget which deals with health. Last week when I was speaking on the Budget I criticised the health allocations. I criticised particularly the number of hospital beds to be cut by the Government. At that time I was not aware of a particular service to be cut - the Royal Prince Alfred Hospital

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sleep disorders unit. The cutting of that service is relevant to what I said last week. Many members of this Chamber and members of the public may possibly think that a sleep disorders unit would not have a very high priority in terms of health care.

Attention has been focused on the sleep disorders unit at Royal Prince Alfred Hospital because of the cuts being ordered by the Government. According to Professor Colin Sullivan, 35 beds in surgical and medical wards will be closed. As he is in charge of the sleep disorders unit, he is the person from whom advice should be sought as it is obvious that he would know what he is talking about. He believes that the cutting of 35 beds in surgical and medical wards will seriously undermine the care of patients with respiratory failure, cystic fibrosis, severe asthma or sleep apnoea, a disease of heavy snorers. At the beginning of this month 17 beds used by his unit had already been closed. The reason the closures will cause danger to patients in the sleep disorders unit is that they will prevent adequate patient care as night monitoring of patients could not be carried out. Professor Sullivan put it in these words:

This closure is a disaster for us. We need to have the area for managing patients' breathing at night . . . [Patients are] on treatment devices that require supervision, so it's not possible to manage them at a remote location.

He went on to explain:

Our unit -

That is the one at Royal Prince Alfred Hospital:

- is unique - there is none other like it in Australia.

He continued:

. . . it seems rather stupid to put at risk such a facility which really has national importance.

I believe it is important to place those remarks on the record because the closures seem to me to be indicative of what the Government is now trying to do, and that is to cut costs in every possible way. The cuts are being made on behalf of the Government and the two relevant Ministers by bureaucrats who do not understand the significance of the types of beds being closed. Because of the air pollution summit that was held earlier this year, at the instigation I may say of the Premier of this State, it has been well documented that more people in New South Wales now suffer from respiratory disorders, in particular asthma, than ever before.

The Hon. J. F. Ryan: And mostly in the western suburbs.

The Hon. ELISABETH KIRKBY: And mostly in the western suburbs, as the Hon. J. F. Ryan has said. If they are to receive specialist treatment, it will possibly be necessary for them to attend a specialist unit, even if that specialist unit is not in the western suburbs. As I said last week, there is absolutely no point in closing beds in the eastern suburbs before the new beds have been opened in the western suburbs. It is well known and it is documented that the teaching hospital for the western suburbs, Westmead hospital, is already grossly overcrowded. Equally it needs to be placed on the record that there is a very high level of respiratory disease in Wollongong. The Illawarra region certainly does not have the facilities to deal with such people in specialist units.

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I should also like to point out that there seems to be an inequity in the use of government money. The State Government apparently decided that it would counter the advertising campaign that was mounted in New South Wales against the Industrial Relations Bill by the Labor Council of New South Wales. The New South Wales Ombudsman, Mr David Landa, has now been asked to investigate whether or not the State Government wasted at least \$50,000 of taxpayers' money running a political campaign against the Labor Council of New South Wales. I do not know how long we will have to wait before the result of the Ombudsman's investigation is known. However, I do know that although \$50,000 is perhaps not a large sum of money in terms of an advertising budget, it is certainly far less than the Tobacco Institute and the tobacco lobby are spending on their present campaign against the bill introduced by Reverend the Hon. F. J. Nile.

Reverend the Hon. F. J. Nile: It might be \$6 million.

The Hon. ELISABETH KIRKBY: By way of interjection, Reverend the Hon. F. J. Nile has said that he believes the tobacco lobby will spend at least \$6 million. That is probably true because I have been advised that that is exactly the sum of money the tobacco lobby spent when legislation similar to that proposed by Reverend the Hon. F. J. Nile was introduced in Western Australia. Of course, Western Australia has a far smaller population than New South Wales and, therefore, could not possibly have the same number of people suffering from smoking induced diseases as New South Wales. To return to the point I was making originally, it seems obvious that the State Government is able to find \$50,000 to mount a campaign against the Labor Council but is not able to find a variety of smaller sums of money to assist people in need.

Only a few weeks ago I received a letter from a group calling itself Parents for Special Education from Bega on the South Coast. A representative of that group told me that it was trying to raise funds for the installation of an air cooling unit in each of the special classrooms at Bega primary school. These classes cater for children with a variety of intellectual and physical disabilities of varying severity who reside between Eden and Kiama. The classrooms in which these special needs children are taught are portable buildings and become extremely hot and unpleasant during the summer months. Honourable members will appreciate that some of these children who have to be taught in these rooms are immobile. They are confined to wheelchairs and some are even unable to communicate their need for fluids or indicate any discomfort they may be experiencing.

It is uncomfortable in hot weather for other children, for teachers, for voluntary helpers and for therapists who provide the occupational therapy and physiotherapy in these rooms. The letter was written to the Minister for Education by the group of parents, saying that they needed \$8,000 to buy cooling units for these particular classrooms. They pointed out that the cooling units have to be of a particular type to cater for the allergy and immobility problems of the children; the units, apparently, also have to fall within the guidelines of Department of School Education requirements. The parents obtained a quote from a heating and solar engineering firm in Bega. Had they been able to buy the heating units on 5th September, 1991, the total investment would have been \$8,258. The managing director of the firm stated, "The above price will remain firm for 60 days". But what has happened? The State Government, which can easily spend \$50,000 on a campaign against the Labor Council of New South Wales, cannot find \$8,000 for children with special needs. The Department of School Education wrote back to the president of Parents for Special Education and said:

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You would appreciate that it is not policy to air condition schools east of the 33 degree climatic isotherm. Communities can however undertake projects to support their schools such as ground improvements or equipment and air cooling is included in the latter group.

The Assistant Director-General has indicated that it would be appropriate to support such a community project on a \$1 for \$1 basis.

So \$50,000 can be found to fight the Labor Council but \$8,000 cannot be found for children with special needs. The Government is being led now by the economic rationalists who say, as part of their slogan, that they are putting people first by managing better. I do not believe the

example I have just given is indicative of putting people first. These are children with severe disabilities. I can hardly believe that the money would be wasted if it were spent on the children. I should like now to turn to juvenile justice, an important section of this year's Budget, particularly because the Standing Committee on Social Issues has been working on a reference for juvenile justice in this State for some time. Only 10 days ago some members of the committee spent a week in New Zealand studying the system of juvenile justice over there.

Many people forecast the danger of transferring juvenile justice from the family and community services portfolio - the old FACS division of government - to corrective services. It is admitted that general expenditure on law, order and public safety has increased, but that on juvenile justice has been reduced overall by 25 per cent. Recurrent expenditure has decreased 7.2 per cent from \$35.5 million to \$32.9 million, and capital expenditure has reduced by 60 per cent from \$18.5 million to \$7.6 million. It is quite obvious that the need for the previously high allocation for capital works has diminished, even if it could have been justified in the first place, with the building of the Mount Penang secure unit. However, it would have been preferable for funds to have been transferred to constructive community programs to keep young people out of detention. I am worried about what will happen. So far as I can see in the Budget there has not been an increase in expenditure on community based young offender services relative to detention services. If I am wrong in this assertion, I hope the Minister will address this in his reply and explain to me that I am not fully informed. I also find it disturbing to note that staffing for juvenile justice activities, pre-sentence services, diversionary services, services to courts, community education, liaison and service development, and program support have been all reduced.

I agree that there is one positive side to this issue: money for general duties youth officers has been increased by \$500,000. This is money for police officers responsible for the prevention and reduction of youth crime. However, there is confusion about the stated allocation of \$8.5 million for young offenders' supervision. This is the scheme to assist young offenders with education, training and other support services with a view to preventing their long-term involvement in the justice system. However, inquiries reveal that this does not correspond with the \$2.51 million allocation for young offender support, and the \$8.5 million is a general allocation which includes young offender support services or YOSS. I should like to mention expenditure by the Government on justice as a whole. The Government has provided for increases in recurrent allocations to police, corrective services and the courts. However, I believe it has failed to recognise that this will probably increase the number of matters that will be dealt with in the courts. Regrettably the Government has failed to increase the legal aid budget or to introduce specific community based crime prevention initiatives. As I explained earlier, and have done by way of questions over the past few weeks, the provision of adequate legal aid is more necessary now than it ever has been, particularly because we are in a time of recession.

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It could also be argued that an increase in the budgets for police, corrective services and courts shows the Government's commitment to the purely punitive aspects of the justice system. The punitive policies of the Government have meant there are now more than 6,000 prisoners in the State's gaols. As a result of that, recurrent spending on corrective services will increase by 13 per cent. This will be spent on new cells and additional prison officers. The forecast is that 500 more prison officers are to be employed with the force growing from 2,500 to 3,000. Commentators such as Associate Professor Dave Brown of the law faculty of the University of New South Wales believe there is no evidence that a larger criminal justice system will reduce crime. Indeed, the socioeconomic factors of which crime is largely a product have tended to be ignored in the rush to get tough about crime. In New South Wales, according to Professor Brown, the law and order budget has trebled since 1987-88 but the education budget has been cut by 4.9 per cent. That was long before we had an unemployment rate of more than 10 per cent. There is absolutely no doubt that crime

increases in times of high unemployment. It is inevitable that a group of people with no money and who find it very difficult to exist on inadequate social service benefits, particularly if they are young people, will turn to petty larceny, pilfering, bag-snatching and a variety of criminal acts in order to obtain money.

It is disappointing to note that though the prison population has increased, staffing for the development and education of prisoners has decreased. Staffing to assist prisoners to acquire education and life and trade skills will fall from 448 in 1990-91 to 427 in 1991-92. Again, this will have an impact because the number of prisoners being kept in gaols is increasing. I ask the Minister for Justice to specify what proportion of the \$3 million saved each year from restructuring, as was quoted in the *Sydney Morning Herald* of 9th October, will be spent on increasing educational opportunities for prisoners? In addition, what proportion will be spent on increased training for prison officers? It is disturbing that the number of Aborigines in New South Wales prisons has increased by 72 per cent since the Greiner Government came to office. Though the Government has some programs in place to deal with this problem, it appears that these programs are inadequate. They must be reviewed as a matter of urgency, as legislation must be also reviewed: I deal here with the Summary Offences Act.

Because of its shortage of funds the Department of Corrective Services is looking to the private sector to provide services. This year construction will begin on a \$60 million privately operated prison at Junee. I realise that privately operated prisons appeal to a government that is suffering severely from financial restraint, but I would ask honourable members to note that there has yet to be any external evaluation of their impact. Though an extensive monitoring system has been installed at the privately run prison at Borallon, near Ipswich, Queensland, there has as yet been no independent appraisal of that facility. I visited Borallon and I was most impressed by that regime but at the time of my visit it had been in existence only for about 18 months. It is a little too early to decide whether it will meet the needs of both the community and the prisoners who are sent to that facility. The firm that installed the monitoring system at Borallon tendered unsuccessfully for the Junee contract, so there is no guarantee that the Junee prison will be run on similar lines to that of Borallon. Therefore there is even less likelihood of our knowing for many years how valuable the training and regime will be in the privately run institution at Junee. The bottom line in this Government's corrective services policy is a simplistic solution - get tough and save money. The rehabilitation of prisoners does not appear to be a prime consideration. Though the non-custodial sentencing options appear to be part of the Government's strategy, the prime motivation has been to save money and deal with our massively overcrowded gaols rather than make programs work and attempt to rehabilitate prisoners.

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The periodic detention program is in a state of chaos. There are absentee rates of up to 40 per cent, and this figure was revealed in the confidential audit that was published in the *Sydney Morning Herald* of 30th October. It was pointed out that the lack of competent management and resources is responsible for the absentee rate. I ask honourable members to note that about two per cent only of the corrective services recurrent budget is spent on post-custodial services, and that grants and subsidies for prisoners' aftercare have fallen from \$543,000 in 1990-91 to \$507,000 this year. A faxed message that I received from the office of the Minister for Justice revealed that community grants allocations were also cut from the 1989 and 1990 allocation. For example, the allocation to the St Xavier's neighbourhood centre at Goulburn has been reduced by \$4,000, from \$14,000 to \$10,000, in this year's budget. That centre is necessary because of the maximum security facility at Goulburn. The allocation for the Grafton Women's Refuge, which assists the families of prisoners in Grafton gaol, has been halved. The community group known as Our Lady of the Snows and Underprivileged People's Association has also had its allocation reduced. The Bathurst Emergency Accommodation service has had its allocation cut by one third.

If individuals are to gain anything after being imprisoned, that gain will come about only if prisoners can keep in close contact with and have the support of their families while they are undergoing their sentences. If the support services that assist women and children to be near and visit prisoners frequently are to be cut, people who must travel from Sydney or from the Far West of the State to visit their relatives in either Grafton, Goulburn or Bathurst prisons will be disadvantaged and those visits inevitably will be curtailed. That will not assist the rehabilitation of prisoners. Being cut off from family life is one of the worst punishments that can be imposed on anyone. It has been documented that prisoners have great difficulty readjusting to normal life once they have been released. Aftercare services require enormous expenditure and support. Prisoners need support in finding employment and accommodation. Very often they return to a life of crime for want of a better alternative. It is appalling that in 1991 a government can incarcerate criminals and leave them with little support after they are released from gaol at a time when many of them are trying to go straight. In the past two days I came across two articles which I believe are relevant to this budget debate. The first is an article that appeared in the *Economist* of 1st November. The article dealt with a remark made by a Democratic candidate for America's presidency in 1896, almost 100 years ago. As part of his campaign that candidate said, "You shall not crucify mankind upon a cross of gold". Regrettably this is what is happening with economic rationalism. Mankind is being crucified in this State at a time of high unemployment by reducing support services for the least privileged in society.

Several months ago, like many other honourable members, I made a donation to the Parliamentary Library for the purchase of books. During the past few days the Acting Parliamentary Librarian sent me a copy of the book *Rogues and Vagabonds*. The book is about the vagrant underworld in Great Britain from 1815 to 1985. It makes very depressing reading. It shows that during this 170 years in Great Britain very little progress has been made, as there are people still regarded as rogues and vagabonds. The book quotes what happened in Great Britain more than 100 years ago. At that time a contemporary police register was kept of pickups, that is people found in the streets. The register contained references such as "found deserted by parents", "found destitute and ill in the streets", "found in the streets in a state of insanity". That is happening now, at least in Sydney, Newcastle and Wollongong, if not in our bigger country towns. The last chapter of the book deals with loitering, and quotes in 1978 a member of the House of Lords having said:

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All sorts of people loiter because they have nowhere to go. Badly housed people loiter in public places because they do not like staying inside. Children after school loiter. Teenagers loiter. Window shoppers loiter. People waiting for buses and taxis loiter. Yet there is something dirty about the word "loiter". No doubt it was originally used to describe people considered to be the riff-raff of society in the nineteenth century, and all too easily it can now be used to describe those who are thought to be riff-raff by the enforcers of the law.

Unfortunately in 1991 that word is still being used in this State. Concern has been expressed by law enforcement officers, law enforcement agencies and many people in the community about the number of young people who loiter, who hang around pool halls, video arcades and generally around the streets of Sydney, George Street in particular, and some of our major suburbs. They loiter because many of them - far too many of them - have nothing else to do. The rate of youth unemployment is higher than the adult rate, and many youths have no jobs. They are not able to receive further training. Many of them are so disillusioned because of the growing waiting list for jobs that they have decided it is not worthwhile to pursue training, as more often than not it does not lead to a job. For evidence of what is happening one need only have looked at the *Four Corners* program last night about the problems facing young people in the city of Wollongong, one of our major cities.

We are losing a whole generation of young people because no government - whether the Federal Labor Government or the coalition State Government in New South Wales - has really come to grips with the problem of creating jobs. Unless that is done, and done quickly, a generation of young people will have been lost. It is just as dangerous and as environmentally damaging to lose a generation of young people as to lose a colony of bats because of mining in caves where the bats breed, or to lose colonies of endangered animals because of logging in native forests. Both are important issues; both must be addressed. Money must be found to create jobs. It is for this reason that I have been so critical of many areas of expenditure in this year's Budget and in particular of many areas in which this Government has decided to cut support services. Regrettably in looking after the least privileged in our society we seem to be going backwards. We are not going forward.

The Hon. JUDITH WALKER [11.25]: As this is my first opportunity, I should like to welcome the new members of this House, who have all made their maiden speeches. I welcome the Hon. Dr Meredith Burgmann, the Hon. Jan Burnswoods, the Hon. L. D. W. Coleman, the Hon. Patricia Forsythe, the Hon. Jennifer Gardiner, the Hon. D. F. Moppett, the Hon. E. M. Obeid, the Hon. J. F. Ryan, and the Minister for Planning and Minister for Energy. Having listened to their maiden speeches, I was struck by their ability to deliver strong, forceful speeches. The Hon. L. D. W. Coleman was very nervous but spoke in his own language and made his words, and their intent, clear to everyone. I am sure the House appreciates what he said. Before speaking to the Budget, I place on record my gratitude to Sir Adrian Solomons, who as Chairman of Committees and Deputy-President of the Legislative Council was a man without peer. In the seven years that I have been a member of this House, particularly in my early years, I always looked to Sir Adrian as an example and listened closely to what he said. I shall miss Sir Adrian greatly and I wish him well for the future.

I should like to follow up the remarks of the Hon. Elisabeth Kirkby about Royal Prince Alfred Hospital. It is appalling that in 1991 any government, but particularly a Liberal Party-National Party Government, should allow what is happening to Royal Prince Alfred Hospital, one of the greatest teaching hospitals in this State and nation. That centre of excellence is being allowed to die on the vine. I do not know what guarantees have been given to Professor Sullivan about the sleep apnoea clinic. I

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understand that a fortnight ago the Minister for Health Services Management held discussions about the clinic, but no one seems to know what will be its future. The suggestion that it be split between two floors of the hospital is a nonsense. It is the only clinic of its type in Australia. The bean counters who are supposedly in charge of the administration at Royal Prince Alfred Hospital simply cannot get their act together. It is all very well for the Minister for Health Services Management and the Minister for Health and Community Services to tut-tut and wash their hands of this matter; the simple fact of life is that it is their responsibility to ensure that funds allocated to area health boards are utilised in the most beneficial way. Efficient administration should be about delivering the health dollar to the health service, not to the bean counters. That is what is happening at Royal Prince Alfred Hospital and many other hospitals. The money is not being frittered or wasted - I do not suggest that the bean counters are inefficient to that extent - but the bean counters are ruining what could be a very good health service, particularly with regard to the clinic at Royal Prince Alfred Hospital.

I am sure that what is happening at Prince Alfred is happening at other hospitals. It is more noticeable at Prince Alfred for a number of reasons. Its medical board decided to go public to tell the world exactly what was going on. Obviously there is a divergence of opinion between administrators and the medical board. The hospital has to cut its number of beds. A significant problem arises, however, because Prince Alfred is not only a large teaching hospital but also a referring hospital. Hospitals throughout the State send people to Prince Alfred, at no cost to themselves. Prince Alfred hospital picks up the tab. If the budget for Prince Alfred is overrun because of that fact, surely the bean counters could develop a system to ensure that

the hospitals that refer patients would be charged a fee for the time that those patients are at Prince Alfred hospital. Obviously, because Royal Prince Alfred Hospital is a centre of excellence, patients from Liverpool and elsewhere will be referred to it. Irrespective of what the Minister for Health Services Management and the Minister for Health and Community Services say, a better system could be developed without constraining services and cutting back on the number of hospital beds. If the Government believes that Alan Jones is ratting on it about Prince Alfred hospital, I assure it that he is not. He is trying to show the Government where it has gone wrong. The sooner a bomb is put under the bean counters and the administrators the better. During the past 18 months the number of administrative staff has increased from 1,100 to 1,500. Why so many are required is beyond my comprehension, especially when computer systems are being installed. It does not make sense, and the health dollar is not being delivered to areas of most need.

I shall inform honourable members of how drastic things are at Royal Prince Alfred's Page Clinic. At that clinic there is only one toilet and shower for women and another for men on each floor. Those facilities are shared by staff and patients. Should such basic items as thermometers be broken, replacements are difficult to get. One cannot even get a toilet roll at that clinic. I know because I was a patient there for 2½ weeks and I had to pilfer toilet rolls from the floor above. When I asked why problems existed with regard to such basic items I was advised that the warehouse had been transferred from behind the hospital to Alexandria. One wonders why such a decision was made. I was advised further that the Government will build a private hospital on the site previously occupied by the warehouse, directly behind the hospital. Is that regarded by the Government as being efficient?

The Hon. Helen Sham-Ho: You said you wanted more hospital beds.

The Hon. JUDITH WALKER: I am talking about the rundown of services in a major teaching hospital. I will not wear the argument that the Government has transferred the health dollar to Liverpool and similar areas. That is nonsense. That has not occurred. The previous Labor Government commenced the transference of beds to

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the west for the good reason that that is where the population is. If the Government is continuing with that policy, that is fine. It was the previous Labor Government which suggested that Liverpool Hospital should become a teaching hospital.

The Hon. J. F. Ryan: It was not.

The Hon. JUDITH WALKER: I beg your pardon. I suggest that the Hon. J. F. Ryan check the facts. It is nonsense to suggest that the concept of beds to the west has been supported in the past three years by an injection of funds from this Liberal Party-National Party Government.

The Hon. J. F. Ryan: Labor talked about beds for the west. This Government has taken beds to the west.

The Hon. JUDITH WALKER: Labor took beds to the west. The problem remains, however, that there is in the middle of our city a major teaching hospital. That cannot be moved elsewhere. In any event, why would one want to move it? If beds at Prince Alfred become fewer, to what hospital will patients be referred from other hospitals throughout the State? I shall tell honourable members what happens in such cases: people die. Does the Hon. J. F. Ryan think that is funny? He is a chipper young man but he has a lot to learn. He is still wet behind the ears. It is a shame that there is not a Sir Adrian Solomons in the Chamber to explain to him the meaning of life. Last week when two patients attended on referral to Prince Alfred Hospital they were informed that there were no beds available. One of those patients has since died, the other is seriously ill.

The Hon. J. F. Ryan: That is not true.

The Hon. JUDITH WALKER: It is true, and the honourable member knows it is true. He has no evidence to suggest that what I have said is not fact. The honourable member should check the facts before he opens his mouth. A fact of life is that because beds at Prince Alfred are being cut back, doctors and hospitals cannot refer patients there and, consequently, patients are dying. If that is the fault of the bean counters, I suggest that the Minister for Health Services Management and the Minister for Health and Community Services get off their butts and do something about it before more people die. I shall now address some comments made by the Hon. Dr Marlene Goldsmith in her contribution. I am sure she would be most disappointed if I did not refer to some of them, including Moody's triple-A rating and political instability. When the previous Labor Government lost the election in 1988 New South Wales had a triple-A rating. It also had a budget surplus. In 1991 some problems have arisen with regard to that triple-A rating. The Hon. Dr Marlene Goldsmith suggested that the international investor service agency Moody's is concerned because of the political uncertainty confronting the present coalition Government. She said:

What was meant by the phrase "political instability"? Did it mean that New South Wales was subjected to a general strike which could do nothing but adversely affect the economic climate of the State? In other words, is New South Wales about to have its triple-A credit rating threatened because of the irresponsible actions of the Labor Council last week?

I remind the honourable member that the so-called "irresponsible actions of the Labor Council" were to postpone the general strike for a week to enable the New South Wales Olympic Committee to entertain the visiting International Olympic Committee. The Labor Council and every worker in New South Wales did not want to send the wrong

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message to the world. The message was not that it was wrong to strike for what workers believed in; they did not want to cause any problems for this struggling Government in its attempts to attract the Olympic Games to this city. It was a responsible action.

[*Interruption*]

The Hon. JUDITH WALKER: At least we will stand up for what we think is right, which is a damn sight more than I can say for the Greiner Government, which caved in to the lawyers without a blow being struck. The political instability referred to by Moody's has nothing to do with the trade union movement; it is the instability of this Government, which is in such a parlous state that Dr Metherell has crossed the floor and the Government has been forced to do a deal with the Independents. That is an example of the political instability that has been inherent in this Government since May. The trade union movement has not created political instability. The Government was able to force the industrial relations legislation, which was five years in the making, through the Parliament only because it cleverly removed from this Chamber the Hon. Marie Bignold, the Hon. Judith Jakins and the Hon. Mick Ibbett. Had those members not been retrenched from the upper House the legislation would not have been passed. Had the Hon. Marie Bignold still been a member of this House, the Industrial Relations Bill would have been sent back where it belonged in amended form. The sensible amendments of the Opposition would have been accepted -

The Hon. Dr Marlene Goldsmith: I thought the Hon. Marie Bignold was supposed to be an Independent member. Does the honourable member suggest that she would have voted along the Labor line? That is interesting -

The Hon. JUDITH WALKER: The Hon. Marie Bignold did not vote along the Labor line. The Hon. Marie Bignold was intelligent enough -

The Hon. J. F. Ryan: She did not vote.

The Hon. JUDITH WALKER: She did vote.

[Interruption]

The DEPUTY-PRESIDENT: Order! The Hon. Judith Walker has the call.

The Hon. JUDITH WALKER: The Hon. J. F. Ryan was not in the Chamber when the previous industrial legislation was before this House. The interesting part is that the Hon. Marie Bignold took the trouble to read the legislation, check the amendments and seek advice from a whole range of people as to the efficacy of that legislation.

[Interruption]

The DEPUTY-PRESIDENT (The Hon. Beryl Evans): Order! There is too much audible conversation in the Chamber. I ask the Hon. Judith Walker to return to discussing the Budget.

The Hon. JUDITH WALKER: That the Hon. Dr Marlene Goldsmith should blame the Labor Council for political instability in this State is absolute nonsense.

The Hon. Dr Marlene Goldsmith: The Hon. Judith Walker did not read the rest
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of my argument.

The Hon. JUDITH WALKER: I have read many of the honourable member's arguments. Staff cuts are occurring in all hospitals. I am deeply concerned about the number of nurses who are graduating but will not be able to get jobs within the public or private health system. It is a sad indictment that these women -

The Hon. J. F. Ryan: And men.

The Hon. JUDITH WALKER: - and men, professionally trained in today's technology, will complete their training and not be able to obtain employment in nursing. Anyone visiting a major teaching hospital will notice a severe shortage of staff. The Government has not specifically told administrators to cut back on staff but administrators make decisions as to where the money should be spent. The Government should take special care to monitor how the administrators are spending its dollars. I know the Government does not have endless amounts of money and has increased the health budget, but many shortfalls exist in the area of health. I feel sorry for those men and women who have studied for the past three years only to learn that jobs will not be readily available to them.

Another matter I am greatly concerned about, but which I have not previously addressed in a budget debate, is corrective services. What has occurred in corrective services over the past three years has been nothing short of a disaster. The prison population has increased by 43 per cent. It is true that the main reason for that increase is the truth in sentencing provisions introduced by the Government. Unfortunately, some policies adopted by the former Minister for Corrective Services, the Hon. Michael Yabsley, have caused serious problems. Last year a large amount of money was wasted when the prison system erupted because private possessions, including wedding rings, were removed from prisoners. No one has come to the forefront with the real cost of that decision to the whole prison system. There have been guesstimates or estimates of \$30 million worth of damage to the prisons of New South Wales.

The decision to confiscate the personal possessions of prisoners arose from an overseas trip by a retiring assistant commissioner, Mr Nixon, who returned from the United States with what he regarded as an excellent idea. Mr Yabsley put this policy into practice and all hell broke loose. The problem was so serious that the Hon. Nick Greiner had to come to the rescue and restore some common sense to the prison system. He returned prisoners' wedding rings and other possessions. No one is suggesting that prisoners should be given toffee apples and bags of lollies, but that policy was wrong and resulted in a sad waste of money. The problem is that the Government is in a bind with more than 6,000 inmates in the system. It is overcrowded and conditions are worsening. Because of the severe overcrowding of existing prisons, an increasing number of people are being held in cells attached to police stations. This is most unsatisfactory. As well, cutbacks have been implemented to the official visitors program. That is sad because prisoners need official visitors. Some horrifying things have been occurring, particularly to women, in Sydney Police Centre cells. No provisions are made for women at any of the police cells, but the position of the relatively new Sydney Police Centre is even worse.

Recently a woman being held in the Sydney Police Centre needed medical care. The police stationed there simply did not have the time to care for her and no doctor was available. It was only because an official prison visitor who happened to visit the cells that night became aware of the problem and took the matter up with the appropriate

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people that help was provided the following day. However, the woman, who had insufficient clothing, spent a very cold, uncomfortable and painful night in the cells. By cutting funds the Government is causing many problems. A prisoner in a cell awaiting trial or on remand is innocent until proved guilty. More prisoners are on remand in New South Wales than in any other State in Australia, and 78 of those remand prisoners have been in custody for nearly 12 months. No Government should ever forget people's rights and civil liberties. This situation is a disgrace. Only last week the Ombudsman reported to the Parliament indicating that Campsie and Newtown had the worst custodial facilities. No police station is crash hot but something should be done immediately to try to rectify the matter. There must be more suitable accommodation for prisoners on remand than outdated, substandard cell blocks.

The Budget capital works program has been sadly diminished. This year's Budget does not provide sufficient capital works to make a dent in unemployment. Major works in progress for the Police Service have been completely scaled down. Police accommodation in many areas is appalling. Some police stations should be completely demolished. This year's Budget provides for a refurbishment of the Sydney Police Centre. The only other police stations to have any renovations carried out are Wollongong, Hornsby, Bathurst, Albury and the joint emergency centre complex at Hurstville. The remainder of the money is set aside for electronic and or computer work. The Minister for Police and Emergency Services should speak to the Premier, Treasurer and Minister for Ethnic Affairs about allocating more funds for renovations of police stations round New South Wales.

The Hon. R. T. M. Bull: From where?

The Hon. JUDITH WALKER: The Hon. R. T. M. Bull asks from where, but there is no doubt in my mind that money is available in New South Wales. It just depends on how it is spent. Should we be spending millions of dollars on consultants when the State's senior public servants should be capable of doing most of the work required of those consultants. One of the greatest sleight-of-hand tricks of the Government since it has come to office has been to remove from its payroll thousands of State workers, and thousands more are to go. People are being made redundant in every area of endeavour - in the railways, the Roads and Traffic Authority, the State Transit Authority, the ferry services and hospitals. Hospitals are not hiring graduate nurses but are hiring contract nurses from employment agencies. The Government wants to reduce the number of State workers to avoid salary on-costs. That is what it is all

about. The Government insists on shedding not its executive-style employees but those who might be called workers in the lower orders of the public service.

The Government has made practically a clean sweep through some areas of employment. Railways staff have been cut throughout New South Wales, especially in country areas, and some country towns have almost been closed down as a result. Country people are not happy with what the Government is doing, in particular, to the railway system. How can a railway system be regenerated in good times if its infrastructure is destroyed in lean times? The Government must realise sooner or later that hospital services will be severely diminished if hospitals refuse to employ nursing staff to avoid salary on-costs such as workers' compensation, holiday pay, long service leave and superannuation. I do not suggest that health workers hired on contract through private employment agencies are less than professional but they do not have the same loyalty to a hospital as a nurse who has been trained and given employment at that hospital.

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An interesting and graphic photograph of the honourable Nicholas Francis Greiner carries a caption that says, "If it is redundancy you are after we are the only ones for the job". It is a shame that cost restrictions on *Hansard* prevent that photograph and caption being incorporated. What the caption says is true; if a worker in this State wants redundancy, the Government will give it. Alarmists possibly blame the Federal Government for the so-called recession - or depression as the Minister for Police and Emergency Services says - that we had to have. The Federal Government did not create the recession; the whole world is in a recession. Australia has been a nation of big spenders and now we have to pay the piper. For the past seven years programs have been developed to try to pay that piper. Most important, inflation has been reduced to put value back in the dollar. Now is not the time to institute job creation programs throughout Australia. We must constrain ourselves, hold the line and encourage business to hire people to promote the economy, and stop talking the economy down. The New South Wales Government should be doing exactly that. If the Premier, Treasurer and Minister for Ethnic Affairs is such a good money manager, he should be able to talk business up, not down, in this State.

The Hon. E. P. Pickering: New South Wales had the lowest level of unemployment in the country. What other measure would you prefer?

The Hon. JUDITH WALKER: The Minister should realise unemployment in New South Wales is steadily getting worse, especially for young people.

The Hon. E. P. Pickering: As it is in the rest of the industrialised countries.

The Hon. JUDITH WALKER: Next year the level of unemployment will be worse owing to the number of TAFE places that have been cut.

The Hon. E. P. Pickering: That is pure nonsense; the facts are quite the contrary. We will stop the wine appreciation course and let young people learn how to be fitters and turners. The honourable member does not know what she is talking about. We will stop the nonsense and offer real education to real people wanting to do real jobs.

The Hon. JUDITH WALKER: The Minister for Police and Emergency Services is trifling with a most important topic. The former Labor Government did not set up the TAFE wine appreciation courses.

The Hon. E. P. Pickering: Yes, it did. It set up all those mickey mouse things. It was good at mickey mouse things.

The Hon. JUDITH WALKER: The Minister makes ridiculous and puerile statements but ignores the fact that the Government is retrenching many people.

The Hon. E. P. Pickering: They have all got jobs out in the private sector.

The Hon. JUDITH WALKER: They have not got jobs in the private sector. People made redundant need to do something to improve the quality of their lives, given that the Government has destroyed their lives.

The Hon. E. P. Pickering: By cutting out courses on wine appreciation, or how to buy Christmas presents?

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The Hon. JUDITH WALKER: Why should people not undertake courses on wine appreciation, how to buy Christmas presents, or any other interest?

The Hon. E. P. Pickering: Young boys in the community want to become fitters and turners.

The Hon. JUDITH WALKER: The Government will not be able to pull the wool over everyone's eyes by suggesting that TAFE courses will be cut but will be available elsewhere. The Government's restructuring program has gone bad and has cost about \$30 million. As a result, 300,000 hours must be cut across the board in New South Wales. The Minister for Industrial Relations and Minister for Further Education, Training and Employment, the responsible Minister in the other place, is in a blue with his counterpart in the Federal Government. I advise those Ministers that they should sit down and use their mouths. If the State Minister is as good as he says he is, he should be able to negotiate a better deal for New South Wales and more money for TAFE so that young people coming out with the higher school certificate will not be turned away from courses in their thousands. Most of those young people will not be seeking to take courses on wine appreciation or how to buy Christmas gifts; they will be trying to undertake business and trade studies but will not be able to. That is not a figment of the imagination but a cold hard fact of life. The Minister for Police and Emergency Services knows that well but chooses to be flippant. This week there will be a full moon. Every full moon the Minister becomes flippant. The Minister has an amazing likeness to a creature from the past.

The Hon. E. P. Pickering: Albert Einstein, Bob Menzies?

The Hon. JUDITH WALKER: The Minister should not be flippant about education and jobs and sacking or retrenching people over the age of 45.

The Hon. E. P. Pickering: The honourable member has only one supporter who has bothered to listen to her.

The Hon. JUDITH WALKER: My colleagues listen in spirit upstairs. I do not need their physical presence in the Chamber. I am not blaming the Minister for Police and Emergency Services for the mess that TAFE got into through a restructuring that caused absolute mayhem and lost a lot of money. The Government must rein itself in and not misplace funds. Money is available but is not being delivered on the ground in health care or a range of other valued community services.

The Hon. E. P. Pickering: That is nonsense. Where is the money going if not to those services?

The Hon. JUDITH WALKER: The Minister for Health and Community Services has concluded that areas of family and community services need to be reconsidered for funding. I wish him well. The Greiner Government will be finished if the Minister for Health and Community Services does not apply his brain power to health and ensure delivery of health dollars to hospitals. I do not suggest that I want the Government to stay in office. Labor has good reason to expect to attain office.

The Hon. E. P. Pickering: You will be waiting a long time.

The Hon. JUDITH WALKER: Unless the health dollar is delivered more effectively, on the ground, more people will die and the Government will be to blame.
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The Minister should not be flippant about that. It is a sad indictment of the Greiner Government that these things are occurring in New South Wales. Given that much of what I proposed to say has been said before, I shall conclude by saying that I am deeply concerned about the future of the work force in New South Wales because of the new industrial relations legislation. I understand that the Minister in the other place believes that the new legislation will give New South Wales a better economy and the opportunity to make better arrangements. I counsel the Government to be very careful. On a number of issues it has promised to set up committees to vet all of these things. I hope it does so. I remind the Government that no feedback has been made available following the introduction last year of the new Mental Health Act. I am concerned for people who have now come under the Richmond scheme and are not receiving adequate care. That is another area in which money is not being delivered at the bottom level. I counsel the Government to be extremely careful.

The Hon. E. P. Pickering: Who introduced the Richmond scheme?

The Hon. JUDITH WALKER: It is not a question of who introduced it. People have been put into the streets and are suffering because of a lack of care and support services, particularly as a result of the Richmond scheme.

The Hon. D. F. MOPPETT [12.1]: I speak in this debate to support the Budget wholeheartedly. I shall use my best endeavours to give a ringing endorsement to the Government not only for the immediate provisions of the Budget but also for the overall strategy and responsibility of the Government in managing the State's finances. That leads to a consideration of the grave importance of managing this State responsibly within the context of the nation. Before going to that, I take advantage of the conventions that surround these debates and add my compliments to the new members of this House for their contributions recently completed in this and other debates. To those members who were inducted into the Parliament at the same time as I made my return to this place - the Hon. Patricia Forsythe, the Hon. Dr Meredith Burgmann, the Hon. Jan Burnswoods, as well as the Hon. John Ryan and the Hon. Jennifer Gardiner - I reaffirm the welcome that I was able to offer in an earlier speech. On this occasion I congratulate each and every one of them on the speeches they presented to the Parliament in their maiden contributions. Those speeches were, as many honourable members have said, thoughtful, individual and reflected great credit on each of those members.

For fear that repetition may attenuate the sincerity of what I have to say to those members, I shall not go into the detail of what they said, or expand on my congratulations, except to refer particularly to the Hon. Jennifer Gardiner and thank her for her reference to me in her contribution. It gave me much pleasure to hear her speak so competently. She gave notice to other honourable members - and it will become apparent to the wider public as the content of her speech is made known - of the extent of her interest and capacity to serve the people of New South Wales through this Parliament. I join with her in recording my sincere appreciation and admiration for the contribution that our former colleagues, the Hon. Sir Adrian Solomons, the Hon. Richard Killen, the Hon. Jack Doohan, and although perhaps not strictly entitled to the term any longer except in all of our hearts, the Hon. Judy Jakins for the contributions they made to the Parliament and a wide diversity of communities, certainly primarily in the country, but in the wider community of New South Wales. They are wonderful people. It is always worth while to reflect on a contribution that is of such a prodigious nature.

Two other honourable members joined this House after that group. I extend my welcome to the Hon. Lloyd Coleman and the Hon. Eddie Obeid. They became members
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as a result of casual vacancies caused by the retirement of Sir Adrian Solomons, on the one hand, and the Hon. Jack Hallam on the other. To the Hon. Lloyd Coleman I say how much I appreciated his comments to the House, particularly the deep sincerity with which he spoke about rural matters. To the Hon. Eddie Obeid I offer congratulations on an extensive, well thought-out, challenging and stimulating speech. Of the two of them together one might remark on how significant it was that, on the one hand, the Hon. Eddie Obeid looked to those years in the middle seventies as ones of political inspiration, whereas the Hon. Lloyd Coleman was able to come down to the pragmatic realities of how the financial management of our nation during that period brought about great hardship in various areas of the community, and perhaps sowed the seeds of the difficulties to which honourable members have referred in speaking to the present State Budget. I should like to indulge in this ambience of magnanimity and non-partisanship that exists in the Budget Debate to offer sincere words of encouragement to the Opposition and the Australian Democrats in this House. I regret that throughout the debate the attendance of members of the Labor Party particularly has been fairly sparse. That reflects the importance they attach to the Budget.

The Hon. J. F. Ryan: It is typical that almost no Opposition members are present.

The Hon. D. F. MOPPETT: That is so. At times I have noted that no members of the Labor Party have been present in the Chamber during debate on the Budget. I offer these words of encouragement without any facetiousness, but very sincerely. I believe that the members of the Labor Party particularly, but also the Australian Democrats, must stir themselves and enter into contemporary debate on the financial affairs of this State and nation. Though it might seem obscure to those of us who are closely involved in the operations of government, it must be true that somewhere along the line the old maxim will apply: that this Government cannot operate at peak efficiency without a vigorous Opposition. It is sad to say that not only in this debate but throughout the life of this Parliament we have lacked that vigorous opposition from the Australian Labor Party to keep the Government on its toes. It is a sad reflection - and I say this in a completely non-partisan way as a dispassionate assessment of the facts - that members of the Australian Labor Party when in government were nothing more than delinquents in charge of the finances of the State. In opposition they have reverted to being economic mystics and financial dilettantes. That will not serve the interests of the State at all well. Again at this time only one member of the Labor Party is in the House, but I hope the other members are listening in their rooms and will read my remarks in *Hansard*. They must be reminded to prepare themselves for the remote possibility - no matter how remote it might be - that they may return to government and will have to face the realities of running the State and its financial demands.

As I mentioned, it has been rather disappointing for the public that during questions in the House and questions before the estimates committees Opposition members have been slow to get their act together. They have been generally lethargic in their questions to Ministers, spasmodic in their focus, and the interest they have shown in financial matters has been at best desultory. This cannot help the good government of our State. I am reminded that during one of the debates the Deputy Leader of the Opposition entertained honourable members, I suppose to be fair, in talking about freehold title, by making extensive quotations from a copy of the *Sydney Morning Herald* of the last century. In its place that would have been quite okay, but the difficulty when it comes to economic matters is that the same references seem to be used. One can almost imagine Australian Labor Party members coming into the House with a crumpled and yellowing copy of the *Financial Times* tucked in their back pockets, hoping to find

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some inspiration to be able to enter into the debate, which has been so singularly stolen from them by the entry on to the Government benches of the Liberal Party and National Party back in 1988, and particularly the far-sightedness and competence of Nick Greiner as our Treasurer.

The Australian Labor Party is almost like Rip Van Winkle; it has suddenly woken up after a long sleep and is bringing back into this House the slogans of another time. I sincerely appeal to the Australian Labor Party to shed that superficial approach to politics and to get involved in the pressing difficulties that confront our nation and this State. Honourable members can no longer look forward to tuning into another episode of "Blue Hills", or when the Australian Democrats have time to attend the House to imagine that May Gibbs' characters have come alive and are here to entertain them with totally unrelated arguments about the Budget and the direction in which the State must travel. I remind honourable members who are present to follow my remarks today of the old but true aphorism that government is finance and finance is government. If a government cannot control the finances of a State or Commonwealth, it will be thrown out. Its primary job is to convert the aims and aspirations of the community as it perceives them into financial terms so that they can be carried out in an orderly way without totally destroying the economic fabric of our community, which I should remind honourable members is much more a phenomenon of the private sector than it is of the government sector. Large as State and Commonwealth budgets are in aggregate, the reality is that the welfare of the community rests on the economy outside the government sector, and it is vital that the State Budget and those of other governments are in harmony with the economy of the nation as a whole.

I said that I wanted to endorse the budget measures and to speak about the wider context in which the Budget is set. I should like particularly to focus on three broad subjects. I wanted to talk about the budget strategy and the approach of this Government to the crisis confronting the State. I want briefly then to pick out some highlights of the provisions contained in the Budget, if for no other reason than to refute some of the specious claims and fatuous propositions Opposition members have put in their contributions, and to deal with a few of the highlights as I see them - though it will not be possible for me to do that exhaustively. I propose to address myself to what I think is the most serious subject in relation to State budgets, not only in this State but in other States, and that is the structural imperfections of the financial relationships between the State and the Commonwealth.

First, I turn to the budget strategy, which other speakers have referred to, but I think it is worth amplifying at this time in terms of the trilogy that I propose to speak about. I congratulate the Government and the Treasurer on moving from the old style of incremental budgeting - the previous year's estimates up or down a little here or a little there, a nudge here, a push there, a wink to some group that may have been able to develop some pressure, but basically being steered along, almost like some uncontrollable, gigantic elephant that can be only marginally changed at any one time in its course and direction. The Government has moved away from that position where every single function of government is brought out into the light and examined and critically analysed. On the one hand, it may be said that the

approach of the Liberal Party-National Party Government has been cautious and conservative, but that is true only in so much as those words are synonymous with the words prudent, responsible and apposite. In reality, the Government could equally be described as audacious, daring and bold in its sweep of response, and I believe the only option available to this State is to accept, adopt and pursue the budget strategy that the Greiner Government has laid out in this and other budgets.

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The sorts of features that I was referring to that make the Budget so commendable are the adoption of three-year planning, not only for the purposes of the Government, but publicising it so that members of the Opposition, and even the Australian Democrats, can try to get some sort of cohesiveness in the arguments they develop. I commend the Government for adopting the format of the government finance statistics conventions, which enable financial reports and financial budgeting to be compared on a State-by-State basis. Accrual accounting has been introduced gradually, and that will give those who wish to study the subject a truer picture of what is being voted in budgets and what has been spent when one looks retrospectively at the results. It is worthy of note that the Government has adopted a net basis for appropriation so that honourable members do not have to listen to long-winded explanations of what was carried over from last year and the various adjustments to learn what the Government is providing in appropriations for certain provisions.

I turn now to look at the overall objectives that the better accounting and management techniques have been directed towards. Other speakers have said - and it is worthy of repetition - that the Government has set out to constrain the debt trap in which it found itself and to avoid the debt trap syndrome that has marked so many businesses and was a feature of the outlook of many State governments in framing their budgets for this year. This country has always been plagued by debt. Not only the tyranny of distance has beset it, but debt has been with us perhaps because many of Australia's first settlers came without gold but, rather, with accoutrements wrought from iron. Therefore, capital has always been short in this country, exacerbating the long-term problem that had been fed by an assumption that the population was going to grow exponentially and the expenditure of one generation could be paid readily by another. The myth has been exploded. That position was exacerbated by the recent credit craze. I do not think one could call it anything other than that.

The Government has set about constraining the debt problem of New South Wales. Its achievements, though modest, have been determined, and it has made progress in that field. The servicing costs in the budget sector have come down from approximately 13 per cent of total outlays to approximately 10 per cent of outlays. I could go into other statistics, but there are more important things that I should touch upon. During the last five years of the former Labor Government the servicing cost of debt in the Budget rose by 20 per cent a year. Averaged over those five years, each year 20 per cent more of the State's resources were allocated to servicing a ballooning debt problem in this State. It has been marvellous that the Government has been able to stabilise that, turn it round and reduce it. The Treasurer can take great pride and satisfaction in that. A drive for efficiency of operations has taken place.

I was interested to hear an honourable member make derogatory comments about the drive for efficiency of operation, as though the reduction of staff was an end in itself rather than the sad but nevertheless inevitable result of the imposition of standards of efficiency that are common to the private sector everywhere else. There is no use honourable members getting involved in the conversations of people on the street and hearing what they thought of government and employment conditions over the past 25 years and then coming into the House and doing nothing about it. It was becoming a public outrage, and it is wonderful that this Government had the courage to look at every item, to examine each from top to bottom and to apply those productivity targets. Although they have caused some pain, they have

harvested great rewards in freeing up funds for other more necessary, appropriate and contemporary needs for the community.

There has been a critical review of all activities to sort out the core activities that government is on about - the things that people can expect from government and what government can efficiently do. That has been a revolution in thinking. It seemed that

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the mentality of the previous Labor Government as it approached its inevitable demise was to stumble along with shibboleths of what we did in the past and therefore must continue to do for ever and ever, amen. One example that I would like to expand on, on another occasion, is the complete revolutionising of the Public Works Department in this State. It was once seen as a huge and cumbersome construction authority. Changes in the management approach and in the objects of the Public Works Department have been truly revolutionary and it is a great credit to the Deputy Premier, Minister for Public Works and Minister for Roads that he has been the overseer of this dramatic change. The Public Works Department has always been the Aunt Sally of government. I heard some honourable members expressing some wonderment that, despite the fact that substantial reductions in staff were being proposed for the Public Works Department, it was seen as having ever increasing influence in the engine room of government in its influence over budget and Treasury matters.

I foreshadow what I might have the opportunity to expand on at a later stage. We should look at our inventory of buildings and the implications of constructing a building in terms of maintenance needed in 10, 15 or 20 years. We should examine very critically whether we need that building and instead of rushing in and saying, "This is a new suburb. It has a higher requirement for school accommodation", perhaps we ought to think that in 15 more years there will be a more average community requirement for these sorts of facilities. The Public Works Department and the Minister have led that complete rethinking so that instead of three-year or five-year planning this State is now looking long into the future to what we can afford so that we do not saddle up future generations, and specifically future governments, with unsustainable and unfulfillable expectations in our community, simply becoming tied by a ball and chain to maintaining buildings and never being able to provide money to deal with immediate requirements. I know that my enthusiasm for the Public Works Department is not shared by all members of the House, so I defer further comment to when I have a chance to expand on that subject.

I am sure that all would agree that one of the other salutary things that we have seen over the past four years has been improved efficiency in trading operations. Government business dividends have gone from a relatively miserable \$130 million to almost a billion dollars - more than \$900 million according to projections for the 1991-92 Budget. One of the hallmarks of this Government is that it has said that operations will be either relevant to community demands, in which case they must operate on commercial lines and return a dividend to the government, or go, in which case these services would be provided by private enterprise where it is more efficient to do so. A whole range of such measures have been taken, not the least of which is the proposal to sell GIO Australia. That has all been part of the reform of government trading operations.

I touch on what I see as being the most important part of that trilogy and set aside for another time reference to the budget provisions which had attracted my attention and the magnitude of out-year problems, which were addressed in that Budget and which certainly were worthy of further comment. Due to time restrictions, I turn to the subject which is most important and dear to my mind. I do not believe that this State can go into the future financed in the way that it currently is. I have a number of reasons for making that assertion. Our financing is like a three-legged stool. For an organisation taking on the responsibilities it does to find itself depending on payroll tax for 30 per cent of State revenue and 16 per cent of our total expenditure, including Commonwealth contributions; on stamp duty for 26 per cent; and on duties on gambling, licences - fuel and tobacco are together - and motoring tax for 28 per cent

is a totally unstable base for the running of the State. Virtually the whole revenue is covered by the three legs of that stool.

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Worse than that, though - and I know that this a matter of public interest and that this House needs to note this - over the 90 years since Federation we have seen a declining share for New South Wales of all revenues which the Commonwealth has gathered. This started with the surrendering of customs and excise to the Commonwealth. Ten years after the initial arrangements were made, New South Wales began under new arrangements to lose its share. When the 1942 income tax arrangements came in - once again after the initial phase - New South Wales saw its share falling. For 1942 New South Wales's share of the total tax pool to be distributed to the States stood at 45.9 per cent. By 1958 it had fallen to 37.1 per cent. In another arrangement to change the base that came in after that, it fell to 30.8 per cent. Although there have been ups and downs, virtually every move that the Commonwealth has made has led to the share for New South Wales gradually falling relative to that of other States.

Lately the fall has been absolutely cataclysmic and since 1983-84 - that is, since the Hawke Labor Government came to office - we have seen the percentage of total outlays that is represented by Commonwealth payments fall from 57 per cent in 1983-84 to, in the proposed Budget of 1991-92, 40 per cent of total outlays. These figures are worth examining. Anyone who examines closely the current relationship with the Commonwealth would recognise that there is an escape clause and that in the year ahead, with the continuing recession, New South Wales under the current arrangements will be forced more and more to rely on its own resources. The resources are inadequate to finance the great and multifarious responsibilities undertaken on behalf of the citizens of New South Wales, who are also citizens of Australia.

I hope that the debate between the Premiers in the public arena will be enjoined by ordinary people and particularly by members of Parliament, both in this House and in the other place, who should recognise that a new federalism is urgently needed - but federalism which on this occasion will be sincerely followed by the Commonwealth Government and not subverted almost before the ink is dry - and certainly within a period of time - to sequester more and more money and power unto the Commonwealth. These agreements should be entered into with a proper spirit of co-operation and a sharing of responsibilities, having a common task of a better governed, more enlightened and better provided for society in New South Wales and Australia.

The Hon. DOROTHY ISAKSEN [12.29]: In the past 12 months the actions of the Greiner Government have dramatically affected the lives and quality of life of the citizens of New South Wales. The Government, which repeatedly claims success as a superior economic manager, has changed the whole direction of this State. In the past six months New South Wales shed 56,700 jobs, although the remainder of Australia gained 28,100 jobs. The Government has failed to negotiate a viable TAFE funding solution with the Federal Government which would provide the required course places during this peak unemployment period. Ninety thousand students have been unable to enrol for TAFE courses and \$30 million has been wasted on incompetent restructuring. The Opposition does not dispute that ongoing performance checks on efficiency and costs are needed, but in the public sector particularly the results have been devastating. Savage cuts have left the public service and State authorities crippled. At the same time huge amounts of money have been splashed around on pet projects and huge salary packages paid to executive staff. These actions have had a demoralising effect on those in the public sector who have seen their job security vanish. When they joined the public sector many of those employees received lower salaries than they could have obtained elsewhere but have served various governments loyally because they expected job security. They now find themselves tossed aside in mid-life. The rhetoric of the Government when claiming success with voluntary redundancy is a sham.

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Following the Government's raid on Sydney Electricity funds last year of \$740 million, the debt of Sydney Electricity rose from \$143 million to \$705 million. Its debt gearing ratio increased from 17 per cent to 70 per cent. The Budget increases the debt of Sydney Electricity as a result of a \$132 million dividend to be paid to the New South Wales Treasury. Sydney Electricity has responded by dumping 25 prime commercial properties on to Sydney's depressed property market. Fifteen hundred jobs in Sydney Electricity are soon to disappear and six electricity showrooms are to close. The showrooms listed for closure within three months are those located at Toukley, Kingsford, Woy Woy, Burwood, Hornsby and Campsie. However, there is a chance that those located at Woy Woy and Toukley may survive, probably because of a possible by-election on the Central Coast.

Last year these six offices collected approximately \$120 million from electricity customers. Almost 300,000 electricity bills were paid at those offices. The cuts mean a reduction in customer services despite the Greiner Government's record increases in electricity charges. Recently the painters and maintenance workers at Sydney Electricity were told they were no longer required. Some of these men started at the Sydney County Council as apprentices. They were offered a redundancy package and advised to accept it because if they did not they would be redeployed after 12 months at a lower rate of pay and with no guarantee of employment. Is this the Greiner Government's concept of voluntary redundancy? How devastating those actions must have been for those loyal employees. How angry they must be when they read that \$660,000 is being spent on a new boardroom and offices for the chief executive officer and senior staff.

Some years ago one could go into a Sydney County Council showroom and compare various electrical appliances. One could seek advice from trained staff. Suburban showrooms conducted cooking classes and gave advice on the best use of a microwave oven or how to conserve energy. These services will disappear and be replaced by a few leased shopfronts. The gas company is obtaining a larger and larger share of the market because it provides a service to customers and promotes its appliances. This is the legacy of the former member for Hornsby who is now the Agent-General in London - the man who, 18 months ago, was handing out \$75 cheques to customers from the supposed surplus funds, the bulk of which the Government grabbed for itself to balance its budget. One might ask what has happened to the second cheque that customers of the Sydney County Council were promised. One can understand why the Government wanted to forget about the first attempt: it was the greatest case of mismanagement ever witnessed. Eighteen months after it discovered these excess funds, staff are being dismissed and services cut to save funds. So much for the Greiner Government's superior financial management.

I turn to health. When someone has to wait in a corridor for 12 hours for a hospital bed, when a major teaching hospital closes its doors to ambulances for 25 days in a row, it is obviously not an exaggeration to say that the health system in this State is in crisis. What is the Greiner Government's answer to this growing problem? The formula is simple: the closure of some hospitals, productivity cuts of at least 1.5 per cent at all of them, extended bed closures over the Christmas period and delays in the redevelopment of hospital facilities. For example, the move of the Royal Alexandra Hospital for Children from Camperdown to Westmead has been delayed for another 12 months. That is what the Government is doing; what it is saying is quite different. It claims its solution to the problems in health care services is to redistribute limited resources from rich hospitals to those with the poor facilities in the growth areas of western and southern Sydney, the Central Coast and the North Coast. That policy is the correct one; it is one with which the Opposition strongly agrees. But under this

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Government there is an ever deepening chasm between policy and practice. The Robin Hoods of Macquarie Street are pulling a fast one.

Having made transfers within the inner west and city areas, the Government is currently in the process of closing 60 hospital beds. The Minister says resources are to be transferred to growth areas. If that were the case, surely 60 new beds would be operating in the west. The fact is that there will be one new bed - one additional intensive care bed at Westmead hospital, and even that figure is generous. It is more of a maybe than a commitment. No other hospital beds will be opened for three years in western Sydney. In the State Budget brought down on Tuesday, 24th September, the Government claimed it was boosting health spending by 1 per cent in real terms. However, western Sydney's budget share, the crucial figure revealing the true distribution of resources, tells a different story. According to the Government's own resource allocation formula, western Sydney should receive 11.34 per cent of the health budget. In fact, it has been allocated 11.28 per cent. The area has been shortchanged by \$2 million.

At the same time the Central Sydney Area Health Service located in the inner city has received more than its fair share. The formula prescribes that it should receive 8.6 per cent of the health budget. It has been allocated 9.1 per cent. The closure of small hospitals will not help. That dramatic measure serves only to place additional strain on the major teaching facilities. The patients from St Josephs and Parramatta hospitals will have to be treated somewhere. They will blow out the already unacceptable waiting times of most hospitals in southern and western Sydney. The Government has been brazen enough to admit that its long-term goal is to reduce bed numbers. It wants to cut the number of hospital beds to 17,500 by the end of the decade. That means 3,500 beds will close. It is expected that by that time the population of New South Wales will be 6.7 million people. So, the Government wants 2.6 beds per thousand population. At present the western Sydney area has 3.2 beds per thousand population. The southwestern Sydney area has 2.8. The Government wants to reduce the number of hospital beds available to the population in these areas.

The small hospitals have been all but decimated. For example, Sydney Hospital is to become little more than a casualty unit. I share the views of the medical profession that this will simply not be viable. What is the use of a casualty unit with no back-up services? The result will be that patients are transferred to the major hospitals. The irony is that about 500,000 people come to the city each day, many from Sydney's west. This reduced emergency service for them will not be effective. Day surgery is the way of the future. The cost of treatment in a teaching hospital is about \$800 to \$1,000 a day. Overseas and local experience indicates that day surgery costs about one-third of that amount. I recognise the need for major change in the health system. Resources desperately need to be redistributed, but the Government is only slashing services. I believe that with a clearer understanding of the health system and a more sensitive approach western Sydney and southwestern Sydney could have a much greater share of health resources and have them faster. Perhaps this Government's lack of commitment to health services in Sydney's south and west is most starkly demonstrated by its constant attack on every hospital budget every year. The Government imposes a 1.5 per cent so-called productivity slash on all hospital budgets, whether they are in the rich inner city or in the west. Surely if the Government had any commitment to the redistribution of resources it would abandon these cuts in respect of growth areas.

I am deeply concerned about the issue of unemployment among nurses. The Government must take full responsibility for this appalling situation which has been

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caused by government mismanagement. The assault on public hospitals, including the winding down and closure of five suburban hospitals, is the main reason that trained nurses are facing the bitter truth that there will be no jobs for them. It is almost unheard of in New South Wales that nurses are not guaranteed jobs after their years of training. It is entirely this Government's fault that about 800 of those who will graduate this year face the scrap-heap even before they begin their careers. The closure or winding down of hospitals means that nurses are being deployed in the major teaching hospitals, leaving those hospitals with no vacancies for new recruits. The situation has been made worse because of the Government's recent overseas

recruitment drive for nurses. For the Minister to dismiss this problem by suggesting that overseas trained nurses will be employed in the private hospital sector is simply untrue. Private hospital requirements for overseas trained nurses are exactly the same as those in the public hospitals, that is, they must have 12 months' experience. If the Government was really committed to good management it should have come clean about its plans for closures before it embarked on the recruitment drive. One year ago the Government was warned of the dangers of an oversupply of nurses but it has done nothing about it.

The 1.5 per cent productivity slashes in respect of all hospitals are also causing a squeeze on the job market for nurses. Hospitals need more nursing staff but they simply cannot afford them. Westmead hospital alone has had its nursing budget cut by \$3.5 million. This draconian measure means that the hospital will barely be able to take an extra trainee, and that will add to the pressure on the already overstretched staff. The Government must face this problem and quickly make every effort to employ all nursing graduates. A couple of weeks ago I asked a question of the Minister for Health and Community Services about graduate nurses and he made the comment that they would find jobs in the private sector. I have since been contacted by the parents of a trainee nurse who is to graduate this year and they assure me that the private hospitals will not take the graduates because those hospitals insist that the graduates have 12 months' training in a public hospital. That avenue of employment is not available to trainees. It is a tragedy that these graduates will find themselves seeking employment outside the health system. One wonders whether they will have the same enthusiasm about returning to the health system when jobs are eventually available for them.

The Hon. Franca Arena: And after a couple of years the Government will be recruiting nurses from all over the world.

The Hon. DOROTHY ISAKSEN: That is right. Overseas hospitals have the same requirements. Our graduates will be unable to get jobs in overseas hospitals because those hospitals require them to have at least 12 months' experience in a public hospital in Australia before they will give them jobs overseas. The Government's decision to lift the five-year moratorium on mental health funds has greatly disadvantaged the mentally ill. Since 1989 mental health services have been funded separately from other health programs under the moratorium. Now the Minister for Health Services Management, the Hon. Ron Phillips, has handed the control of mental health funding to area health services. The Alliance for the Mentally Ill has condemned the decision, claiming the Government has reneged on a promise made in 1989 by the former Minister for Health, Peter Collins, in 1989. The alliance claims that many area health services are still understaffed and positions are being frozen. They are concerned that global budgeting will result in mental health services being sacrificed to keep teaching hospitals going.

At Manly District Hospital's new psychiatric ward 12 beds have been axed before the ward has opened. The Northern Sydney Area Health Service has confirmed
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that the \$5.5 million ward will have only 20 beds, despite having the capacity for 32. One wonders if this has anything to do with the fact that the Government lost the seat of Manly at the last election. The new psychiatric ward, which is scheduled to open early next year, will replace the hospital's existing 13-bed north wing unit. The extra seven beds will not meet the needs. The present wing is constantly full and many patients are ferried to Macquarie Hospital at North Ryde each week because of the acute lack of space. Over the past year there has been a spate of suicides at North Head and this shows a great need for strong mental health services in Manly-Warringah. The Northern Sydney Area Health Service claims that it was given money to build the new ward but has had to use existing funding to staff it. It is now proposed to use the additional 12 beds for geriatric patients.

I should like to take this opportunity to add my protest to those expressed already by the Hon. Ann Symonds and the Hon. P. F. O'Grady about the decision to charge admission

fees to the Powerhouse Museum. It is a great museum and one of the delights in visiting it was the crowds of eager children who were always there. The opportunities for them to participate in the various functions provided at the museum created a stimulating environment. It was also an adventure for adults. Its location, its proximity to Darling Harbour, and the fact that admission was free enabled thousands of children and adults to visit it. Since fees were introduced in September, there has been a drop in attendance of more than 60 per cent, and this is a tragedy. As Dr Peter Pockley, the science and education writer for the *Sun-Herald*, said, "Let's be clear. Taxes on knowledge are attacks on knowledge". We know that many families are struggling in the present recession and that more than 10 per cent of the population are unemployed. This is surely the worst time to deny access to exciting and challenging recreational facilities. Now we are informed that the Australian Museum is to introduce entrance fees from February next year. The Australian Museum is one of the finest museums in the world, and for 164 years entry to it has been free. The Greiner-Murray Government is very shortsighted in cutting funds to these areas. Encouraging the thirst for knowledge is a wise investment. There will now be New South Wales children who will never experience a visit to these wonderful institutions.

In May the Premier assured the electors of New South Wales that this State would be in the black. The reality is that State debt has increased every year under this Government. The total State debt last June was \$3,677 for every man, woman and child. This year that debt will increase by \$187 per person to \$3,864 for every New South Wales resident. This year State taxes will increase by \$900 million or 11.1 per cent, which is three times the inflation rate. New South Wales is already the highest taxed State in Australia. This year each person will pay \$1,590 in State taxes alone, that is, \$2.50 a head more than the citizens of Victoria pay. One of the Premier's election promises was not to increase charges beyond the consumer price index. He broke that promise only days after the election. This Government promised good economic management and it has failed. This Budget certainly does not provide any solutions.

The Hon. Dr MEREDITH BURGMANN [12.50]: This Budget demonstrates the failure of the Greiner Government's approach to economic policy. Not only does it represent a failure to address the needs of the people of New South Wales - through cuts to hospitals, technical and further education, employment programs and community services - but also it is a failure on Greiner's own terms. For a government that has run heavily on a platform of sound business management and small government, a blowout in government debt to \$23 billion, and a real increase in expenditure of 12 per cent and in revenue of 7 per cent, is a disastrous record. Add to this such episodes as the bailout of Eastern Creek Raceway and the threat to our triple-A credit rating, and it becomes

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apparent that Mr Greiner is intent on following in the footsteps of other Harvard Business School success stories, such as Warwick Fairfax.

I have no problem with high levels of government expenditure per se - especially during a recession - provided that the expenditure goes to improve the State's infrastructure and social wage, and generates employment where it is most needed. However, this Budget delivers hospital closures, cuts in technical and further education, massive staff reductions among those public sector workers who actually deliver the services to the people of New South Wales, and a \$2 million reduction in employment programs - all of this despite an unspent Federal grant of \$12 million to combat youth unemployment - and real cuts in capital works expenditure. I do have a problem with increased expenditure on consultants, the already overprivileged senior executive service and what amounts to publicly-funded advertising for the Liberal Party. Similarly, though I am a great supporter of public ownership, I object to the \$75 million nationalisation, or what I would call bailout, of Eastern Creek Raceway. Where problems requiring expenditure are acknowledged, they are dealt with in the wrong way entirely. For example, the predictable response to the urgent problem of overcrowding in New South Wales prisons is to employ more police and prison officers and to build more gaols and cells. The

socially responsible and, in the long term, less expensive solution would be to find ways of reducing the number of prisoners. This would involve looking at alternatives to imprisonment for non-violent offenders.

The Hon. E. P. Pickering: This Government has reduced the crime rate.

The Hon. Dr MEREDITH BURGMANN: The Government is reducing the prison population by releasing prisoners such as Raymond John Denning. Reducing the prison population would involve tackling the causes of crime. Imprisonment, for example, is widely acknowledged as a major factor in turning petty offenders into professional criminals, and this will be exacerbated by the reduction in funding for education and training for prisoners.

The Hon. E. P. Pickering: The bottom line is that the crime rate is falling.

The Hon. Dr MEREDITH BURGMANN: Police are so understaffed they are unable to find the criminals. A specific example of the inappropriate nature of the Greiner Government's response to overcrowding in prisons can be found in respect of the imprisonment of Aborigines. This Government has presided over a massive 72 per cent increase in the Aboriginal gaol population. One of the recommendations of the Royal Commission into Aboriginal Deaths in Custody was that imprisonment be a last resort for street offences and victimless crimes. Clearly this has been ignored by the New South Wales Government and, by all indications in this Budget, it will continue to be ignored. However, the area on which I most want to concentrate is the Government's decision to close the Women's Directorate within the Department of Industrial Relations, Employment, Training and Further Education. On 31st July, without any warning to those involved, the director-general of the department issued a memorandum in which he said that "certain of the department's services would have to be withdrawn or wound back in order to achieve budget savings required of all agencies across the New South Wales Public Sector". In enumerating the so-called savings that were to be made he stated baldly:

The Women's Directorate's services have largely been mainstreamed into other functions of Employment and Training Services. A specialist core will be retained to provide advice on women's employment and training issues. Three positions will be deleted as a result of these changes.

That is what the director-general said. I shall set out what actually happened.

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The Hon. E. P. Pickering: They were mainstreamed.

The Hon. Dr MEREDITH BURGMANN: I am surprised to hear the Minister for Police and Emergency Services even mention mainstream. If the Minister had read the literature that I have read in the past five years he would know that mainstreaming is a totally discredited practice, and he would not mention it. Mainstreaming was discredited in 1985 and by 1991 it is old hat. In his memorandum, Dr Col Gellatly said that the cuts - including the abolition of the only specialist women's unit in the department - were made in areas with "the least disruption to our main services". What does Dr Gellatly consider to be services to women? Obviously, he does not consider them to be main services. This statement in itself is an indication of how unimportant women's issues are seen by the department and how it views the work of the Women's Directorate as being peripheral to its main agenda. It appears also that the decision was made with no consultation with the directorate's staff or with other key people, including the Minister responsible for women's interests, the Hon. Virginia Chadwick. I am sad that the Minister for School Education and Youth Affairs is not present in the Chamber. I am sure the look on her face would confirm that she, as Minister responsible for women's interests, was not informed of the closing of the Women's Directorate before it occurred.

The total savings to the department of the closure of this unit was \$80,000, involving the abolition of three positions, the assignment of regional officers of the directorate to local employment programs and the retention of three staff to "advise the department on mainstreaming women's employment issues". It is apparent from comments by the department and the Minister that the directorate's role has been seen merely as one of providing support and encouragement to women in employment. This view is in direct contrast to the actual role played by the directorate since its establishment in 1984. The directorate has always operated on a low budget, with a small number of staff and has performed a wide range of tasks directed at improving women's outcomes. I shall list the tasks the directorate has performed. When honourable members see how the budget cuts have affected the directorate, they will understand why I argue that this Government has no interest in women's affairs.

Some of those tasks include: monitoring changes in the female work force; initiating research work; publishing well-researched documents; publishing and distributing information pamphlets; raising concerns about political initiatives which are unfavourable to women workers; resourcing and providing a secretariat to the New South Wales women's employment and training task force; holding workshops, seminars and conferences attended by a large number of industry representatives; providing high quality policy advice to other key departments and organisations; promoting a register of women in non-traditional areas; providing information to young women about career opportunities; providing advice to the department on employment programs; providing regional liaison and support on women's employment initiatives; promoting the Government's employment strategies through the women's budget and women's policy statements; providing a service to women who require information on employment rights, including maternity leave, award restructuring, pay equity and so on; and educating employers, organisations and women's groups about the role of the department and legislative provisions in relation to employment. For many years there has been a belief among women that this long list of responsibilities has been magnificently attended to by the now defunct Women's Directorate.

[The Deputy-President (The Hon. Dr Marlene Goldsmith) left the chair at 1 p.m. The House resumed at 2.30 p.m.]

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The Hon. Dr MEREDITH BURGMANN [2.30]: As I said, the Women's Directorate within the Department of Industrial Relations, Employment, Training and Further Education has carried out a long list of functions over the years. There is a belief that the expertise built up within the directorate over the years has made an important and unique contribution to industrial relations in New South Wales. However, suddenly the Government decided that that expertise can be reproduced by others within the department simply by indulging in the long discredited practice of industrial relations mainstreaming. What is mainstreaming? It is a pity that the Minister for Police and Emergency Services is not present in the Chamber: he seemed to have a great belief in the efficacy of mainstreaming. Mainstreaming consists of obliterating specialist units such as the Women's Directorate and farming out the work done by those units to other sections. Mostly it is used by bosses in order to save money - precisely as has been envisaged in this so-called budget-saving move. However, mainstreaming should occur only when certain preconditions are met. A specialist unit should be abolished and its services farmed out to the so-called mainstream only when certain preconditions have been met. The Office of the Director of Equal Opportunity in Public Employment has set out a list of preconditions that that office believes should be met before government departments mainstream specialist women's units. Obviously there should have been preconditions for mainstreaming the provisions of the Women's Directorate. Obvious conditions would be that there would be no mainstreaming until there is total equality of employment -

[Interruption]

The Hon. Dr MEREDITH BURGMANN: The honourable member laughs. Why obliterate a women's unit while women still suffer discrimination in the workplace? The unit was established because it was accepted that women suffer discrimination in the workplace. Such units should be disbanded only when somehow it is accepted that everything is now fine and rosy, only when, say, there is no discrimination in promotion, about pregnancy, maternity leave and child care, no sexual harassment in the workplace, no gender wages gap, and when at all levels there is equality between men and women. Only when those preconditions have been met should there be any right to suggest that the Women's Directorate should cease to exist. I argue that we are a long way from that position. So, the decision to mainstream the functions of the Women's Directorate was taken not because mainstreaming was an appropriate strategy but because the Government believed it could save a quick buck at the expense of women. Of course, from the start the Government did not believe in the concept of the Women's Directorate.

[Interruption]

The Hon. Dr MEREDITH BURGMANN: The Hon. J. F. Ryan laughs. I assure him that his party did not believe in the concept of the Women's Directorate to start with. The Minister for Industrial Relations and Minister for Further Education, Training and Employment, in response to a question asked of him by the Hon. J. W. Shaw before an estimates committee, said, "It ought to be noted that at the time the directorate was introduced, it was introduced to pacify the women's movement". What a statement! What a condemnation of John Fahey and the entire Greiner Government! They believe that a valuable structure such as the Women's Directorate was established simply to pacify the women's movement; not because it was badly needed or because it was important to promote equality in the workplace, but just to pacify the women's movement. The downgrading of the Women's Directorate could not have come at a worse time for women in New South Wales. In August a press release of the National Pay Equity Coalition stated:

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We are at a cross roads in industry and award restructuring, and in developing wage classification systems which recognise women's skills and provide pay equity for women workers.

How is it the Government sees fit to close the key unit providing advice on how these issues affect women? This step provides further evidence of the lack of commitment on the part of this Government to improving the employment and training prospects of women in this state.

What is needed in these times is a critical mass of staff doing research and providing specialist advice and resources to Government, employers, trade unions and other groups which are involved in labour market and training reforms.

However, the most important reason why this is the worst possible time to close the Women's Directorate is that this Government has only recently passed the industrial relations legislation, which will bring into place enterprise bargaining for the first time. Even proponents of the bill and its architect, Professor John Niland, admitted that enterprise bargaining will badly affect women's wages. They have admitted that enterprise bargaining will have an effect on people in poor bargaining positions. They hoped that close monitoring mechanisms and good antidiscrimination measures in various Acts such as the Anti-Discrimination Act would be able to redress problems that women will suffer because of the industrial relations legislation. However, if the Government closes the Women's Directorate, whose role is to monitor the role of women in the workplace, and at the same time introduces enterprise bargaining, the result

will be a guaranteed recipe for a fall in women's wages, and one that will not be properly monitored.

Have the Government's funding cuts in this area succeeded? Once again, as I said earlier, the Budget must be judged by Nick Greiner's values. Employees within the Department of Industrial Relations are being taken off work they were previously doing in order to work on the projects previously carried out by the Women's Directorate. However, those employees do not have the necessary skills to carry out those tasks. Therefore, they have to be trained, but, as we know, training takes time and money. One is left to wonder what on earth these people were doing before they took over the functions of the Women's Directorate. If their previous work was worth while - we have to assume it was, as nothing has been said in the Budget Speech to the contrary - who now is doing that work? If all the same projects are still being undertaken - and we are assured constantly there has been no downgrading in the functions of the Department of Industrial Relations - why have these changes taken place? Was it an ideological decision to use budget cuts as an excuse to gut the Women's Directorate? Or was it a fumbled attempt at saving money, which failed? The truth is that different people are now doing the same things, but with a newly created Women in Work Unit having to monitor all this activity because the new employees really do not know what they are doing.

The function of the Women's Directorate was not merely to make sure that the functions of the Department of Industrial Relations were carried out on an equitable basis. If the function of the Women's Directorate was only to make certain that goods and services within government departments were directed equally to men and women, that would have been a pathetic vision of what a women's unit should do. The work of the Women's Directorate was, as instanced by the long list of functions I read, about intervening in market processes to make certain that women were not unfairly disadvantaged. These so-called budget savings have gutted the directorate to the extent that nothing more than a damage control operation is now conducted. No more will there be expert programs that were helping to bring about equality for women in the workplace. Once again the warm, caring face of the Greiner Government has been shown to be a cruel mask.

The Hon. S. B. MUTCH [2.40]: Before addressing the Estimates I should like
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to congratulate those honourable members who recently made their maiden - or in the vernacular of some, their first - speeches in this historic Chamber. This landmark occasion in their lives will always provide a reference point in future endeavours; something to hark back to as a constant reminder of their hopes and genuine aspirations expressed with complete sincerity and idealism. Many criticise politicians, and we do serve as convenient scapegoats; but whatever their political creed I have never yet encountered a member of Parliament who is not a true patriot and who personally does not believe that he or she can make a positive contribution to this nation. I was most impressed by the revelations of the Hon. Jennifer Gardiner, who was inspired by the sharpshooting of Atticus Finch in Harper Lee's Pulitzer Prize winning novel *To Kill a Mockingbird*, when he killed a mad dog with a single shot. As the president of the Loaded Dog Society, which is a group of parliamentarians dedicated to the protection, preservation and propagation of the works of Henry Lawson, I am pleased that Atticus Finch - or Gregory Peck, who starred in the movie version - was not on hand to dramatically curtail the antics of the loaded dog. I should also like to place on record the assurance that the Loaded Dog Society has not been formed as an alternative to the parliamentary prayer group.

As a recently appointed secretary of the Government's arts committee with a particular interest in heritage and historical matters I wish to inform honourable members of some exciting developments in that portfolio under the inspired guidance of the Minister for Arts, the Hon. Peter Collins. In this regard he has been something of a quiet achiever. But the objective truth is - and I am sure many honourable members share this view - the Minister has overseen positive and far-reaching changes in the arts that will make an indelible mark on the cultural

heritage of New South Wales. This year the arts budget in New South Wales is \$136.49 million. Last year it was \$140.79 million. Recurrent funding for 1991-92 will be \$113.4 million. For the previous year it was \$119.5 million. New South Wales will spend \$19.29 per head this financial year on the recurrent costs of cultural activities, which is more than the \$15.34 that will be spent by the Commonwealth Government, or the \$16.78 that will be spent by the Victorian Government. Recently other States announced their arts budgets. They are as follows: Victoria \$116 million; South Australia \$66.8 million; Queensland \$64.4 million; and Western Australia \$50 million. The economic recession has affected adversely all departments, and to make ends meet the Ministry for the Arts has taken steps to introduce admission charges. Three institutions are affected: the Art Gallery, the Australian Museum, and the Powerhouse Museum. The Art Gallery has been able to make ends meet through existing resources; therefore, it will not increase its charges. The Australian Museum will be forced to introduce charges in 1992. The Powerhouse Museum has introduced charges already. It is important to note, however, that most arts institutions throughout the world charge the public a fee. Schoolchildren, pensioners and disadvantaged people in New South Wales will, of course, be entitled to a full range of concessions.

I draw the attention of honourable members to the important work being done by the Historic Houses Trust of New South Wales. I do not know whether honourable members have visited any of the houses or historic places controlled by the trust, but recently I visited the Hyde Park Barracks and inspected that fantastic exhibition. I remember that as a schoolchild, when I and my classmates were brought to the city by Mr Barrie Prothero, my history teacher, access was not available to the many marvellous buildings to which schoolchildren of today have access. It is extremely important for the culture and heritage of this city that such access continue to be provided through the efforts of the Historic Houses Trust. The trust was established from an earlier organisation set up in 1976 to care for Elizabeth Bay House. In 1980 that organisation

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was incorporated by the provisions of the Historic Houses Act 1980. Its legislative objectives were to manage and maintain as house museums the buildings vested in or acquired either as property of the trust or otherwise by the trust, having regard to their historic and architectural interest, to conserve the buildings and manage and maintain their appurtenant grounds. In addition the buildings were to be used to provide such educational and cultural services in relation to those buildings as in the opinion of the trust would increase public knowledge and enjoyment of the buildings and their place in the heritage of the State.

Recently the Historic Houses Trust was given additional responsibility for three inner-city museums: the Justice and Police Museum, Hyde Park Barracks, and First Government House Museum. The Justice and Police Museum is a new departure for the trust in that it has been developed and managed without need for recurrent government funding because of endowments, sponsorships and other generated income. It offers structured education programs for legal studies students focusing on mock trials. At the moment Hyde Park Barracks incorporates an excellent exhibition in the Greenway Gallery which reflects the marketing of the Historic Houses Trust. It is entitled the "Insights Exhibition". I look forward to the new exhibition in February 1993, sponsored by the Macquarie Bank, which will be entitled "The Age of Macquarie". That will reveal to all and sundry a magnificent age of Sydney. The First Government House site has benefited from a \$5 million endowment from the Government. I wish to pay tribute to the great work of Nell Sansom, the President of the Friends of First Government House Site. If she has not been awarded one already, she deserves a medal for the work she has done to promote the heritage and history of this nation. The Historic Houses Trust manages a number of other properties including "Meroogal", a property at Nowra; Rouse Hill House; Lyndhurst Resource Centre; Elizabeth Bay House; Elizabeth Farm; Rose Seidler House; Susannah Place; and Vacluse House. The trust is continually seeking to expand its interests.

I commend the trust for its commitment to excellence and innovation. Its operations strategy may be described as lean and keen. It has 84 staff members, or the equivalent of 76 full-time staff. One of its many initiatives is the computerisation of its collections, consisting of 20,000 items. It is working on a de-accessions list based on the premise that many objects in museums would probably be better placed in other institutions. In 1990-91 the trust brought down its first corporate plan. The central statement of that plan was to conserve and manage with imagination and excellence the cultural heritage of the State as represented by key places and to realise their potential to foster an informed awareness of this heritage. The corporate plan is to be supplemented by the adoption of action plans for each property and strategic plans for support service teams. The marketing plan, which is evidenced by the magnificent brochures that may be obtained in buildings managed by the trust, was prepared in parallel with the trust's first corporate plan. The position statement established by the marketing plan is "We Are Our Past". Priority was given to Vaucluse House, which was identified as having considerable potential for growth. Visitors to Vaucluse House have increased by 32 per cent on last year's figures. However, the trust encourages, wherever practicable, greater access to all its properties. This resulted in total visitor numbers for 1990-91 increasing to 112,000; that is, more than the 92,000 for the 1989-90 year. In addition it is estimated that 200,000 visitors used the grounds at Vaucluse House. Four issues of the trust newsletter were published. The design work was completed to increase the newsletter to an eight-page publication, and a three-monthly seasonal calendar called "What's On?" is now produced.

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I should like to commend the volunteer guides. More than 70 volunteers work in the trust. They do a magnificent job in escorting people around and now, in an outreach program, they offer lectures to many organisations within our community. Supplementary to the volunteer guides is the Friends of Historical Houses Trust. As at 30th June membership was 758. Friends of the Historic Houses Trust donated more than \$27,000 to the trust for specific projects and were involved in a number of special activities. Another interesting project involving the Ministry for the Arts is the computer assistance program. Many honourable members would not be aware of that program. Over the past six years the ministry has developed a system of financially monitoring the companies that it subsidises. Prior to the introduction of the computer assistance program special conditions of grant were introduced to allow the ministry to establish the financial viability of its clients. However, the clients' accounting systems were found to be inadequate, especially the smaller ones. In 1989 the Minister for Arts approached Apple Computer Australia Pty Limited for sponsorship. Apple Macintosh computers were targeted at this stage because of their relative user-friendliness and reputation for superior desktop publishing capabilities. In May 1990 the first trial systems were installed. The cost of \$40,000 was met equally between Apple and the Minister's discretionary allocation.

On 12th October, 1990, the Minister for Arts and the General Manager of Apple Computer Australia Pty Limited, Mr David Strong, officially launched the 1991 computer assistance program with a fund of \$60,000; \$30,000 to be provided from ministry cultural grants funds and \$30,000 to be provided from Apple. The project is going from strength to strength. This year a total of 57 applications were made to join the computer assistance program. Not everyone can be accommodated at once but this year 18 clients will receive packages worth \$103,550 at a total cost of \$30,210, to the Government. That is an excellent use of money and I look forward to the future expansion of that program. I should like to compliment Peter Watts, Director of the Historic Houses Trust, and commend him and the trust for their excellent work in preserving the heritage and history of Australia. In 1991 the New South Wales tourism award for excellence for culture and heritage attractions was quite rightly awarded to the Historic Houses Trust of New South Wales.

I turn now to another area of interest to me in my role as chairman of the government police advisory committee. Despite the emphasis of this Government on prudent management of the State, it is worth noting that the police ministry has been able to achieve, indeed overachieve, its commitment to increase the number of police in New South Wales by 1,600 in its first term. Recently I had the great pleasure of attending, in company with the Hon. D. J. Gay, an attestation parade at the Goulburn police academy. Though we have reached our police numbers objective and the parade was reduced to only two platoons, these young officers passing out did themselves and the police force proud. It was an exciting moment to see the hats flying into the air after the headband covers had been removed and the exhilaration on the faces of these generally young men and women at having passed muster. They enter a police force that looks to the future with a great deal of confidence. Much of this credit goes to the Minister for Police and Emergency Services. Also, he should be complimented on foreshadowing productivity savings of \$12 million for 1991-92, yet ensuring that the capital works budget will provide for major building improvements. Those improvements include \$4.671 million for the Wollongong police station and large allocations for Hornsby, Bathurst, Goulburn and the joint emergency services complex at Hurstville. I note also the expenditure of \$1.474 million on electronic recording of police interviews. This will

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not be a cure-all for the much publicised practice of verballing but it will go a long way towards ensuring the probity of police interviews. In the past few days the Minister has been waxing lyrical about the police open day on 10th November. I attended the Nowra police station -

The Hon. J. R. Johnson: What for?

The Hon. S. B. MUTCH: To inspect the cells. One never knows where one might end up. I inspected the cells, looked around the police station, and the forensic section, which never fails to horrify me. I had the misfortune to miss the sausage sizzle. From all reports at Nowra the sausage sizzle was well received. A number of people were inspecting the police station while I was in attendance.

The Hon. J. R. Johnson: The Hon. S. B. Mutch should have tried St Vincent de Paul if he missed out at the police station.

The Hon. S. B. MUTCH: I went to the local pizza joint earlier. I am not sure of the quality and strength of the pizza but I was not too sure about blowing on the breathalyser as a demonstration. Recently I accompanied the Minister, the commissioner, Chairman of the Police Board and the inspector general on a tour of Dubbo and Broken Hill. It shows the nature of the department and the present Minister that open and frank discussions occurred with police in those regions. It was a great experience for us all, in particular the troops, because they had an opportunity to point out to the Minister and top people in the department how they should be doing their job. Morale in the police force in New South Wales is very strong. This is because the police are aware of the massive commitment of funds this Government has made to law and order. This Government has been true to its Budget pledges. I wish to refer now to an excellent pamphlet entitled "Investing in Community Safety", which I presume honourable members opposite would not bother to read because they would not like its truth. This pamphlet states:

The Greiner Government has proven its commitment to the Police by increasing its budget by over 46 per cent in the past four years. This year more than \$973.5 million will be spent ensuring community safety.

It further states:

Under this Government, 30 new Police stations have been opened in four years to service the community and improve accommodation conditions for Police.

Honourable members opposite should be aware that new stations have been opened at Barmedman, Barooga, Bathurst, Bega, Berowra, Cabramatta, Castle Hill, Crescent Head, Culburra, Dareton, City of Sydney and Town Hall Shop Front, Gerringong, Hay, Huskisson, Jerilderie, Hornsby, Katoomba, Menai, Miranda, Moorebank, Nimbin, North Sydney, Port Macquarie, Riverwood, St Marys, Sussex Inlet, Sutherland, Tathra, Ultimo and Wetherill Park. That is not bad for a government that is continually accused of selling off the farm and making cuts. I am deeply aware of the regard and appreciation of the Minister for Police and Emergency Services for volunteer organisations. In 1991-92 the Minister has honoured his undertaking to fund the maritime rescue organisations. The Royal Volunteer Coastal Patrol will receive \$150,000, the Australian Coast Guard \$100,000, and the Volunteer Rescue Association will receive \$50,000 to cover administrative expenses. The commitment of the Government in the portfolio of police and emergency services to justice and crime fighting is magnificent.

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Reverend the Hon. F. J. NILE [3.1]: I have much pleasure in supporting the Budget and presenting some observations on it from the Call to Australia group. During the past week discussions have focused on government expenditure, government budgets and whether a private member's bill could affect the allocation of public moneys. Honourable members know that is not possible. The Budget they are debating represents under the Westminster system authorisation by Parliament of payments proposed by the government of the day according to its policies and priorities. The Budget is, in fact, the Appropriation Act, which is passed by Parliament to give legal effect to those payments. The essence of the appropriations process is that public moneys can only be expended by the administrative arm of the Government under the authority of the elected Legislature. In New South Wales the budgetary process requires clear distinction between those sources of funds which should only be used following approval by the Parliament - essentially being derived from taxation, Commonwealth grants, borrowings and certain other Crown transactions - and those funds earned by agencies through the sale of their services.

The former category of funds, that is, those appropriated by Parliament, are treated as an income of the Consolidated Fund. The second category, which consists of user charges, grants from other agencies, donations and so on, under net appropriation methodology are regarded as income of departments. Payments from the Consolidated Fund can only be made under the authority of Parliament. In general, this authority is given through the passing of the annual Appropriation Act. Normally the Appropriation Bill is introduced by the Treasurer. Budget estimates, received by the Parliament, detail expenditure under the department or authority responsible for administering particular programs, and those organisations are grouped under ministerial headings. The New South Wales budgeting system was first implemented in 1986-87 when all allocations from the Consolidated Fund were appropriated on a program basis. Changes were introduced in the 1987-88 budget estimates. The Budget now being reviewed, debated and adopted, includes a form of program budgeting which provides information required for review of budget priorities without sacrificing control of expenditure. The program structures that have been adopted are compatible with organisational boundaries.

Honourable members should understand this procedure in view of the discussion and confusion in the community that occurs when departments are split, as happened during the past few months, and in particular since the last election in the area of health. I do not criticise that but we need to understand what is happening and how that affects the Budget. In New South Wales two hierarchies have been developed. The first hierarchy is goal orientated and is based on policy areas divided into policy sectors, which in turn are divided into programs. The policy areas and policy sectors broadly correspond to the Australian Bureau of Statistics dissection of government expenditure, which relates to international classifications. Level one is a policy area representing the main government concerns and endeavours. Level two is a policy sector, a grouping of related programs representing a particular direction of government within a main area of government endeavour. Level three, or program, is the principal building

block where objectives are said to be achieved through a series of activities. Level four, activity, is a group of tasks which contribute towards the achievement of the objective of a program.

The second hierarchy is based on organisational classifications. Level one has a ministerial heading as the highest level at which funds are appropriated and includes administrative units and declared authorities within a Minister's portfolio and within the budget sector. Level two, the organisational unit, consists of an administrative unit or a declared authority in terms of the Public Sector Management Act and the Legislature. The head of that organisational unit is responsible for control of funds and the exercise

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of economy in expenditure. Level three, the program area, is the grouping of programs and related goals. Level four, program, and level five, program activities, are similar to the first hierarchy to which I have already referred, that is, a group of tasks which contribute towards the achievement of the objectives of a program. A far more highly organised system is operating within the Government. Ministers responsible for an area of priority and others responsible for implementing those policies act in practical ways. The budget information document contains descriptions of the Budget and total recurrent payments for 1991-92 according to policy area. A total budget expenditure of \$16.207 billion is broken down into the categories of general administration and other, 3.8 per cent, or \$613 million; law, order and public safety, 11.3 per cent, or \$1,831 million; education, 27.6 per cent, or \$4,475 million; health, 26.2 per cent, or \$4,251 million; recreation and culture, 1.8 per cent, or \$289 million; housing community services, 0.9 per cent, or \$150 million; welfare, 6.4 per cent, or \$1,031 million; economic services, 10.4 per cent, or \$1,684 million; debt charges 11.6 per cent, or \$1,878 million; general administration and other areas of expenditure, 3.8 per cent, or \$613 million - a total of \$16.207 billion.

Those figures give an indication of why the Government was concerned about possible changes in its credit rating. Already debt charges swallow up 11.6 per cent - \$1,878 million - of the Budget. Any further decline in the credit rating would be serious from the Government's point of view. That is why it is so important for this House and the other place to exercise restraint, though from the Government's point of view it is very difficult, with the membership of both Houses balanced as it is, to maintain a stable and responsible Government that will ensure that the credit rating remains at triple-A for the benefit of the people of New South Wales. One could speak to many aspects of the Budget. I intend to make particular reference to law, order and public safety. It is important to note that funding under that heading is aimed mainly at meeting the costs involved in the State's Police Service, courts administration, and corrective services. It includes also related expenditure for the State Emergency Service, New South Wales Crime Commission, New South Wales Fire Brigades, Department of Bush Fire Services, Independent Commission Against Corruption, Office of the Director of Public Prosecutions, Legal Aid Commission of New South Wales and the Attorney General's Department.

That grouping of organisations has come from the restructuring of government departments and ministries under the administration of law, order and public safety. There has been a significant increase in funding for this aspect. In 1990-91 actual expenditure for the police was \$914.5 million; the estimate for 1991-92 is \$954.8 million, an increase of 4.4 per cent. In 1990-91 expenditure on law courts and legal services was \$351.1 million and the estimate for 1991-92 is \$362.9 million, an increase of 3.4 per cent; in corrective services, in 1990-91 actual expenditure was \$263.2 million, and the estimate for 1991-92 is \$297.5 million, a dramatic increase of 13 per cent, which can be accounted for by the neglect of corrective services that occurred under the previous Government - and not only the former Government but going back 50 to 100 years. There are not many votes in corrective services or prisons and therefore the buildings have been allowed to decay to the stage where they are no longer acceptable to modern society.

Other areas included in the Budget Papers under law, order and public safety are the fire protection services, for which actual expenditure in 1990-91 was \$201.8 million. The estimate in this year's Budget is \$215.9 million, an increase of 7 per cent. In 1991-92 the expenditure on law, order and public safety is estimated to be \$1,831.1 million, an increase of 5.8 per cent on the actual expenditure for 1990-91. The tragedy in society

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today to which I shall refer soon is the increase in crime, particularly violent crime. That has put more pressure on the Police Service and corrective services. In the Budget the police policy sector allocation has been increased by 4.4 per cent to \$950 million for 1991-92. That provides for the full year effect of the award increases to police and the full year effect of the additional police recruited last year. The effective increase to the promised 1,600 additional police has been achieved by increased police numbers and more effective use of existing police. The Police Service was increased effectively by 1,600 officers by the appointment of 1,071 additional police and by a range of initiatives such as the introduction of flexible rosters and leave buy-back provisions negotiated by the Government as part of the police pay increase package to provide the balance of an effective 529 police. We commend the Government for those initiatives.

As I said, unfortunately there have been and will be for some time serious developments in law and order and, in a sense, crime. In 1988-89 a total of 433,906 offences were reported to the police. That is a large increase when one considers that in 1980 the number of offences reported to the police totalled 243,981. There has been an increase of almost 100 per cent in the period from 1980 to 1988-89. That must put heavy pressure on the Police Service and its officers. The number of various types of offences reported to the police in 1988-89 included theft, 127,287; breaking and entering, 106,430; motor vehicle theft, 46,889; malicious damage to property, 40,844; offences against the person, 28,999; fraud, 20,344; drug offences, 18,037; sexual offences, 4,867; arson, 1,844; driving offences under the Crimes Act, 240. Reported motor vehicle thefts accounted for 11 per cent of all reported offences. One knows from previous debates in this House that motor vehicle thefts have been of great concern and far too many of them still occur in New South Wales.

The metropolitan area of Sydney contains an estimated 62 per cent of the New South Wales population, but 68 per cent of reported offences occurred in that area. That will always apply because often cities become breeding places for crime, especially because of the anonymous nature of city life, which is far different from life in small country centres. In every category except driving offences the Sydney police district, including Central, Darling Harbour, Kings Cross, Redfern, Surry Hills, The Rocks, Ultimo and Waterloo police stations had the highest rate of reported offences per head of population of any police district in New South Wales. The rate of reported offences is high in the Sydney police district because of the low residential population of the city centre. I have mentioned the comparison between metropolitan and country areas. It is interesting to note some of the differences that apply. For example, of the types of offences reported to the police in 1988-89 breaking and entering in the metropolitan area made up 22.58 per cent of offences; in the country the proportion was only 11.93 per cent; for motor vehicle theft in the metropolitan area it was 12.06 per cent, and in the country only 3.16 per cent. That shows that bigger is not necessarily better when it comes to combating crime. Perhaps that is another strong argument for decentralisation, not only to give people better quality of life but also to reduce the number of crimes.

It is important to consider the benefits one receives from budget expenditure. The clear-up rates of offences in 1988-89 were the subject of a recent report. Some are encouraging. For example, the clear-up rate of driving offences was 98.3 per cent and for drug offences 97.5 per cent. But the rate drops dramatically for offences against the person, where the clear-up rate was 64.9 per cent, for sexual offences 60.9 per cent, and for fraud 40.7 per cent. There is a serious decline in the rate for other reported offences, such as malicious damage to property, 17.8 per cent; theft, 14.8 per cent; arson, 7.8 per cent; break and enter,

6.8 per cent; and motor vehicle theft, which is the lowest, only 6 per cent. One could argue that crime pays for those engaged in arson, break and enter
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offences and motor vehicle theft. There is little likelihood of their being apprehended by the police. I am sure that the Commissioner of Police, the Minister for Police and Emergency Services and the new Inspector General of Police will be closely examining how the clear-up rates can be improved, thereby getting better results for the high expenditure. Honourable members should be aware that the police cannot do these things by themselves. There must be a high level of co-operation between the general community and the police, as there is with Operation Noah and another initiative where people report boating offences on the waterways of New South Wales.

It is a pity that there need to be special one-day campaigns to encourage people to make a telephone call to report possible offences. It should be an instant reaction of people to work as part of community policing. The community has an important role to play in providing information. The low clear-up rates reflect the lack of community co-operation and the skill of the criminal element, which is making it more difficult for the police to apprehend criminals and discover their activities. Recently I have read reports on the dramatic increase in insurance fraud related to arson and motor vehicle accidents. The insurance companies seem to have caught up with the perpetrators and in future they will not be successful but will be discovered and punished. The whole community has to pay larger premiums to cover the costs incurred by insurance companies in paying out fraudulent claims.

One of the areas of serious concern in law enforcement is murder. Honourable members will remember the tragic events in Strathfield. In 1988-89, 120 homicides were reported in New South Wales. Eighty-seven of those homicides, or 73 per cent, were murders; the rest were manslaughter. Reported homicides averaged one every three days. However, a comparison of the population density in 1982-83 compared with that of 1988-89 shows that the rate of homicide per head of population has remained at about two per 100,000 people. The highest annual reported homicide rate for the century was about three per 100,000, which occurred before 1920 and has not reoccurred since that time. The clear-up rate in 1988-89 for reported homicides was 85 per cent. That is a commendable level. Though one would like the figure to be 100 per cent, cunning murderers have made it difficult for police to apprehend them. In the past few months the police have cracked down and charged with homicide some who thought they had committed the perfect murder.

Between 1968 and 1986, 85 of those charged with homicide were male and 64 per cent of homicide victims were male. Young adults aged from 20 to 30 years of age made up 38 per cent of those charged with homicide. The suspect and the victim were related in 43 per cent of the cases reported between 1968 and 1986. In 17 per cent of cases the suspect and victim were strangers. In recent days there has been a lot of debate about guns. Guns were the most common weapon used in homicides, and accounted for 35 per cent of the cases reported between 1968 and 1986. Another area of great concern is sexual assault, including rape. The term rape was replaced with sexual assault, categories 1, 2, 3, and 4. In 1988-89 there were 2,220 reported sexual assaults. Of those, 1,281 or 58 per cent, were indecent assaults, which is the lowest category, category 4. The average number of reported sexual assaults a day was about six. Reports of sexual assault involving intercourse or attempted intercourse - categories 1 to 3 - averaged 2.6 a day. It appears from the records that in the three years 1987 to 1989 there was a decrease in the number of reported offences, which is encouraging. We would like that to continue.

Another budget area in which I am interested is corrective services. Corrective services establishments must be available to house the criminals the police are successful
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in apprehending. An amount of \$297.5 million has been provided for the corrective services policy sector, an increase of 34.3 per cent over expenditure in the past financial year. The

increase is due to the full year of operation of the Lithgow Correctional Centre, the John Morony Correctional Centre, the Parklea prison extensions coming on course, and the significant increase in the prison population, resulting in the need for additional custodial and support staff and additional expenditure on uniforms, food and other provisions for inmates. I note in the budget estimates the department's attempts to cope with the serious overcrowding in the State's prisons. That can be related to the increased levels of police activity to which I have referred, which have resulted in a higher arrest rate for offences involving gaol sentences. Changes have been made to the criminal law and decisions related to life sentence release as well as changes to court and sentencing procedures.

I agree with the efforts being made by the current Minister for Justice to pursue suitable alternatives to full-time imprisonment. This follows what I regard as a very important biblical principle - restitution. Persons engaged in crime should not simply be fined or imprisoned; they should be involved in a program of restitution to the victim so that the victim not only has a sense of justice being done but also sees it to be happening. Also the Ministry of Corrective Services is seeking to expand the community service order legislation to encompass offenders under Federal laws and the opening of more day attendance centres and home detention centres. A number of other programs have been introduced. These should be given a fair opportunity to be carried through. It is a pity that we need prisons, but that is the reality of our modern society. It is far better to have preventative policies rather than ones based on punishments such as locking people up in gaol.

I note that in New South Wales 3,239 people were sent to prison for less than one year in 1988, but on census day only 610 short sentence prisoners were actually in prison. In addition to 3,948 sentenced prisoners, New South Wales prisons contained a large number of people - namely, 726 - on remand awaiting a court hearing. No doubt, that is putting very heavy pressure on our prison system. On the legal status of prisoners as a percentage of prison population, 78.8 per cent are under sentence, 5 per cent are awaiting appeal and 15.5 per cent are on remand. Obviously, the longer the delays in court cases, the higher the number of people in our prisons on remand. A number of such people may be found to be innocent when their case comes before the court.

Of every 100 prisoners 95 are male. There are 216 male prisoners for every 100,000 males living in New South Wales and 12 female prisoners for every 100,000 females living in New South Wales. Almost half of all prisoners were in the 20 years to 29 years age group. Unfortunately, one of the developments that I have noticed in recent years is the higher number of Aborigines in prison. The imprisonment rate of Aborigines has been about 12 times higher than that of the non-Aboriginal population. For every 100,000 Aborigines, 1,206 were in prison on census day. For every 100,000 non-Aborigines, 99 were in prison on census day. This is a very depressing picture. We all know that a great deal is being done to try to change that situation, but there do not appear to be any dramatic results at this stage. Of the sentences of prisoners in New South Wales gaols, 10.7 per cent are under periodic detention; 15.5 per cent are imprisoned for up to one year; 29 per cent are imprisoned for one to five years; 21.8 per cent are imprisoned for five to 10 years; 17 per cent are imprisoned for 10 years plus; and 6.1 per cent are imprisoned for life. Six in every 100 sentenced prisoners are sentenced to life, or the Governor's pleasure. It is difficult to reduce expenditure in such areas without some dramatic changes in attitude or behaviour in our society.

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One tragic development is the number of young people coming into contact with either the Police Service or corrective services. There are some indications that young people are more often the victims of crime than any other age group. Of the 151,200 victims of crime in

the 12 months to April 1990, 32.5 per cent were young people aged 15 years to 24 years. In many ways young people are the majority in both categories - they are more often the victims of crime and they are becoming more involved in court appearances and other such areas. For example, young people are highly represented in lower court appearances, accounting for 41 per cent of all lower court convictions. Fifty-six per cent of these convictions relate to drink driving offences. Crimes most likely to involve young offenders include theft, assault and property damage. The number of committals has fallen by 32 per cent, from 1,168 in 1988 to 1,071 in 1990. This is an encouraging sign. In 1990 approximately 2,006 young people aged under 25 years were in the New South Wales prison system, which represents 31.5 per cent of the State's prison population. More needs to be done in that area. Other honourable members and I are involved with the Standing Committee on Social Issues, which is looking at the whole question of juvenile justice and related matters. We hope that in due course we can assist in that situation in our State.

It is very important that, in trying to deal with the problems facing our society, whether in the area of law and order or corrective services, we face up to the question of what the basis of laws in our State is and how we can encourage people to be more responsible. I have endeavoured to talk about community standards, Christian values and so on in my time in this House. It may seem strange, but in many ways the key to reducing budget expenditure and therefore pressure on the community through taxation, whether Federal or State, is to have a change of attitude within the community. This can be done to a degree through education, but it also needs to be done through a reaffirmation of basic principles and values in our society. I note that when the Queen takes part in the coronation service she makes an oath. It includes sentiments which contain some important principles. She has to do the following:

- (1) to govern the peoples of the United Kingdom of Great Britain and Northern Ireland, and the dominions etc. belonging or pertaining to them according to their respective laws and customs;
- (2) to cause law and justice in mercy to be executed in all judgments, to the Sovereign's power;
- (3) to maintain the laws of God, the true profession of the Gospel, and the protestant reformed religion established by law, to the utmost of the Sovereign's power;
- (4) to maintain and preserve inviolable the settlement of the Church of England, and its doctrine, worship, discipline and government as by law established in England -

That is applicable to the United Kingdom. It continues:

- (5) to preserve unto the bishops and clergy of England, and to the Churches there committed to their charge, all such rights and privileges as by law do or shall appertain to them or any of them.

In conclusion I should like to repeat the third of the duties imposed by the coronation oath, which is:

to maintain the laws of God, the true profession of the Gospel, and the protestant reformed religion established by law, to the utmost of the Sovereign's power;

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As all honourable members know, the laws of God are contained in the Bible. I know some people regard the Bible as having little relevance today. I do not believe that to be the case. When John Wycliffe, a famous reformer, was putting the Bible into common English for the working man, he said:

This bible is for the government of the people, by the people and for the people.

That phrase or a variation of it was used by Abraham Lincoln. However, I did not realise that its origin was in relation to the Bible. Certain of the values and a degree of the security contained in the Bible have been continued. Call to Australia believes the Bible is inspired by God, the Creator, who inspired writers such as Moses, the prophets, the apostles and our Lord himself with his words. I believe the Bible should be restored to its rightful place as the basis of our laws and the conduct of those laws in our society. As a result of that, the community benefit greatly. For example, if those principles were taught both in the family and in our schools, they would play an important part in the continuity of our society. Because of the emphasis in the Old Testament on laws, some people think that the laws in the New Testament at the time of the coming of Christ are of less importance. That is not so. The Gospel according to St. Matthew 5:17 quotes our Lord Jesus Christ as saying:

Do not think that I have come to abolish the law or the Prophets. I have not come to abolish them but to fulfil them.

That does not mean that we should live in a legalistic society but that everyone should have an understanding of the basis of that society and its laws so that the situation referred to in the Bible by one of the prophets can be prevented. That prophet said that whenever Israel was beset by problems, it was because every man did what was right in his own eyes, not in the eyes of God and not according to God's will. That results in anarchy, chaos, lawlessness, crime, violence et cetera. In Isaiah 5:20, 5:21 and 5:23 the prophet Isaiah says:

Woe to those who call evil good and good evil, darkness for light and light for darkness, who put bitter for sweet and sweet for bitter.

Woe to those who are wise in their own eyes and clever in their own sight.

Woe to those who acquit the guilty for a bribe and deny justice to the innocent.

If our energies could be used to strengthen the foundations of our society, would be more law abiding and there would be far less need for huge sums to be spent on law enforcement and corrective services. In other words, we have to concentrate on preventive policies rather than attempt to intervene with policies that deal with the end results. On behalf of Call to Australia, I have much pleasure in supporting the Budget.

The Hon. R. S. L. JONES [3.43]: First I should like to congratulate the new members - the Minister for Planning and Minister for Energy, the Hon. J. W. Shaw, the Hon. Patricia Forsythe, the Hon. Dr Meredith Burgmann, the Hon. D. F. Moppett, the Hon. Jan Burnswoods, the Hon. J. F. Ryan, the Hon. Jennifer Gardiner, the Hon. E. M. Obeid and the Hon. L. D. W. Coleman - on their election to this House. The House has had an influx of apparently highly intelligent new members and there will be some interesting debates in the next few months or years, as the case may be. No doubt honourable members will recall that I made my previous Budget speech on 13th November, 1990. In that speech I forecast that the budget deficit for the last financial year would be between \$750 million and \$1 billion. I regret to say that that estimate was all too accurate. The government Finance Statistics Estimates for 1991-91, Budget Paper
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No. 6, reveal on page 4 that the overall deficit of the State sector for 1990-91 was \$950 million. In my previous Budget speech, I forecast that receipts from stamp duties would reach approximately \$1.847 billion. The actual figure was \$1,871,613,000. I was only about \$25 million out. I forecast also that receipts from the payroll tax would not exceed \$2.5 billion. In fact receipts exceeded \$2.5 billion by \$83 million. Those figures were depressed from the original estimates and I regret to say that the same applies this year.

No doubt honourable members would have read the *Government Gazette* of 8th November and seen that the current receipts are way down on expectations. The receipts for the quarter ended 30th September were \$3,459,137,000. That compares with a figure of \$3,475,940,000 for the same period last year. Those figures reveal that the receipts are down when compared with the same period last year. The total recurrent receipts for 1990 were \$15,358,404,000. If one works out the three-monthly figure and extrapolates that to the annual figure, one comes up with a figure for current receipts for this financial year of \$15,284,160,000 which, regrettably, is \$1.240 billion below the forecast. I sincerely hope that those figures are not correct. If they are correct, on those figures alone the deficit for this financial year will be \$2.5 billion. I hope that somehow the figures are wrong or that in some way figures which should have been included have been omitted. However, I believe that the figures are accurate and the deficit for this financial year will be possibly in excess of \$2.5 billion. That will be a real tragedy for New South Wales.

Expenditure on recurrent services was forecast to increase 6.8 per cent this financial year. If one looks at the figures on page 9,333 of the *Government Gazette*, one will see that the recurrent expenditure figures for the quarter ended 30th September are \$3,891,411,000. That is a significant increase on last year's figure for the same period which was \$3,220,826,000. It is in fact a 20 per cent increase on last year's figure and is three times the 6.8 per cent forecast increase. Again I hope that these figures are incorrect or that some figures have been included which, for example, inflate the figures for the first three months. If that is not the case, the deficit will balloon to something like \$3.5 billion to \$4 billion. I cannot possibly believe that the deficit will be between \$3 billion and \$4 billion, but it is clear that it will be considerably in excess of \$1 billion, most likely considerably in excess of \$2 billion and more than likely the deficit will be \$2.5 billion for this financial year.

From those figures alone one can see there is no money to throw around; there is no spare money in the kitty. It may be that the Government will have to cut back on expenditure that has already been committed, and that will result in a further loss of jobs and further anguish in the community. The Government has two options: one is to go for the \$2.5 billion deficit and wear that and the result from that in the lower House if it is seen to be gross mismanagement of the economy of the State; the other is to cut back and receive the slings and arrows from outraged taxpayers and residents. To be running this State in the worst recession for 60 years is not the ideal situation to be in. Frankly, were I Mr Greiner I would be looking for a job elsewhere, perhaps in a bank in America. I emphasise that the situation in New South Wales is not of the Premier's doing. All States are suffering and I do not believe it is the fault of this Premier or the fault of the other premiers. The fact is the economy is in the worst state it has been for at least 60 years and we are in strife. Therefore, it is not a good time to be Premier of this State. Were I Bob Carr I would not be hastening to become Premier of this State for at least another 18 months until this mess has sorted itself out. It is not a pretty picture and I hope the next quarterly figures published in the *Government Gazette* show an improvement, otherwise there will have to be severe tightening of belts throughout the State, presumably including this House.

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What hope is there for the future? Recently the *National Business Bulletin* conducted a survey of the banking sector which is also in severe strife. The banking sector suffered a 36 per cent decrease in operating profit after tax last year. Foreign banks lost a total of \$741 million after tax. Loan write-offs for the banks totalled \$4.5 billion and that is an extraordinary amount. Specific and general provisions for doubtful debts are in excess of \$6.5 billion. One can see from the half-yearly results of the ANZ Bank, the National Australia Bank and Westpac that they are all in strife. The half-yearly after tax profits to 31st March for the ANZ Bank were \$104 million which is a decrease in operating profit after tax, compared with the previous year, of 72.4 per cent, and that is a significant decline. Doubtful debts expense for the ANZ Bank for that half year was \$534.7 million. Non-accrual loans are \$4,655 million - an extraordinary

amount. Non-accrual loans as a percentage of shareholders' equity, which is an alarming figure, is 105.7 per cent. In other words the ANZ Bank is not the best positioned of the large banks.

The operating profit after tax for the National Australia Bank was \$360 million for the half year to 31st March and that is a decrease over the previous period of 17.7 per cent. Their doubtful debts expense for the half year was \$455 million. The non-accrual loans held by the National Australia Bank amounted to \$2,349 million. The non-accrual loans as a percentage of shareholders' equity was 36.2 per cent which is very much lower than the figure for the ANZ Bank. Westpac is also having great difficulties. Its profits after tax for the half year to 31st March were \$215.9 million - a drop of 39.2 per cent over the previous period. Doubtful debts amount to \$551.6 million. Non-accrual loans are \$3,242 million which is 45.7 per cent as a percentage of shareholders' equity. These three banks alone have non-accrual loans exceeding \$10 billion. The banking sector is certainly in a great deal of strife. It is managing to hold the line, but only just. Were the banks to write off the loans in a 12-month period, they would be effectively insolvent.

Residential building approvals have recently shown a slight upturn, and it is about the only sector that has shown an improvement. There was a modest increase in house building activity throughout Australia for the June 1991 quarter. There was a 2.4 per cent increase in Australian Bureau of Statistics building activity figures with 121,260 dwellings started during the 1990-91 financial year, consistent with industry expectations. Nevertheless, it is still at the bottom of the trough. However, non-residential activity is still flat and will remain so for at least another two years. In August private detached home approvals fell by 4 per cent or 9,113 after very significant growth in the previous month. It is very likely that home approvals will increase, probably in the first quarter of next year, and this will lead to a slight improvement in the revenues of this Government. Nevertheless, it is about the only sector where one can see any hope in the short term.

Recently the *National Business Bulletin* undertook a survey of small business. They went to 254 small businesses to determine their attitudes and to determine how they were faring in this worst recession we have had for 60 years - we should be calling it a depression. The majority of small businesses favoured a consumption tax. They are not shedding staff, although they have shed staff previously. They are optimistic about the economy generally. They have no contact with trade unions. They are underprepared for award restructuring. They have a low opinion of government agencies. They get a hard time from the banks. They work extremely long hours. They cannot finance their own superannuation and they want more help from industry associations. An overwhelming 88 per cent of replies came from owners or proprietors of small businesses and 12 per cent from managers. They agree that this is the worst recession for 60 years.

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Of the respondents 45 per cent said that their sales for 1990-91 were down compared with the previous year, and 54 per cent reported a profit drop. However, 61 per cent believe that sales will stay steady or will increase in 1992, although only 48 per cent expect the same for profits. There is clear support for the Federal Opposition's consumption tax policy, with 65 per cent saying that it should be introduced in their industry and 64 per cent approving of a consumption tax for their own businesses. Almost two out of three of those polled said they were disadvantaged by being unable to increase prices to offset the cost of staff superannuation, training levies, land and council taxes, and early payment of company tax. Financing is a worsening problem for about 30 per cent of small operators.

Most small businesses suffer from slow payments by government departments and other businesses. They suffer from bad debts and from changing demands by the banks which themselves are having severe problems. For more than 50 per cent of respondents total borrowings were equivalent to 20 per cent of their annual sales, and that is a significant level.

Without significant knowledge of industry factors it would appear that the rest are facing heavier than average borrowings. Another revealing insight into financial management was that only 49 per cent of respondents received monthly profit and loss balances which are vital for financial planning. This clearly indicates that some of these businesses should get their acts together to ensure they employ good accountants if they are to survive this depression. Nevertheless, 43 per cent said they were optimistic about the prospects for recovery in their own industry in the year ahead. They were confident of the general upswing in the economy; that is fascinating. Almost one in five of the small businesses, or about 17 per cent, shed staff in the past 12 months. This is particularly true of firms that have six to 50 employees. The survey showed that 21 per cent of those who had six to 10 staff last year now have one to five staff; 29 per cent of those who had 11 to 20 staff last year now have six to 10; and 29 per cent of those who had 21 to 50 staff last year, now have only 11 to 20 staff. However, they say the job losses appear to have stabilised.

The DEPUTY-PRESIDENT (The Hon. D. J. Gay): Order! Pursuant to sessional orders, business is interrupted for the taking of questions.

QUESTIONS WITHOUT NOTICE

PRISONER ANTECEDENTS

The Hon. M. R. EGAN: My question is directed to the Minister for Police and Emergency Services and Vice-President of the Executive Council. What is the policy of the Government and or the Police Service in relation to evidence about a prisoner's antecedents given by police prior to sentencing? Does the Government or the Police Service condone the withholding of such evidence and, if so, why, and in what circumstances?

The Hon. E. P. PICKERING: I have no detailed knowledge of the matters raised by the Leader of the Opposition. Given their importance I will obtain a definitive answer for him, possibly before the end of question time.

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LEADING TEACHER APPOINTMENTS

The Hon. Dr MARLENE GOLDSMITH: My question without notice is directed to the Minister for School Education and Youth Affairs. Has the Minister noted the concerns of the New South Wales Teachers Federation about the appointment of an additional 50 leading teachers in New South Wales? Does the federation believe that this announcement in the first week of November for positions in late January will cause staffing chaos? What does the Minister intend to do about this matter?

The Hon. VIRGINIA CHADWICK: It is true that I have been keen to fulfil this Government's commitment and promise to appoint 200 leading teachers across New South Wales. Honourable members would be interested to know that currently 150 leading teachers have been appointed. It was only last week that I announced that the Government was in a position to fulfil its commitment and place an additional 50 leading teachers into New South Wales schools by first term next year. I was pleased that in a time of recession and difficult budgetary restraints on all government departments that the Government was in a position to

be able to appoint these additional 50 leading teachers. Leading teachers are of enormous benefit to schools. Not only do they enhance the professional expertise of schools, but also they provide the opportunity for excellent classroom teachers to maintain that contact with the classroom, to guide other teachers to a similar degree of professional excellence, preserving their promotional opportunities without moving towards a more administrative arena. I have regarded the fulfilment of that promise as very important.

I was most concerned about the matters raised by the New South Wales Teachers Federation subsequent to my announcement. Mr Leo Pomeroy of the Teachers Federation did say that he believed that this would bring staffing chaos. I have no intention, and I certainly have no desire, to place additional stress on what is already a most difficult and complex operation. The teaching service comprises about 50,000 teachers. Each year approximately 10,000 applications for either promotion or transfer are received, so it is a massive and complex operation to administer. I know that the 50 designated schools have anticipated the appointment of leading teachers. Many of those schools are in areas of great need. I also know that many teachers were thinking of applying for those 50 positions, and why would they not. They have a salary equivalent to a high school deputy principal - a salary of about \$50,000 a year. However, in spirit of co-operation and consultation, if the Teachers Federation says that the appointment of these teachers will bring chaos, then who am I not to listen to the voice of the federation? I urge the federation to look to constructive means whereby these eagerly awaited, much needed and expected appointments can be achieved. If this cannot be achieved then perhaps I need to consider deferring these proposed 1992 appointments.

POLICE CITIZENS' YOUTH CLUB VEHICLES

The Hon. B. H. VAUGHAN: My question without notice is to the Minister for Police and Emergency Services and Vice-President of the Executive Council. How many of the Police Citizens' Youth Clubs' vehicles, paid for by charitable moneys, are utilised by the Police Service and at what branches are these vehicles being used?

The Hon. E. P. PICKERING: That question clearly ought to appear on the notice paper. It is outlandish to expect me to say off the top of my head at what branches of Police Citizens' Youth Clubs motor vehicles are held. That is not a matter for which I, as Minister, am responsible. Those clubs are a separate entity at law. The Police

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Service gives them \$6 million worth of police time annually. If the Deputy Leader of the Opposition wishes to put his question on notice I will be more than happy to obtain the information.

BALMAIN PENINSULA CHEMICAL CONTAMINATION

The Hon. ELISABETH KIRKBY: My question without notice is directed to the Minister for Planning and Minister for Energy. Is the Minister aware of the report in the *Weekend Australian* about the perils of urban consolidation and the fact that the \$700 million Port Melbourne project was saved from collapse only by last minute agreement? Is the Minister further aware that it has taken six years to complete the decontamination consultation on the former industrial site known as Bayside? Will the Minister advise himself of the pioneering soil washing techniques which have been developed at that site by the Victorian Environment Protection Authority to meet residential standards? If the Minister can assure the House that that will be done, will he ensure that these soil washing techniques are used on the former industrial sites on the Balmain peninsula so that they are similarly decontaminated?

The Hon. R. J. WEBSTER: I am not familiar with the article to which the honourable member referred but I will endeavour to make myself familiar with it. On the general question of decontamination of sites, I had hoped that I had made myself clear to the honourable

member last week when she asked me a question about decontamination. New South Wales has the toughest environmental standards in Australia. Obviously the proposed New South Wales Environment Protection Authority will, if anything, have even tougher measures for decontaminating sites. I will certainly examine the techniques to which the honourable member referred, but it is not within the technical expertise of my department to make decisions on this matter. Obviously the State Pollution Control Commission and the proposed Environment Protection Authority will be the final arbiters. The only assurance I can give to the honourable member and to this House is that I am certain that this Government, through its various agencies, will do everything necessary to ensure that sites at Balmain and in other places are fully decontaminated, and that the waste from those sites is properly and responsibly disposed of before residential development takes place.

MEDICAL PRACTITIONERS OVERSEAS QUALIFICATIONS

The Hon. Dr B. P. V. PEZZUTTI: My question without notice is directed to the Minister for Health and Community Services. Is the New South Wales Government doing sufficient to help overseas qualified doctors become registered in New South Wales?

The Hon. J. P. HANNAFORD: The House will be aware that when the Government was elected it voiced concern about the large number of overseas medical practitioners who had overseas qualifications but were not registered to practise in New South Wales. Consequently the Government instituted an inquiry and established a program in conjunction with the Australian Medical Council to ensure that those practitioners would be able to pursue further education here and take up placements in our hospitals in order to gain experience and registration. The Government made available millions of dollars to assist these practitioners. Unfortunately some aspects of the program are causing me concern. Members will be aware that we seek to place these doctors. Placement is based on factors such as the suitability of a doctor to the position, the proximity to his or her home, the wishes of the doctor, and previous attachment to a hospital during for example a bridging course. However, the main factor is the
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availability of a position. This all sounds fairly straightforward, but I shall give the House an example of how the process is being complicated by unwarranted expectation. A doctor, whose name I shall not reveal, was informed on 30th August that he had passed the Australian Medical Council examination and therefore was eligible to commence a year of supervised training. He requested a position at either Nepean, Fairfield or Mount Druitt hospitals. As no appropriate position was available in southwestern or western Sydney areas, he was offered a position at either Royal Prince Alfred or St Vincent's hospitals or a non-metropolitan placement. I should have thought that prospective doctors would jump at an appointment to one of those hospitals. However, the doctor refused all these offers on the basis that he would have to travel too far to those hospitals.

The Postgraduate Medical Council arranged an interview for the doctor at Gosford District Hospital on 9th October. He was offered a two-bedroom flat, but he felt that was inadequate for his wife and three children, one of whom is a baby. He refused the Gosford position unless the hospital was willing to meet the cost of a three-bedroom home. He is paying \$65 for a three-bedroom Department of Housing home in Sydney and therefore does not wish to move. He is receiving unemployment benefits and is willing to wait for a position in western Sydney. On 10th October he was offered and declined a position at Wollongong Hospital. This doctor, who obtained one of the sought-after Lidcombe bridging course positions and passed the Australian Medical Council examination, has been living in public housing and has been on unemployment benefits for six weeks, having declined a position at four different hospitals. Other doctors also are waiting.

That is only one of a number of examples brought to my attention. I am totally supportive of retraining programs and placing doctors. However, examples such as that to which I have referred undermine the efforts of doctors who sought to have retraining programs

introduced, are supportive of them and are seeking to ensure that doctors of ethnic background are registered and thus able to treat their countrymen. If I continue to find that such incidents occur I shall have no choice but to review the program. That is only a fair and reasonable obligation that I should impose upon myself. Those facilities are extremely expensive and are for the benefit generally of a large number of doctors. If some doctors abuse the system, that abuse should not be allowed to continue.

OMBUDSMAN INQUIRY INTO REIBY DETENTION CENTRE ASSAULT

The Hon. R. D. DYER: I ask the Minister for Health and Community Services, representing the Minister for Justice, a question without notice. I preface my question by referring to the Ombudsman's annual report for 1991, dealing with a complaint about an assault on a detainee of Reiby detention centre. Is the Minister aware that the Ombudsman found that his inquiry was disrupted by the Department of Family and Community Services - as it was then called - personnel who did not provide statements when required, did not attend when requested, and did not make witnesses aware of appointments that had been made? What action if any has the Government taken against the officers at Reiby responsible for this misconduct and what action will the Government take to ensure that any further complaints by detainees at detention centres will be investigated adequately?

The Hon. J. P. HANNAFORD: The question is justifiably raised and is a matter of some concern. I shall refer it to the Minister for Justice, who, I am sure, will provide a reply as soon as possible.

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FRUIT BAT KILLING LICENCES

The Hon. R. S. L. JONES: I ask the Minister for Health and Community Services, representing the Minister for the Environment, a question without notice. Is it a fact that wildlife officers are issuing licences to kill fruit bats in contravention of section 121 of the National Parks and Wildlife Act 1974 in that they have failed to supply labels, tags, slips or other objects sufficient in number to affix or attach to the carcasses of the fruit bats? Is the issuing of licences to kill fruit bats in contravention also of section 111 of the Environmental Planning and Assessment Act 1979, as contained in a submission by the Solicitor General in the Chaelundi appeal case in which he argued that a licensing authority is bound by section 111 of that Act? If section 121 of the National Parks and Wildlife Act and section 111 of the Environmental Planning and Assessment Act are being breached, what action does the Minister intend to take to remedy those breaches?

The Hon. J. P. HANNAFORD: The House would appreciate that I would not know whether licences have been granted; whether licences were issued, if at all, in breach of the relevant section of the Environmental Planning and Assessment Act; or, if so, what action the Minister will take. However, the House would appreciate that I shall seek a reply for the honourable member.

GUARDIAN ANGELS

The Hon. R. T. M. BULL: My question without notice is directed to the Minister for Police and Emergency Services and Vice-President of the Executive Council. Is the Minister aware that the Guardian Angels are planning to visit Sydney soon with a view to establishing a

chapter of their organisation in this State? Will the New South Wales Police Service co-operate with them?

The Hon. E. P. PICKERING: The New South Wales Police Service will not co-operate with the Guardian Angels, or with any other self-appointed vigilante group. Recently I received what appears to be a circular letter on Guardian Angels letterhead signed by Sebastian Metz, the organisation's international co-ordinator. The letter states:

October 24, 1991.

Hello.

For years I have worked towards the start of a Guardian Angels chapter in Australia. I dreamed of bringing the Angels down under, because I am convinced that they would be incredibly successful. Now it's going to happen.

Am I making too much of a country I've never been to? I don't think so. Because it's not the country that I'm interested in but the people. Whether they have been in Vancouver Canada, New York, Los Angeles or London England, the Australians I have worked with have always made great Guardian Angels. As a group they seem to possess those qualities that we search so hard for in our members; a mental stability and toughness, a straightforward honesty and a concern for others. In fact, besides a few politicians I saw interviewed on TV, every Australian I have heard speak, whether on the screen or in the streets, seemed to have these same character traits.

All my contacts tell me it's going to be a hot summer. I plan to add to the heat. My road team and I will be arriving next month and we will be ready to start our first chapter in the Southern Hemisphere. Although we will touch down first in Sydney I want to visit as many places as I can in the months I will be there. Once Sydney is started the rest of the continent won't be far behind.

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I am sure all honourable members support my saying to Mr Sebastian Metz that there is no place or need for such groups as the Guardian Angels in this State or anywhere else in Australia. The Government and the New South Wales Police Service encourage community involvement in law and order and any properly developed scheme to make society more secure. They welcome the involvement of the community and have fostered such involvement in the form of Neighbourhood Watch and various other watch schemes, community consultative committees, and other programs. Beat policing is a highly successful way of involving the community. I am sure that volunteer policing, when the trials programmed for next year are complete, will prove to be a most valuable extension of the principles of community-based policing. Outright vigilante groups such as the Guardian Angels are neither needed nor wanted in this State. In saying that I do not intend to be derogatory of them. There can be no doubt that they are well intentioned and that they have done a great deal to assist others in such places as New York. But the crime problems that exist today in parts of the United States of America are far greater than any such problems in Australia.

The Hon. Ann Symonds: Why is that so, do you think?

The Hon. E. P. PICKERING: The reason is the complete breakdown between the community and the police service in that country, to the point where police are not willing to provide a service to some sections of the community. When the police walk out, the Guardian Angels walk in. I assure honourable members that that will not happen in this State under any circumstances. I will not allow a situation to develop in which people walk down the streets and take the law into their own hands by bashing up those whom they consider to be criminals.

That is not the way to maintain law and order in this country. The concept of Guardian Angels will not work and is not welcomed in Australia.

LIQUOR OUTLET BREATH TESTING MACHINES

Reverend the Hon. F. J. NILE: I ask a question without notice of the Minister for Police and Emergency Services and Vice-President of the Executive Council, representing his own portfolio and that of the Minister for Transport. Is it a fact that a number of hotels and registered clubs have breath testing machines installed to evaluate the amount of alcohol consumed by individuals? Will the Government ensure that hotel owners, managers of registered clubs, owners of drive-in bottle shops, and people obtaining temporary licences to sell or serve alcohol are legally required to install breath testing machines in prominent public places to be used by all patrons in an effort to reduce the number of alcohol-related car accidents?

The Hon. E. P. PICKERING: With regard to the first part of the question, I inform the honourable member that I have noticed in some clubs and hotels that proprietors have installed breath testing equipment, generally at a cost to the patrons, to enable consumers of alcohol to ascertain whether they are above the legal limit for blood alcohol when they leave the premises. That seems to me to be a sensible proposal. The decision as to whether the Government should actively encourage distributors of alcohol in the community to adopt that proposal either voluntarily or by force of regulation rests with the Attorney General and the Minister for Transport. My responsibility as police Minister is to enforce the law. I shall bring the suggestion to the attention of both Ministers.

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TOBACCO PRODUCTS SALES TO MINORS

The Hon. DOROTHY ISAKSEN: I direct a question without notice to the Minister for Health and Community Services. Was the Minister aware when he said yesterday that later in the week the Government would release a package of new measures to make it more difficult for people to smoke that new regulations were in force already and had been gazetted last Friday? If so, why did the Minister make the misleading statement?

The Hon. J. P. HANNAFORD: I am sure that what I said was that I would be announcing new measures. In fact, I announced the release of those measures today. In April the Government considered a number of matters that should be pursued to reduce access to tobacco by young people. A measure announced at that time was the increasing of the legal age at which minors could purchase tobacco. A matter of concern to the Government, and I am sure to the Standing Committee on Social Issues, was that the legal age for the purchase of tobacco was 16 years and that, generally speaking, the law in that regard was being ignored by retailers. I recall, however, that the law was enforced at the time my family was managing a corner shop business. I can recall a police officer coming to the shop to insist that the regulation be adhered to. However, because of changing community attitudes or difficulties with regard to identification, the law has generally been ignored. From today it is illegal to sell tobacco and tobacco products to minors under the age of 18 years. Those found guilty of such an offence will be liable to a fine of \$5,000. The Government has embarked upon a media campaign that will be launched, by way of advertisements, in tomorrow's newspapers to draw the attention of retailers to the new regulations. A transitional period will operate during which retailers will be made aware of the law. I have announced also a moratorium on prosecutions until after 16th December. To emphasise the introduction of regulations during the enforcement period, retail outlets will be required to display a clear and legible sign.

The Hon. P. F. O'Grady: What will be done for those aged between 16 and 18 years who are already addicted?

The Hon. J. P. HANNAFORD: It is interesting that the Hon. P. F. O'Grady should interject. The previous Labor Government did absolutely nothing in this regard when it was in office. When the coalition came to government it altered the law to increase the legal age to ensure that retailers would be able to identify the purchasers of tobacco products by requiring the production of standard identification. A substantial penalty for those who breach the regulations has been provided also. If the Hon. P. F. O'Grady believes that a fine of \$5,000 for the sale of tobacco products is not a substantial penalty, he has a different sense of priorities from that of the community.

BUSINESS-EDUCATION INTERCHANGE PROGRAM

The Hon. D. F. MOPPETT: Is the Minister for School Education and Youth Affairs aware of the business-education interchange program? How has the program benefited the Department of School Education?

The Hon. VIRGINIA CHADWICK: The program is an important and significant achievement for the Department of School Education. The business-education interchange program has been on trial in recent months. For the first time such a program has been run in a co-operative venture between senior officers of the Department of School Education and New South Wales industry. The results of the recently

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completed pilot scheme have been excellent. The program involves transfer arrangements between personnel of the Department of School Education, Caltex Australia and IBM Australia Limited. Four two-month placements were made available to officers of the Department of School Education; two with Caltex and two with IBM. I am pleased that the program has been an enormous success. It has given officers of the department the opportunity to broaden their understanding of the world of business and to see how business interacts with education. Also, it has provided an opportunity for senior business people to better understand education and the complexities and challenges of managing within a large public sector organisation. It is my hope that the scheme may be extended in future years as a result of this successful pilot scheme.

The officers placed with Caltex had hands-on experience in dealing with management issues. They worked on the Caltex quality methods team and helped develop a training program for Caltex executives. The officers placed with IBM worked in the area of technology education and on management development programs. In all cases our officers found that the skills that they acquired and fine-tuned were directly transferable to their jobs within the Department of School Education. It is clear that these officers benefited personally and the department as a whole will benefit because the expertise and enhanced professionalism gained by these officers will enrich the department. The only cost to the department has been the cost of engaging relief staff for the officers involved and an accommodation subsidy for a country officer, thus a modest financial investment for such an important program. The scheme encourages better understanding between business and education, and from the successful pilot it would seem that it benefits both. I look forward to working with the department and the Business Council of Australia, which has supported the scheme. I urge other businesses that may wish to be part of this scheme in the future to come forward.

IRON GATES DEVELOPMENT

The Hon. JAN BURNSWOODS: My question without notice is directed to the Minister for Health and Community Services, representing the Minister for the Environment. Is the National Parks and Wildlife Service investigating the destruction of an Aboriginal site at the proposed Iron Gates development at Evans Head with a view to prosecuting the developer for

illegal bulldozing activity in July? Given these investigations, why has the National Parks and Wildlife Service now granted the developer a consent to destroy the Aboriginal site, despite recommendations from regional site officers of the service that no consent be given while the investigations are proceeding? Why was this advice ignored? Will the Minister table the consent to destroy and move to revoke it while the National Parks and Wildlife Service continues its investigations?

The Hon. J. P. HANNAFORD: The honourable member will appreciate that I do not have information on that detailed matter, but I shall draw the matter to the Minister's attention for a response.

QUEENSCLIFF DIAGNOSTIC UNIT

The Hon. ELISABETH KIRKBY: My question without notice is directed to the Minister for Health and Community Services. Is the Minister aware that the continuation of the Queenscliff diagnostic unit at North Manly, which provides an intensive remedial program for primary school children in country New South Wales with learning difficulties, is in jeopardy? Has the unit director been instructed by the chief executive officer of the Northern Sydney Area Health Service not to take any further referrals since

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this service is under review? Is it a fact that children already booked for term one of 1992 are being notified that their places cannot be guaranteed? Will the Minister for Health and Community Services and the Minister for School Education and Youth Affairs examine the funding difficulties that this service is having so that this essential service will not be withdrawn?

The Hon. J. P. HANNAFORD: The Hon. Elisabeth Kirkby will be pleased to learn that the issues relating to the Queenscliff diagnostic unit, as well as the operation of Dalwood Children's Home, which are related activities, are matters that have been drawn to my attention. I have requested a report from my department on both those activities. I have asked that the Department of Community Services and the Department of Health examine the matter. From information given to me it would appear that a number of those services should properly be related to the activities of the Department of Community Services but, from information provided to me, that has not occurred. I have asked for that matter to be examined. Also I shall refer the matter to my colleague the Minister for School Education to ascertain whether her department may have a role in what is occurring. I assure the Hon. Elisabeth Kirkby that I shall provide her with a response immediately I receive a reply to my inquiries.

WESTERN SYDNEY POLICE

The Hon. J. F. RYAN: My question without notice is directed to the Minister for Police and Emergency Services and Vice-President of the Executive Council. Is the Minister aware of allegations by the Labor member for Mount Druitt, Mr Richard Amery, in another place made on Radio 2WS this morning that western Sydney is not getting its fair share of police officers? Has the Minister been able to investigate these allegations and determine how many additional police officers have been posted to western Sydney since the Government took office and whether these allegations are true or false?

The Hon. E. P. PICKERING: I have only just concluded an interview on radio dealing with Mr Amery's ill-considered comment. Such comment is an indication of the Opposition's desperation upon realising the certainty of four or more years in opposition before the next election, and then another four or more years in opposition after that. One does get desperate in these situations. Opposition members in another place in opposition have been known to become irrational, as appears to be the case with Mr Amery. He attempted the sort of trick that went out of fashion a long time ago regarding police numbers. He has divided the number of police by the number of people in his community, talked about police to citizen ratios and argued that somehow or other he has been shortchanged. The honourable member should

also recognise that using police to citizen ratios is a method of allocating police that was discredited many years ago, as the Hon. Peter Anderson would have been able to tell him.

It is obvious that many more police are used in some communities than in other communities in order to provide adequate policing in line with the workload. For example, it would come as no surprise to learn that there are more police officers per head of population in a place such as Kings Cross than one might find in salubrious Woollahra. That is a matter of common sense. It is absolute nonsense to talk about a police-citizen ratio and say that the ratio in this State does not compare favourably with those in other States. If the honourable member wants to talk about police-citizen ratios, I point out that the police-citizen ratio in New South Wales compared with that in Victoria is very favourable. Across the entire State we have significantly more police per head of population than is the case in Victoria. Victoria is cutting police numbers

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because it can no longer afford them. In view of the comment by Mr Amery I thought I should check the situation in the Blacktown police district. I was not surprised to learn that since coming to office this Government has increased the number of police officers in the Blacktown police district by 100, bringing the total to 554 officers. That is a dramatic increase of approximately 20 per cent. One would gain the impression that Blacktown did not do too badly out of the additional 1,600 police officers this Government has provided to serve the community. If Mr Amery wishes to be irrational and irresponsible he should look to another ministry, because the next time he does something irrational or stupid in Blacktown in respect of my portfolio I will give him another kick in the head.

LOCAL GOVERNMENT BUILDING APPLICATIONS

The Hon. J. W. SHAW: I ask my question without notice of the Minister for Planning and Minister for Energy, representing the Minister for Local Government and Minister for Cooperatives. Has the Minister noted the views of the Ombudsman in his 1991 annual report that the Government's proposed change to the processing of building applications by local government is extraordinarily retrograde, fails to provide a uniform policy across the State, limits notification of interested parties and has the potential to produce a climate conducive to corruption? In the light of these trenchant criticisms, will the Government reconsider the terms of the Local Government (Building Applications) Amendment Bill 1991?

The Hon. R. J. WEBSTER: I shall take that question on notice. I am sure my colleague will provide the Hon. J. W. Shaw with an answer as soon as possible.

MISTRAL FAN FIRE RISK

The Hon. Dr B. P. V. PEZZUTTI: My question without notice is directed to the Minister for Planning and Minister for Energy. Is the Minister aware of reports that the Victorian Coroner is urging people to destroy a particular Mistral electrical cooling fan because it is a significant fire risk? Is the Minister aware of any fatalities resulting from those fans? If so, is the State Government doing anything to warn the public of the dangers of these fans?

The Hon. R. J. WEBSTER: I thank the Hon. Dr B. P. V. Pezzutti for his question and for his continuing interest in consumer affairs in this State. I am aware of the Victorian Coroner's announcement of problems with some models of Mistral Gyro Aire fans, which present a fire risk to consumers. Last week the Victorian Coroner issued a 213-page finding which marked the end of a three-year inquiry into 22 fires in Victoria, including one which claimed the lives of two young brothers. Australia-wide and overseas allegedly 106 fires have been started by these cooling fans. I have instructed the Office of Energy to place advertisements in major newspapers warning of the dangers of the Mistral Gyro Aire fans. As well, I will be issuing a news release to all media outlets, including suburban and country media, with similar warnings. The public should be warned that under no circumstances should

the fans - models GA 16-70 styles 11 and 16 and pre-1979 models with fold down handles and having slide or push down button speed controls - be used because of a significant risk of fire. The rating of the fan is 240 volts and 105 watts.

I am informed by the Office of Energy that without warning these fans can catch fire even if they appear to be in good condition. This warning also applies to models of fans which may have been modified by Mistral Gyro Aire following public recalls in

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1978 and 1989. The Office of Energy has advised me that it supports the Coroner's recommendation that fans should be destroyed and disposed of immediately because it has been shown that fires have been caused by failure of the fans, which are constructed of non-flame-retardant thermoplastic material. The problem is most serious in model GA-16/70. Approximately 30,000 style 11 and 60,000 style 16 fans have been sold to the public from production during the 1976-78 manufacturing period. The warnings have also been extended to about 110,000 to 210,000 units of other pre-1979 produced models. The cords on all these fans should be removed to stop their use if found at a rubbish tip.

It is important to point out that this warning does not apply to the current range of Mistral Gyro Aire fans model Nos 1110-0 and 1112-0. These models comply with the relevant Australian standard and are distributed by an entirely different company, Gerard Industries Pty Limited, which only recently purchased the Mistral Gyro Aire name. It is a sad fact that from time to time fires do start from electrical appliances. The State Government through the Office of Energy sees it as its duty to ensure the safety of the consumers of New South Wales. I urge the owners of these cooling fans to destroy them immediately.

FOOD PESTICIDE RESIDUE LEVELS

The Hon. FRANCA ARENA: I ask the Deputy Leader of the Government in this House, representing the Minister for Agriculture and Rural Affairs, the following question without notice. Is it a fact that recent testing made by the Australian Consumers Association has shown that the levels of pesticides in common foods such as milk, potatoes, apples, bananas, citrus fruits and others are well above the world standard? Is it a fact that in many cases Australian standards are less stringent than the Codex Alimentarius, which is a measure of international pesticide residue standards? What does the Government propose to do to protect the health of the community of this State from the dangers of high use of pesticides?

The Hon. R. J. WEBSTER: I do not know the detailed answer to the honourable member's question. I hope that by the tone of her question the Hon. Franca Arena, who in the past has shown herself to be antisport, is not now anti-food, especially Australian food. It is obvious that our food processes in Australia are continually being disadvantaged by the dumping on our markets of cheap, often subsidised, processed food from overseas, which I am told has not been prepared to the same quality and health standards as our own food. As to the level of pesticide residues in Australian food compared with world standards, I hope that what the honourable member implied is not correct. However, I shall seek the information that she has asked for and report back to her. I am assured, however, that the honourable member is not antifeed.

ELECTRICITY COMMISSION APPRENTICESHIPS

The Hon. L. D. W. COLEMAN: My question without notice is directed to the Minister for Planning and Minister for Energy. With the current emphasis in business and industry on downsizing and rightsizing, will the Minister inform the House if the Electricity Commission of New South Wales is maintaining its commitment to employing and training young people, specifically apprentices?

The Hon. R. J. WEBSTER: I thank the Hon. L. D. W. Coleman for his question. I am happy to report to the House that the Electricity Commission is continuing to offer a range of career development opportunities and is supporting this with a wide range of training opportunities for both newcomers and existing staff. As honourable
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members will be aware, the commission has been a leader in award restructuring and all commission employees are now under one single award. This has eliminated the barriers which we all know have prevented some people developing their full skills and abilities. Not only is the Electricity Commission maintaining its career development training but also it can claim to be having considerable success. Honourable members will all be aware that the 1991 apprentice of the year was recently announced by my colleague the Minister for Industrial Relations and Minister for Further Education, Training and Employment. Of the six finalists, one is employed by the Electricity Commission and another was employed by a commission subsidiary. New South Wales apprentice of the year was Shane Williams of Lithgow. Shane completed an apprenticeship in fitting and turning at the commission's Angus Place colliery earlier this year and is the year's top apprentice in that trade. He is now a full-time scholarship student at the University of New South Wales, studying business information technology. A second Electricity Commission apprentice, Brett Holz, a 20-year-old of Muswellbrook, a final year apprentice electrical fitter at Bayswater power station in the Upper Hunter, was also a finalist. Both are to be congratulated on their efforts, as is the Electricity Commission for its contribution.

[Interruption]

The Hon. R. J. WEBSTER: I am concerned about some of the flippant comments from honourable members opposite. I should have thought they would be as delighted as I am at the success of these apprentices. The Electricity Commission employs more than 300 apprentices, and in 1990-91 it offered 84 new apprenticeships.

[Interruption]

The DEPUTY-PRESIDENT (The Hon. Dr Marlene Goldsmith): Order! There is far too much audible noise in the Chamber.

The Hon. R. J. WEBSTER: I will repeat that for the information of honourable members opposite because they are always willing to criticise - knock, knock, knock. Now is the time when they should be pleased and realise that the Government is achieving an enormous amount with its statutory authorities. The Electricity Commission -

The Hon. P. F. O'Grady: Not even Ted can believe you are doing this.

The Hon. R. J. WEBSTER: The Leader of the Government in this House is as delighted as I am with the answer to this question. If members opposite will be quiet, I shall get on with it. The Electricity Commission employs more than 300 apprentices and in 1990-91 offered 84 new apprenticeships. It should be noted that the Electricity Commission offered 20 adult apprenticeships this year. I am sure that the Hon. Franca Arena, being an adult, will appreciate that. Twenty workers ranging in age from their early twenties to their thirties began three-year apprenticeships with the commission from January. They are undertaking training in the electrical fitting, fitting and machining and radio trades at three power stations and two regional centres. What makes the scheme unique is that those adult apprentices are able to retain their existing wages as trades assistants or labourers while they undertake the nominal three-year apprenticeships instead of four-year apprenticeships. This scheme offers a unique second chance for staff who for many reasons failed to take the decisions to pursue trade training in their teens. Making full use of staff skills is an important part of the restructuring that has taken place in the Electricity Commission and which has succeeded in having a wide range of

differing work conditions and awards united into one award, with the full agreement of staff and unions. That is a significant achievement by this Government.

The adult apprenticeship scheme is proving a success so far, with more than 100 commission employees bidding for the first round of apprenticeships. A similar number is expected as the commission gears up for its new year's apprenticeship intake, likely to be about 90 overall. The applicants' first hurdle is a test covering their skills in mathematics, science and vocabulary at year 10 level. The commission's training and development staff offer practical help, practice test papers and are designing a training package to help ensure the scheme's continuing success. That underlines graphically the tremendous achievements of the Electricity Commission under the management of this Government. It shows that even in these tough times we are able to offer that number of apprenticeships. I extend to the commission and its management my congratulations.

POLICE STATE PROTECTION GROUP

The Hon. P. F. O'GRADY: I address my question without notice to the Minister for Police and Emergency Services and Vice-President of the Executive Council. Is the newly formed State protection group working under the same procedures and instructions as the tactical response group and special weapons and operations section? Further, are any former special weapons and operations section or tactical response group officers who were involved in the Gundy and Brennan tragedies working within the State protection group?

The Hon. E. P. PICKERING: It is remarkable that almost every time the Hon. P. F. O'Grady asks a question in this House he wants to have a crack at the police. He is the very first to run to them for assistance whenever he wears that jacket and feels threatened. He is definitely unsociable. The new protection group is doing a splendid job under a new commander. Obviously I do not have detailed knowledge of every individual member of that group. I do not carry that sort of information with me.

The Hon. Judith Walker: You are not an operational Minister.

The Hon. E. P. PICKERING: That is dead right. The last thing you would see me doing is to be out there with a gun. The honourable member can rest assured that the group is travelling well. I have been monitoring its activities of late. It seems to have carried out all of its operations in a complimentary way. I am sure it will continue to do so. As to the make-up of the group and who is in it, I could not help the honourable member. I do not think it would help us either. With those few words of assurance the honourable member may be sure that we have a Police Service of which we can be proud, despite the fact that he continually denigrates it.

ENVIRONMENTAL EDUCATION

The Hon. R. S. L. JONES: I ask the Minister for School Education and Youth Affairs whether the New South Wales Department of School Education produced an environmental education curriculum statement in 1989 which stated that it was mandatory for there to be cross-curriculum emphasis on environmental education in all areas? Is it a fact that there is no environmental education representative on the Board of Studies and that the Board of Studies has absolutely no policy on environmental education? Is it further a fact that there are no full-time environmental education consultants in any region

and that there is not even an environmental consultant in head office? Knowing of the Minister's keen personal interest in environmental education I ask her whether she will determine why the Board of Studies has abandoned environmental education?

The Hon. VIRGINIA CHADWICK: A number of different facets of the question must be addressed. For example, the Hon. R. S. L. Jones asked why the Board of Studies was not following the cross-curriculum policy and strategy developed by the Department of School Education. It is probably because the honourable member was a member of this Chamber which, through education reformatting, separated several functions and established a new statutory body which had nothing to do with the Department of School Education, namely, the Board of Studies. That answers that part of the honourable member's question. It is not part of the responsibility of the Department of School Education. Having established that, I am interested to take up matters raised by the honourable member when he said that he believes there is not an appropriate level of involvement or real expertise within the Board of Studies in this particular area. I do genuinely believe and support the policy and strategy of the department which attempts to introduce a perspective of environmental education right across the curricula. If the honourable member's assertion is correct, I shall take it up with the president of the board to ensure that there is an appropriate balance. In regard to the Department of School Education, I am thrilled that the honourable member has taken note that there is cross-curricula emphasis that is being interpreted in a number of different ways across syllabuses and the entire K-12 spread of the curricula. I am thrilled when I go to our schools and see co-operative ventures with organisations such as Rotary, which has as its international theme this year environmental issues.

The Hon. Ann Symonds: Why has the Minister turned her back to us?

The Hon. VIRGINIA CHADWICK: I am addressing the Chair. Rotary is involved in the establishment of greenhouses. Co-operative ventures have been undertaken between regions. Children in metropolitan Sydney are propagating seeds from drought-stricken western New South Wales and sending the seedlings back to help farmers and to beautify school grounds in the country. The department is involved also in traditional organisations such as the Gould League and others. The Hon. R. T. M. Bull and I - and indeed a number of other honourable members - have been involved recently in the presentation of environmental awards to a number of schools. We have the greening of the schools policy. One could go on and on relating our initiatives that have been taken up by each and every school with great enthusiasm and fervour. One statewide initiative that springs to mind that I have discussed before in the House is the Green Train. That is a co-operative venture between the Minister for Transport and I. That environmental resource on wheels and rails has travelled the length and breadth of New South Wales taking enrichment and resources to our children so that they can develop that cross-curricula perspective that is so important to environmental education. In any number of areas of the school curriculum the department has more than actively fulfilled, and will continue to fulfil, its obligation and promise regarding environmental education. I shall take up with John Lambert the matter relating to the Board of Studies.

The Hon. E. P. PICKERING: In view of the time, honourable members might commit the rest of their questions to the Questions and Answers paper.

Financial Year 1991-92

Debate resumed from an earlier hour.

The Hon. R. S. L. JONES [5.0]: Earlier I was referring to a study undertaken by the *National Business Bulletin*, the national small business survey, giving examples of job losses and the fact that there is now job stabilisation in most small businesses. About 90 per cent of respondents expect to maintain current staff levels during the next few months. The remainder are almost evenly divided between gaining and losing staff. The most likely staff increases will occur in larger firms, those with more than 20 employees. New South Wales will do well in the future only if exports are increased; it cannot continue to live on the domestic market. I was encouraged to see in the Westpac November 1991 "Market Insights" report on page 7 that elaborately transformed manufactures are increasing significantly, particularly to the western Pacific. The article read:

Whereas Australian export growth to OECD countries averaged 17.5% in AUD terms in the 1981-90 period, the growth in exports to Asia averaged 23%.

That shows that our natural market is Asia and less so Europe, as it has been traditionally in the past. The most important markets for Australia are Japan, South Korea, Singapore, Taiwan, Hong Kong, Thailand and Indonesia. Our near neighbours will become our growth export opportunities for the rest of this century. Most of our growth in exports to Asia has been based on agricultural and mineral resources, where Australia has a significant comparative advantage over many Asian countries. However, the exports of simply transformed manufactures have grown substantially and the export of elaborately transformed manufactures has grown significantly from a relatively low base. They now represent 59 per cent of Australia's global exports and manufactures. For example, during 1989-90 exports of elaborately transformed manufactures grew by 35 per cent to Japan, 34 per cent to Korea, 36 per cent to Malaysia and 75 per cent to our nearest neighbour, Indonesia. Those figures show that Australia is finally realising that it is effectively a member of the Asian community. There is no doubt in my mind that we will continue to add value to our products and export them as elaborately transformed manufactures and not just continue to export raw products and turn Australia into a mine.

If Australia becomes involved in increased manufacture and increased transformation of raw products into elaborately transformed products, there will be a significant growth in exports. This morning I was interested to hear on the radio that the production of wool products in northern Italy is almost equal to Australia's entire export wool clip of \$4 billion-odd. If the northern Italians can transform Australian wool and add to its value to the extent of \$4 billion, surely Australia can do that itself. It is extraordinary that for all these years Australia has been living on raw wool when it could be exporting fully-fashioned clothes. It is an enormous tragedy that Australia has not reached the stage of exporting real products rather than raw products. The Westpac forecast for Australia for 1991 shows a 0.5 per cent decrease in its real gross domestic product and an increased forecast for 1992 of 2.3 per cent, though that remains to be seen. Inflation for 1991 is estimated to be 2 per cent and for 1992 3.5 per cent. Unemployment will rise further, unfortunately. Though it is forecast to reach 10.6 per cent, it is possible that over the next six months it will rise to well over 11 per cent, which will be a tragedy, particularly for our youth.

Westpac estimates that the 90-day bill rate will remain about the same, at 8.9 per cent. Honourable members know that Australian interest rates are very much higher than many of our competitors. Indicators point to a recovery in the first half of 1992, which New South Wales needs if it is to pick up some of the looming \$2.5 billion deficit it faces. If spending continues to balloon out at the current rate, the deficit may reach \$3.5 billion. The effect of the weak domestic demand in reducing the current account deficit will have run its course by mid-1992, though the labour market shakeout will not be over and the peak will be some time away. Therefore, a large number of young people will have great difficulty in finding employment. Interest rates will probably continue to go down, and should go down. The real interest rate is exceedingly high, and historically far too high. Interest rates should be no more than 6 per cent, 7 per cent or 8 per cent to bring them into line with the real interest rates of our competitors. I hope there will be a recovery at the beginning of 1992 to help the State overcome the significant looming deficit. The *National Business Bulletin* in its "Nettled" column under the heading "Export or Perish" talked about the reduction of tariffs and said:

The Government reduces tariffs in the hope of forcing businesses to seek export markets. What actually occurs, however, is a flood of competing imports as a result of the reduced tariffs.

This tends to put the local company out of business long before it has the chance to assess export possibilities.

Much of Australia's problems began back in the Whitlam era when all tariffs were reduced by 25 per cent. In the following months the Government announced that the policy had succeeded.

Then all hell broke loose as the imported products hit the market. Whole Australian industries disappeared - the electrical goods industry being a good example: where now are the great organisations which once carried the names of Astor, Mullard, Kreidler, HMV, Radiola, Kingsley, Admiral, etc.

They have all gone. Since the tariffs were reduced Australian industry has been crippled. The article continued:

There's an old boys network in Canberra that has got it wrong. We are one of the richest countries in the world when it comes to natural resources, yet do not understand the principles of "value added". We have the opportunity to service the emerging countries of the Pacific Rim, but in fact are losing our share of the market in those areas.

The level playing field does not work for Australia. It can never work with a population of 17 million competing with populations of 100 million, 200 million and more. Australia does not have the domestic market to provide the competitive advantage of producing significant runs of products and, therefore, is unable to service export markets except in some specialised areas. Australians and Australian business will have to become involved in export niche markets, particularly for processed foods, and some of the high technology markets that are being developed overseas. Australia has some of the world's finest brains. The Commonwealth Scientific and Industrial Research Organisation and the universities are engaged in research on a number of high-tech products, in which Australia can lead the world.

Australia leads the world in high speed passenger vessels. It leads the world in solar energy at the moment, although we are being rapidly overtaken. We lead the world in a number of energy areas. We also lead the world in technology involving the reduction of water pollution. Companies such as Memtec and Boyd Keogh Industries Pty Limited are unsung heroes in their own country. They are selling their products to France, Germany, the United States of America and other countries in very large numbers, yet are unable to have their products accepted by the Water Board or the Coffs Harbour City Council. I am glad to say that Lennox Head has a Memtec system. It

seems extraordinary that companies that have been very well received overseas have enormous difficulty in getting acceptance even in a place like Coffs Harbour, where there is a proposal to pump what is effectively effluent into an aquatic reserve where it will do untold damage. This area is where the marine ecologies of the north and south meet. It has been acknowledged that this ecology system is extremely valuable and the area has been nominated as an aquatic reserve. In fact, it was to be a marine park but unfortunately the Minister for the Environment was rolled in Cabinet. We cannot convince our own State Government, the Coffs Harbour City Council or the Deputy Premier, Minister for Public Works and Minister for Roads - who is pushing very hard to have the ocean outfall so that his friends and business associates will do very well, making a windfall - to bring in membrane technology, which is at the lead of world technology and which is \$1 million cheaper than building the ocean outfall.

The scandal is still unravelling. We will be hearing more about that in the media shortly. Some of the people who own this land are involved in Yakuza. All will be revealed very shortly in Japan. There are investigations taking place right now in Canberra and Japan into people involved in the land deals in Coffs Harbour and the reason why the ocean outfall is being pushed very heavily by certain identities. There may well be another Independent Commission Against Corruption inquiry into that and people may have to give embarrassing evidence; that remains to be seen. Certainly it is not only the effluent that stinks; the whole issue of the building of the ocean outfall stinks. A number of people have put forward proposals on that issue, but I will not go into them at great length now because I do not want to use up taxpayers' money.

Information from Memtec was presented to the media in a press conference of 22nd October. Memtec was very puzzled why the Water Board was not allowing it to fulfil its contract and Nick Greiner's commitment of 27th June, 1990. The Water Board, by imposing standards that are ridiculously high and which vastly exceed its current standards, has made it almost impossible for the world's best technology to be used. The Water Board has requested Memtec to meet quite impossible standards, vastly better than its own. It has squeezed Memtec out of the market. One wonders what pressures exist and who is putting on this pressure. No doubt at some point we will find out why Memtec is being forced out by the Water Board and who is behind this. Perhaps it is professional jealousy. We may not know for a while. Certainly the information given by Memtec to the press at its press conference is very clear. I spoke about Memtec in my previous speech on the Budget. It is a leading Australian company. It leads overseas - for example, it has just completed a big contract with France - but it is not acknowledged in its own home town. It is a very large company. It will probably have to move overseas eventually because of the limited vision of some people in New South Wales in particular. Its products are used by companies such as ICI, Dow, 3M, Monsanto, Hewlett Packard, Rhone Poulenc, Exxon and Union Carbide and government bodies including NASA; the United States Army, Navy and Air Force; even the Australian Army and Navy; and water authorities in the United Kingdom, America, Australia and France. All over the world Memtec has received acclaim and it is doing extremely well, but not in New South Wales. It is quite extraordinary.

I mentioned the other day in the House that if Memtec were allowed to put in its technology at Willis Creek, for example, it would cost \$1 million less than the ocean outfall and it would produce virtually drinkable, potable water. Certainly that water could be used for irrigation and to reduce water consumption. There is a critical shortage of water in Coffs Harbour. As the population continues to increase, as it will do over the coming years, it is more important than ever to avoid having to build another dam, which would cost many millions of dollars to taxpayers. If the Deputy Premier, Minister

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for Public Works and Minister for Roads has his way, what could have been made into potable water will now be pumped into an aquatic reserve, complete with viruses and bacteria. We could be recycling that water in Coffs Harbour, saving the taxpayers a million dollars in the construction of the plant and saving tens of millions of dollars in precluding the necessary

construction of another dam. This technology has been introduced overseas and the company is doing extremely well, but it is not doing well here. Why is this so? Why is Memtec being squeezed out? This seems to be totally inexplicable. The world's best technology is not accepted by this Government, the Water Board or the Deputy Premier, Minister for Public Works and Minister for Roads. It is very sad that we have vested interests preventing the world's best membrane systems and the Boyd Keogh system being accepted here. It is accepted in South Australia and overseas. It worked very well and has been praised by every honourable member of this House who has heard of it.

The people of Coffs Harbour are being forced by the State Pollution Control Commission to connect themselves to the sewerage system. That is one of the conditions of the renewal of Willis Creek licences. Residents are being forced to connect when they have perfectly good Envirocycle and Biocycle systems in operation now - such systems are cleaner than the current system. It is extraordinary that people with these alternative options which are acceptable in most countries - in fact I have such a system - are being forced to stop using their own Envirocycle system, which costs thousands of dollars, and to pump their sewage into the ocean. One wonders what pressure is on the State Pollution Control Commission that would make it want to force people to abandon investments of several thousand dollars in order to connect to the sewerage system, in many cases under protest. Many people will not be doing so, even though they might have to go to court. They do not want to pump their sewage into the ocean - especially into an aquatic reserve. It will be interesting when that matter comes up.

Stuart White, Ph.D. put out a paper this month. He lives at Lismore. I know that the Hon. Dr B. P. V. Pezzutti is very much opposed to pumping sewage into the ocean. He has been a vocal opponent of this and has received a sharp rebuke from the Deputy Premier, Minister for Public Works and Minister for Roads, who said that the Hon. Dr B. P. V. Pezzutti should not be in Parliament. Hopefully before the end of this session this House will support my motion and express its confidence in the Hon. Dr B. P. V. Pezzutti. I will present a copy of the paper *Principles of a Decentralised Sewerage Strategy* by Stuart White, Ph.D. of Lismore, which has just been published in the last few days, to the Hon. Dr B. P. V. Pezzutti so that he can find out for himself that we do not need sewage outfalls. In fact we can use treated water on our playing fields, golf courses, parks, gardens, for horticulture, for agroforestry -

The Hon. Dr B. P. V. Pezzutti: For washing motor cars.

The Hon. R. S. L. JONES: We can even use it for washing motor cars. We can use this water which is to be pumped, with viruses, bacteria and other effluent, into the ocean at the Look At Me Now Headland. The Government is trying to push through this ocean outfall under the protest of all residents of Emerald Beach, a protest for which many have been arrested.

The Hon. Dr B. P. V. Pezzutti: Soon no one will be left.

The Hon. R. S. L. JONES: They are all being charged under section 545B of the Crimes Act, which has never been used before. It is a test case for these people.

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The Hon. Dr B. P. V. Pezzutti: Soon they will all be arrested. There will be no need for an outfall.

The Hon. R. S. L. JONES: Very shortly it will be like Vukovar; no one will be left. They will all be in the local lockup.

The Hon. Dr B. P. V. Pezzutti: Dubrovnik - it is beside the sea.

The Hon. R. S. L. JONES: What has happened to the beautiful old medieval town of Dubrovnik is very sad indeed. I shall pass this paper on to honourable members who are interested. It would be a good idea to pass it on to Wal Murray as well so that he can see that there are options to ocean outfalls. Ocean outfalls are definitely old-hat technology and out-of-date. I am sure all honourable members would agree, particularly those who live anywhere near ocean outfalls, that they should no longer be used. Hopefully the Government will show some common sense. Perhaps the Minister for Planning will even use his powers under section 101, something he has been reluctant to do in the past, and become involved in the ocean outfall at Look At Me Now Headland.

The Hon. R. J. Webster: I do not like to overrule local government.

The Hon. R. S. L. JONES: Even when local government contravenes your own Government's coastal policy? Is that what the Minister is saying?

The Hon. R. J. Webster: That is a matter of opinion.

The DEPUTY-PRESIDENT (The Hon. Dr Marlene Goldsmith): Order! The honourable member will address the Chair.

The Hon. R. S. L. JONES: The Minister for Planning said it is a matter of opinion whether local government has contravened the Government's coastal policy. It seems that the ocean outfall into the aquatic reserve at Look At Me Now Headland is in line with government coastal policy. In my opinion it is not. The Minister said it is a matter of opinion. It would seem that there is some difference of opinion about whether the Government's coastal policy allows ocean outfalls into aquatic reserves, especially into areas of high ecological value. When certain people believe that ocean outfalls are acceptable, particularly into aquatic reserves and against the wishes of the local residents, once again that proves that the Government's present coastal policy is a sham and will not and cannot work.

Since 1988 the gross State debt, including the budget sector and the non-budget sector, has increased from \$26,298,900,000 to \$31,010,300,000. That is an increase of approximately \$4.711 billion or 17.91 per cent. That is an absolute disgrace for any government, particularly when there was a boom period during that time. In the past financial year the gross State debt increased by 10.41 per cent or \$2.923 billion. That means that the debt of this State is \$5,255.93 per head of population. Regrettably I am looking at the current figures in the *Government Gazette*. The State debt will increase by an additional \$2.5 billion this year, an additional \$423 a head or about \$1,000 per family. The Premier cannot claim to be a good manager. He is no better than any other Labor manager in any other State. The debts of New South Wales are increasing at a phenomenal rate and crippling the State. Even in the good times New South Wales had deficits. In the bad times we have much worse deficits - \$2.5 billion, perhaps \$3 billion, this year. It is an absolute tragedy.

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The Hon. D. J. GAY [5.23]: I wish to support the Budget, albeit briefly. I intended to congratulate the Hon. J. H. Jobling on being made Government Whip again but as he has only allowed me 10 minutes to make my contribution, I am not terribly keen to congratulate him too wholeheartedly. This is the first occasion on which I have had an opportunity to speak in a debate during this term of Parliament. The last time I spoke to a bill, I spent most of my time

praising the Hon. Jack Hallam. Though that was worth while, I did not have sufficient time to make a major contribution to the debate. I take this opportunity to congratulate the newly-elected President, the Hon. M. F. Willis, on his appointment and to congratulate also the outgoing President, the Hon. Johnno Johnson.

The Hon. R. S. L. Jones: May I concur with you on that?

The Hon. D. J. GAY: The Hon. R. S. L. Jones echoes my sentiments. I congratulate the Hon. Johnno Johnson on an absolutely fantastic job. I recall listening with interest to the Hon. L. D. W. Coleman when he said in his maiden contribution that he was made to feel at home by the former President. I certainly echo his comment. I congratulate also the Minister for Police and Emergency Services on being reappointed the Leader of the Government in this House. I know he will be a member of this House for the next term as well. I welcome the Minister for Planning and Minister for Energy to the House as Leader of the National Party. He is a welcome addition to this House.

The Hon. Delcia Kite: "Skunk".

The Hon. D. J. GAY: I am informed that it is a family name inherited by all the Websters. In any event, that is what I was told by the Minister for Planning and Minister for Energy and I have no reason to disbelieve him. However, there are some people I would disbelieve, and they are the lot on the other side of the House. They are the most unmitigated liars ever to enter this Parliament. They are led by that member in the Legislative Assembly, Bob Carr. They spread deceit all round the State. It is amazing that a person such as the Hon. Delcia Kite, who is a totally honourable woman, would be involved with the deceit spread throughout the country by these people. Members such as Dr Refshauge wander through the countryside. They call him Rumours Refshauge. Wherever he goes, the first thing he does is to slip out a press release saying, "Your hospital is about to close". He alarms the local people in country areas and then leaves in a cloud of smoke, never to be seen again.

The Hon. J. H. Jobling: The locals are grateful for that much.

The Hon. D. J. GAY: Aren't we all! It is then left to the local doctors and the local members of Parliament to expose the deceit that has been spread throughout the community. Earlier I mentioned the Hon. Jack Hallam. I am sure many honourable members will remember that on 10th May, 1990, the Hon. Jack Hallam moved a motion to form a select committee.

The Hon. J. H. Jobling: I remember it well.

The Hon. D. J. GAY: The Hon. J. H. Jobling will remember it. I certainly remember it because I was listed to speak to the motion. I will refresh the memories of honourable members about what the Hon. Jack Hallam was trying to do. He moved:

That a Select Committee be appointed to consider and report upon the construction of powerlines in New South Wales and in particular the following matters:

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- (a) The proposed 500 kV powerline between Mount Piper and Marulan and the Environmental Impact Study (EIS) undertaken by the Electricity Commission (Elcom) and in connection therewith the Committee should report upon:
 - (i) The impact upon the Aboriginal site known as "Aboriginal Bora Ring" located near Evans Crown, Tarana.

I ask honourable members to listen to this:

(ii) Whether any other appropriate alternative routes exist for the powerline.

The Hon. J. H. Jobling: I think the House needs some clarification.

The Hon. D. J. GAY: It is time for clarification. Last Friday, 15th November, I was interested to hear the reply of the Minister for Planning and Minister for Energy to a question asked by the Hon. A. B. Manson. In part the Minister said:

Honourable members will recall, as I remember vividly, the issues regarding the Mount Piper to Marulan powerline. To refresh the memories of those who do not recall that matter, the powerline was planned in the days when the late Paul Landa was Minister for Energy.

Here comes the interesting part. We know that the planner was Paul Landa from the Labor Party and this is what the Minister had to say about Mr Landa:

He gave a written instruction to the Electricity Commission which has been uncovered by staff of the commission after a lengthy search. That instruction was intended to ensure that when the line was constructed from the proposed Mount Piper power station to the major switching station at Marulan the line should not pass -

Reverend the Hon. F. J. Nile will be interested in this answer from the Minister for Planning and Minister for Energy.

The Hon. Delcia Kite: No one else is.

The Hon. D. J. GAY: Your lot are not interested in anything that has to do with the truth.

The Hon. B. H. Vaughan: A short while ago you said she was honourable.

The Hon. D. J. GAY: I said her lot; I have excluded her for obvious reasons. Reverend the Hon. F. J. Nile will remember that the Hon. J. R. Hallam tried to introduce into this Parliament a committee to research the Mount Piper to Marulan powerline. The Minister for Planning and Minister for Energy last week, in his answer, went on to say:

That instruction was intended to ensure that when the line was constructed from the proposed Mount Piper power station to the major switching station at Marulan the line should not pass across publicly owned land but should traverse private land.

I will read that again:

. . . the line should not pass across publicly owned land but should traverse private land, even if that meant the line would not go in a straight line.

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This is the direction that the Hon. Paul Landa gave for the environmental impact statement. This is where Jack Hallam sucked in the Labor Party, sucked in Call to Australia, and sucked in the Australian Democrats to support this witch hunt committee that he was trying to establish.

Reverend the Hon. F. J. Nile: We did not support the committee.

The Hon. D. J. GAY: You did not support it in the end, but that is what the Labor Party was trying to get you to support. The terms of reference that this hypocrite - a hypocrite at that time in this House - brought to the House included "Whether any other appropriate alternative routes exist for the powerline". He knew and the Labor Party knew that they had directed that the powerline cross the country. It was a Labor Party initiative that they had deliberately sighted that powerline, forced it to go through private land and not public land.

Reverend the Hon. F. J. Nile: It would devalue their land.

The Hon. D. J. GAY: That is right. The consequence of that was that we were forced to a situation where it had to go through private land. It was forced around the Aboriginal Bora Ring; it was forced near homesteads. There was a sensible alternative route. It could have gone through public land without touching the national parks. This is what the Labor Party has done to rural New South Wales, yet it has the hypocrisy to ask this House to form a committee to justify its acts of vandalism against people in rural New South Wales.

The Hon. J. H. Jobling: You have half a minute left.

The Hon. D. J. GAY: I will not praise the Government Whip but he has said that I am restricted to half a minute. I wish to place on the record -

Reverend the Hon. F. J. Nile: For the National President of the National Party, I should not have thought so.

The Hon. D. J. GAY: I agree totally with Reverend the Hon. F. J. Nile. The Government Whip is a force greater than I am, an immovable object, and has moved upon me and directed the cessation of my speech. Before I conclude my speech in support of the Budget I wish to place on record my congratulations to the new members of our Parliament, the Hon. Jan Burnswoods, the Hon. Dr Meredith Burgmann, the Hon. E. M. Obeid, the Hon. Patricia Forsythe and the Hon. J. F. Ryan for their magnificent maiden speeches. Unfortunately I was unable to hear the speech of the Hon. E. M. Obeid but I am told that it was a magnificent contribution. I wish to pay particular attention to the new members of the National Party. We fondly welcome back to the House the Hon. D. F. Moppett. He is not a maiden and will not qualify for the 2BL quiz as a maiden but his contributions to this House have highlighted to us that he is a man who can produce an erudite and commonsense speech. As the Hon. Jennifer Gardiner said in her maiden contribution, above everything else Doug Moppett will be remembered by us in the National Party for his strength in stopping the Joh for Canberra push at the New South Wales border. That was no mean effort if anyone remembers the momentum that that campaign gathered.

I also congratulate the Hon. Jennifer Gardiner on her maiden speech and welcome her to the House. Many people will know of my belief that in Jenny's own quiet way she will probably make a larger contribution to the proceedings of the

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Legislative Council than perhaps any other National Party member. Her role as the principal executive officer of the party, the General Secretary of the National Party, was rated by her peers as the best of any political executive officer in this country. It is not unusual for the National Party to break new ground with the appointment of a female executive officer. I welcome also the Hon. L. D. W. Coleman who has led me astray on many occasions, and still does. He got me back late last night from Oberon. I do not know how we got here as we were lost about four times. I notice that the Government Whip is no longer in the House -

The Hon. J. H. Jobling: You are over the half minute.

The Hon. D. J. GAY: I will give this final story, as the Whip descends upon me - and I do not know how Hansard will be able to give that proper gravity, but honourable members will know the feeling I have. The Industrial Relations Bill came to this House, having worked its way through the other place, and there having been a change of numbers down there. On the first day the bill came before this House the Labor Party determined to call a division, knowing there was a two-hour traffic snarl in the northern suburbs. It thought it would catch some of the North Shore Liberals out of the House. Not one of the North Shore Liberals was absent. When the division was called the Hon. L. D. W. Coleman was not here. However, as any National Party member would know, the Hon. L. D. W. Coleman is very resourceful. He also has a great love for trains. He realised the situation was becoming desperate as he approached Sydney Harbour Bridge and he left his motor vehicle in a street in North Sydney and caught a train to the city, arriving just as the bells were finishing. That shows the resourcefulness of the honourable member. I fully support this Budget.

The Hon. B. H. VAUGHAN (Deputy Leader of the Opposition) [5.40]: In the early 1930s the Parliament of New South Wales debated the Constitution Amendment (Legislative Council) Bill, the effect of which was to deprive the upper House of power regarding money bills. Out of that grew this nonsensical procedure of this House, powerless in relation to the Estimates, oft times spending weeks of long and turgid hobbyhorse riding. But for what purpose? No decision could be made. Therefore, I suggest that this House should give consideration to adopting the procedures of the United States Congress in relation to the congressional record - the equivalent of *Hansard*. That would enable us, if the procedure were adopted, to incorporate whatever we want to say about the Estimates in *Hansard* and then -

The Hon. J. H. Jobling: Does the Deputy Leader of the Opposition seek leave to incorporate his speech?

The Hon. B. H. VAUGHAN: I am prepared to do that, but it probably cannot be done.

The Hon. J. H. Jobling: It can be done by seeking the leave of the House.

The Hon. Delcia Kite: No, I want to hear from the Deputy Leader of the Opposition.

The Hon. B. H. VAUGHAN: To the new members of the Chamber I have to say this: You have joined the House at an interesting time. You can witness at first hand how a government, after only one term in office, has so alienated the people of New South Wales that it has been reduced to a rabble. I choose carefully the term "reduced to a rabble" because we heard it so often from the Hon. E. P. Pickering in 1987. Those

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were the days when he told us how the Labor Government of that time was about to lose office, how it would be thrown out of office and how he would be a Minister. The Hon. E. P. Pickering has just walked into the Chamber. Minister, I was just saying to the Chamber that your Government has been reduced to a rabble. I mentioned that I chose that phrase because it was one I oft heard from you in 1987, round about the time that you predicted that the Unsworth Government would be forced from office and that the coalition would be governing for 10 years. Your Government is led by an incompetent leader, one who lacks vision for the future of New South Wales. From this point on I intend to adopt the procedures of the Hon. R. S. L. Jones and deliver my contribution to this debate quickly.

In passing I note the following press reports. The first, on Sunday, 3rd November, noted that the leader of the National Party in the other place, the Deputy Premier, Minister for Public Works and Minister for Roads, had deferred his retirement from politics for a third time. I ask the question why? The answer is simple. If he resigns now and is given a cosy, lucrative job, as was the job given to Neil Pickard and his wife, he would not have it for long, because once the Carr Government is elected to office he would lose it. The second, again from 3rd

November, reported that the Leader of the Government in this Chamber is in a similar predicament. He is eager to get to the Senate, as reported on page 11 of the *Sun-Herald*. But I think he wants out even before the defeat of 1992. Third were the reports of 6th November, informing us that the Federal coalition Opposition regards the Greiner-Murray-Causley-Windsor Government as a political burden.

I turn now to the Budget, a budget introduced by a government with no sense of social justice, of priorities, or of urgency. This Budget is a strident confidence trick. It is the act of a politically desperate Premier who has lost his way. This Budget is a cold, heartless, unjust budget, offering no assistance to the ailing New South Wales economy which this Government has placed, by way of funding cuts and misallocation of funds, on the terminally-ill sick list. Nevertheless, in the past several weeks honourable members opposite have attempted to sell the Budget, trying to cover up the work of a cynical Premier and Treasurer. Unfortunately for honourable members opposite, they have failed. It is fortunate that the decent people of New South Wales have seen through the facade - there is nothing behind it - and they have rejected the Budget for the trick that it is. The Premier and Treasurer has learned nothing from the 25th May election result. Rather, the election result has, perversely enough, given him renewed bravado and bluff to inflict more pain on the people of New South Wales. The Premier and Treasurer has taken away from the people of New South Wales funds for vital services. His Harvard pride is now at risk and at stake. The Government's ship sank rather suddenly and dramatically when the honourable member for Davidson became an iceberg in a very cold sea. On 2nd October he wrote to the Premier a letter, which was published in the press on 3rd October, and said:

This coalition Government has lost its way. It has no clear vision for our future . . . government services and capital works are still not being distributed fairly . . . it has no clear policies to change Sydney for the better.

The honourable member for Davidson supported his claims by highlighting specific deceptions employed by the Government in the 1991-92 Budget, for example, the non-distribution of health services to the west while hospitals close in Sydney, and the water rebate refund which vanished. I invite all honourable members to examine closely what the honourable member for Davidson wrote, to see the extent of the deception that this

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Government has employed in order to cover its fiscal failures. The editor of the *Sydney Morning Herald* on 8th July came to the same conclusions when he wrote:

New South Wales is no better managed than Victoria . . . Mr Greiner will fail because of political incompetence . . . Mr Greiner will give good management a bad name.

What more can one say. Both Government members and the print media have condemned the Government's Budget for the sham that it is. The 25th May election result showed clearly that this Government has no mandate. It has no mandate to inflict upon the people of this State unnecessary financial burdens to pay for its fiscal failures. I wish to identify several areas where this Government has deceived the people of New South Wales. I have been, and I remain, profoundly concerned by the question of payroll tax rebates for country manufacturers. Payroll tax rebates are of particular importance to country manufacturers. Country manufacturers base the development of their firms on what they calculate to receive by way of payroll tax rebate, a rebate that was introduced by the Wran Labor Government. This planned development is clearly one of the principal means of economic stimulation to rural economies. More than anything else, it means employment growth. I need not remind National Party members that rural New South Wales is now facing spiralling unemployment. Therefore, any attempt to thwart the development of manufacturing firms in rural New South Wales should, and must, be damned as economic lunacy.

The Opposition's ministrations, and those of the honourable member for South Coast in another place, brought about the formation of a select committee to examine this very matter. The Greiner-Murray-Causley-Windsor coalition Government has taken upon itself to defy logic; it has axed payroll tax rebates to country manufacturers. The Government is directly responsible for the growth of unemployment in rural New South Wales, and I agree with the Hon. Dr B. P. V. Pezzutti when he said, "I accept that we have made redundancy an art". It is beyond my comprehension how National Party members in this Chamber can sit by and disallow payroll tax rebates to country manufacturers. Perhaps, by and large, they do not care, but I remind members of the National Party that they will soon have to face the unemployed in rural New South Wales; they cannot hide in Sydney all the time. It is not that the axing of payroll tax rebates to country manufacturers is anything new. On the contrary, honourable members will recall that last year this House, with the assistance of the Call to Australia group, defeated the Government's bill to repeal the then, and still current, Country Industries (Payroll Tax Rebates) Act 1977.

In the face of this defeat the Government sought to achieve its aims by administratively eliminating payroll tax rebates. The abolition of country payroll tax rebates is clearly evident in the Estimates. Page 507 of Budget Paper No. 3 states that the payroll tax rebates estimate for 1991-92 is \$2.67 million, compared with an actual expenditure in 1990-91 of \$2.27 million. However, strangely missing from the 1990-91 estimate is reference to the \$3.44 million. I commend to honourable members a reading of that page. Akubra Hats at Kempsey, a country manufacturer, budgeted for a payroll tax rebate of \$493,782 and received only \$42.69. Nationwide Rubber Enterprises of South Nowra, another country manufacturer, budgeted for a rebate of \$160,000 and received no rebate at all. Those rebate examples are typical of 25 members of the Country Manufacturers Association who have supplied me with figures of rebate estimates and rebates actually received. As a direct result of this Government's decision to abolish payroll tax rebates, 20,000 jobs are in jeopardy in rural New South Wales. These are not my figures; they are figures presented by the Country Manufacturers Association to the Chamber of Manufacturers at a meeting I attended. Country
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manufacturers have said that enough is enough. They have now formed the Country Manufacturers Association of New South Wales. They have come to me for assistance and I have done whatever I could. Some months ago the association wrote to me as follows:

The removal of the payroll tax rebate to country manufacturers has had a significant impact on the viability of many existing companies. This rebate has been used to offset the higher costs of operating in country areas . . . This however makes it more crucial that the State Government does whatever is in its power to maintain a viable country manufacturing base. The reintroduction of the payroll tax rebate is something significant that could be done immediately to provide relief . . . The removal of the rebate demonstrates a lack of understanding of the manufacturing environment and has been a major cause of difficulty for affected companies.

I need not remind honourable members that a *Sydney Morning Herald* editorial said; "Mr Greiner will fail because of political incompetence". The Minister for State Development and Minister for Tourism, responsible for small business, had to sell this lunacy and all he did in this respect was to say in his statement on the 1991-92 Budget on this issue:

This Budget means business. It means more business for New South Wales, a strengthened economy and more jobs.

What rot that was! Was the Minister saying merely what the Premier wanted him to say? I believe that the Minister did not read the Budget Papers and thus was allowed in blissful ignorance to pronounce that the Budget would stimulate the economy as a whole and regional economies in particular. No matter what the reason, this Minister, this Premier and Treasurer, and this Government have prejudiced the livelihoods of many country workers. The arrogant

Government - though not so arrogant as it used to be - saw fit to allocate \$17 million to relocate the Department of Agriculture. I do not say for one moment that that relocation was not a good thing or that it was not warranted. However, I ask how the Government can spend \$17 million on this project and allow its members to say in this House that the project is of importance to New South Wales but then to inform country manufacturers, "Sorry, your rebate has been abolished"? How can any honourable member, particularly a National Party member, go back to rural New South Wales and tell his constituency that they did not really need the rebate?

I turn to the estimates for the Department of State Development. Those figures show the depths of further Greiner deception. Page 510 of Budget Paper No. 3 shows an estimate under the item "overseas Government offices" of \$4.122 million for 1991-92, which is \$1.086 million more than was expended in 1990-91. I ask how the Government can legitimise this expenditure when the staffing levels in those offices, and the London office in particular, have been reduced. For what reason would the Government spend an additional \$1.086 million on a wing of a department that should logically, because of staff reductions, have a reduction in expenditure? The answer is quite simple: it follows as night follows day. One can do more than speculate: one can safely say that the Government used that money to refurbish London House for its new temporary occupant, the former member for Hornsby in another place. Why did not the Premier and Treasurer simply admit that the Government spent an additional \$1.086 million on Mr Pickard? Why has that figure been concealed?

A similar deceitful trick was tried in relation to expenditure on overseas trips and functions. The Auditor-General's Report of September 1991 noted that \$110,000 had been spent on a New York dinner for the Premier. That must have been some dinner. The Budget Papers have been silent on this expenditure. The Premier will not tell the

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people of this State how much the Department of State Development will spend on such functions or on overseas trips for members of the senior executive service. This Budget offers no direction for the development of this State. Business groups have complained to me that the Government has offered no real assistance to them - giving the lie to the Minister for State Development's claim that this Budget means business. Dr John Carroll from La Trobe University has rightly pointed out that for sustainable State development to occur, our traditional businesses, that is the businesses that we were once good at, need to be rebuilt. We need to target industries that will benefit this State. Government intervention is essential to achieve this end. If we follow down the road of economic rationalism, the road professed by the Premier, who holds a degree in business administration, this State will remain underdeveloped.

I turn to tourism. The Government fails to understand the full impact of tourism on the New South Wales economy. It fails to understand that in our precarious economic situation tourism holds the key to stimulation, that is, economic revival. For example, last year government expenditure on tourism was \$19.775 million and in return the State received an extraordinary \$7.6 billion. This year the Government saw fit to cut expenditure on tourism to \$18.264 million. In return the State will receive less in income from tourism this year than it did last year. Tourism follows promotion. Promotion, then the site de local - but always promotion. However, what is more disturbing is that individual programs designed to stimulate tourism in this State have been neglected. For example, the visitor information program budget for 1990-91 was underspent. That underspending indicates beyond reasonable doubt that the Minister for Tourism and the Premier lack the necessary competence to manage tourism in New South Wales. I remind honourable members of the *Sydney Morning Herald's* analysis of the Premier as "an incompetent manager".

Tourism in New South Wales is lacking a clear expansionary policy. On the other hand, Queensland has such a policy. At present Queensland is spending more than New South Wales on tourism. The Queensland Government is spending more than New South Wales on advertising. As a direct consequence, the 70 per cent of overseas tourists to Australia who arrive in Sydney no longer stay in Sydney for an appreciable time. Invariably,

they go to Queensland. Queensland receives the tourist dollar and New South Wales misses out. As the Budget shows, New South Wales misses out on that much-needed revenue because the Government cares little about the economic improvement of New South Wales. The Government has been paralysed since one minute before midnight on May 26th, 1991.

On 31st October the Minister for Planning and Minister for Energy explained in this House in response to a question without notice that Darling Harbour will be the centre of Sydney's tourism campaign, that this Government will try to use Darling Harbour to revive tourism in New South Wales. I simply ask the Minister what would the Government have done without Darling Harbour. The Hon. E. P. Pickering lampooned and criticised the idea of Darling Harbour and the credit of the previous Labor administration. It represents the vision that that Government had for the development of tourism in Sydney. It will be used by this Government to assist it to climb out of the black hole that the Government has fallen into over the Eastern Creek Raceway. And I might say that I did not intend to say "not". Why is New South Wales not leading Australia in tourism? Why is this Government winding back the tourist budget? A reading of Budget Paper No. 3 gives that precise detail.

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The Hon. M. R. Egan: What has happened to our share of international and Australian tourists?

The Hon. B. H. VAUGHAN: I thank my leader for his assistance. This Budget is a sad, wretched document, written by a Premier and Treasurer from whom much was expected by the economic rationalist crowd with whom he spends so much time. But alas he is now described by the serious press as one who is sinking in the mire of mismanagement and incompetence. Who will replace this failed MBA graduate? Who are they jockeying into position? Will it be the honourable member for Southern Highlands, or will it be the honourable member for Willoughby?

The Hon. E. P. Pickering: What is this all about?

The Hon. B. H. VAUGHAN: Who will be the next Liberal leader? Is the Leader of the Government able to assist with the name of the electorate of the Hon. Bruce Baird?

The Hon. E. P. Pickering: The new leader may be a female for all the Deputy Leader of the Opposition knows.

The Hon. B. H. VAUGHAN: The Hon. Bruce Baird is another candidate.

The Hon. E. P. Pickering: There are many, but it will not happen for many, many years.

The Hon. Delcia Kite: It will not be Dr Metherell.

The Hon. B. H. VAUGHAN: But he will be in a Collins Cabinet. I make that prediction. The Budget is the product of a cynical Premier and Treasurer who has no concept of social justice; a Premier who, it cannot be said often enough, has proved himself to be an incompetent manager - Harvard and all thrown in. I do not mean any disrespect, though what I am about to say might sound disrespectful, but the newer members on the Government side of the House remind me of a marvellous comment made years ago by Sir Winston Churchill about a particular adversary and his party, when he said that it was the first recorded instance of rats swimming towards a sinking ship. That is what has happened in the last few months with this Government. I do not mean to be disrespectful, it is just that it is such a great quotation. In speaking on this Budget I wish to plead once again for additional funding for the purchase of

books for the Parliamentary Library. I have done so in debate on the past 11 budgets. When I refer to books, I include any information resource, periodicals, newspapers and microfilm.

To give honourable members some idea of increased book costs faced by the Parliamentary Library, I shall quote some examples from the *Average Cost Movement Indexes* prepared by the library of the Monash University. It is the recognised standard report on library book costs in Australia. Five years ago, in 1986, the average price of each monograph - each book - was \$41. Two years later, in 1989, the average cost was \$49. The most recent average cost, for September this year, is no less than \$57. Average subscription costs for periodicals over the same five-year period have increased from \$214 in 1986 to \$245 in September 1991. In the 1990-91 financial year, from January to June, it was necessary for the library to heavily curtail the ordering of books in order not to overrun budgetary targets. Even so, in the end the books, periodicals, newspaper line in the library's budget had to be supplemented by an amount of the order

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of \$30,000, despite the collection development policy that rigorously targets only those titles that come within the library's central collecting areas.

No longer is there room in the library's book vote for peripheral or extraneous material, no matter how appealing, topical or delightful. The bright side of the coin is that individually and collectively many honourable members have responded to the call from the library to assist in these straitened budgetary circumstances by generously donating material to the library. Labor caucus members of the upper House prior to the 1976 election donated the \$1,500 it had collected from various functions. I doubt that the National Party, let alone the Liberal Party, has donated anything. Recently the New South Wales branch of the Commonwealth Parliamentary Association has given most generous funding to enable the purchase of a major history dealing with the first 200 years of the United States Congress. This work, comprising 23 volumes, which is entitled *The Congress of the United States, 1789-1989*, was produced by Carlson Publishing Incorporated. It is the type of standard work that no parliamentary library should be without, yet had this benefaction not been forthcoming our library would not have been able to afford it. To that extent its holdings would have been less rich. I make no secret of the fact that I have exhorted honourable members to participate in this donation scheme. In the next week or so I intend to send a letter to those who became members of this Chamber in 1991. I look forward to receiving donations from them. I think the Greiner-Murray-Causley-Windsor Government has reached a stage about which one might paraphrase that wonderful admonition of Oliver Cromwell all those years ago when he said in the House of Commons, and I say it to this Government: "You have done nothing of importance here lately and you have been here long enough. For God's sake go".

The Hon. E. P. PICKERING (Minister for Police and Emergency Services and Vice-President of the Executive Council) [6.10], in reply: I thank all honourable members for their contributions to the debate, which has been lengthy and interesting. I should like to take the opportunity to formally congratulate those honourable members who made their maiden contributions during the course of the Budget debate. We all have fond memories of the importance of our maiden speech and I guess most of us look back upon that day with considerable warmth. I was pleased to hear most of the contributions, though I must confess I missed a couple because unfortunately I was away from the House on ministerial duties.

The Hon. J. R. Johnson: We will believe you, the Minister.

The Hon. E. P. PICKERING: Well, it is true. I congratulate the Hon. Patricia Forsythe, the Hon. J. F. Ryan, who said some disparaging things about me during the course of his speech, the Hon. Jennifer Gardiner, the Hon. L. D. W. Coleman and the Hon. E. M. Obeid for their contributions. I am satisfied that all their contributions demonstrate that this House of review will be certainly enriched by their collective intellect and commitment to the people of New South Wales, irrespective of what side of the House and what political party they might

belong to. I should like also to take the opportunity to congratulate the Hon. Jan Burnswoods and the Hon. Dr Meredith Burgmann who, if my memory serves me correctly, earlier made their contributions to the industrial relations legislation. Of course my old friends the Hon. D. F. Moppett and the Hon. Dorothy Isaksen can be said to have made some form of maiden contribution, though I recall both of them were here many years ago and therefore their contributions cannot properly be described as maidens in that sense. However, their return to this Chamber was welcomed by all of us. I am sure they will continue to make a splendid contribution to this Chamber and to the debates that take place for many years ahead.

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In response to the debate on the Budget Papers, it can only be said that once again the Opposition has come up with a disappointing response to the 1991-92 Budget. It is sad that the Opposition has simply not learnt anything from 12 years of past mistakes. It continues to maintain an attitude towards economic management which can be described only as wanting to have its cake and eat it too. The Opposition continues with outmoded policies of supporting a bloated public sector and protecting inefficiencies just so that it will not get its union masters off-side. At the same time honourable members of the Opposition want to be seen as responsible financial managers. What that financially illiterate mob fails to realise is that those two notions are contradictions in terms. On the one hand they virtually endorse the key element of the Government's budget strategy. Indeed, the Opposition has proposed to further cut recurrent departmental expenditure, limit budget sector capital spending, not introduce new taxes, restrain borrowings to no greater than \$1 billion and limit increases in charges to no greater than inflation. These are key factors in the Government's budget strategy. But mouthing words of principle is simply not enough. The people of New South Wales would like to know how the Opposition will put such a strategy in place when it opposes the only way possible of achieving those results.

The Opposition simply does not have a strategy for saving the \$1 billion necessary to maintain the financial viability of this State. The Opposition's proposed savings in the last election were costed by Treasury at no more than \$50 million. The Opposition thinks by repeating a hundred times the words waste and mismanagement like some incantation - it can conjure up nonexistent savings. Labor's savings alternative is based on cutting such overheads as telephones, pencils, paper, motor cars, computers, travel, but not labour. These are what are called maintenance and working items in the Budget jargon. The fact is that two-thirds of government spending is on wages. A further 15 per cent is on debt charges and superannuation. Excluding health, education, public transport and national parks - which Labor would not cut - this leaves only maintenance and working items in about one-quarter of the Budget to be cut. In other words, Labor would only target less than 10 per cent of the Budget for cuts, that is, the maintenance and working items in the remaining departments. Labor has not identified where its cuts would fall in terms of programs and activities and has not specified one program or activity that it would cut. The savings specified by Labor in the last election campaign were all earmarked for new programs and activities. Yet the Leader of the Opposition now says they will be used to reduce the deficit. Has he abandoned his election promises or does Labor want to spend savings twice, once for the new policies and then for cutting the deficit? It just does not add up.

The Hon. M. R. Egan: Which budget debate is the Minister replying to? The one down there or the one up here?

The Hon. E. P. PICKERING: I am referring to the Opposition's collective views. I presume Opposition members have the same views in both Houses. Labor says it will reduce staff by 4,000 positions over four years. Where would these cuts fall? What departments, programs and activities would be cut? In any case, a 4,000 reduction would not be sufficient to rein in the deficit. It needs a 12,500 reduction to do the job. I suspect Labor's 4,000 reduction

would be confined to the non-budget sector where they are already factored in by the Government.

The Hon. J. R. Johnson: We would get our triple-A rating back.

The Hon. E. P. PICKERING: The honourable member has not lost it. Labor's promise to limit departmental spending, excluding debt charges, superannuation, health,

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education and national parks, to a 3 per cent per annum increase would mean either little savings - because the remaining departments make up only a fraction of the Budget - or massive cuts to remaining departments if their reductions were to produce an average increase of 3 per cent for all departments. Limiting budget sector capital spending to a 3 per cent increase is not possible without breaking contracts and facing penalties and, of course, abandoning the Olympic Games concept. This means that there is a big gap between required savings and the Opposition's proposed savings. But such a gap would be expected when one considers that the Opposition is not prepared to make any savings which involve job losses, asset sales, contracting out and so on.

Even if the Leader of the Opposition had the best will in the world he is a captive of ideology and the trade union movement. They simply will not allow him to do what is fiscally correct, so he will find another excuse for retaining old ways. The Opposition lives in a dream world. It thinks it can achieve goals such as savings without any pain. That is simply not possible - it is the old magic pudding all over again. The Opposition would not have the fortitude or resolve to make the necessary fiscal decisions. Most of Labor's eight-point program is a restatement of existing government policy. Labor offers no new savings except an attack on maintenance and working items which have already been severely squeezed by this Government and are planned to fall a further \$33 million in the next two years, even after allowing for demand driven growth in areas such as prisons. Labor's problem is that it cannot bring itself to reduce staff by more than 4,000 using natural attrition. It will not look for savings in the bulk of the Budget, that is, health, education, roads and railways. It will not use the most effective tools for removing waste due to feather-bedding, that is, privatisation, contracting out, asset sales, voluntary redundancies and so on. It is committed to massive expansion of government spending, for example, extra teachers.

The Hon. J. R. Johnson: How much did you spend on consultants?

The Hon. E. P. PICKERING: Not very much as a matter of fact - not on true consultants. Labor does not offer a realistic, credible alternative financial strategy. The result would be that the State's budget deficit would blow out to more than \$2 billion, its debt would escalate, its triple-A rating would be lost, business and consumer confidence would shatter and unemployment would rise. It would not be long before New South Wales marched down the Victorian path to bankruptcy. For the benefit of honourable members I wish to take this opportunity to put an end to the big lie that Labor left the coalition Government with a big surplus and reserves when we came to office. The Opposition continues to peddle this big lie - indeed it has done so in this debate - in the belief that if it is repeated often enough, someone will believe it. In fact, it might believe it itself. The facts present quite a different picture. Although Labor enjoyed a massive stamp duty boom when revenue increased from \$601.1 million in 1982-83 to \$1,958.1 million in 1987-88, it squandered it all on spending, not building up a contingency reserve for a rainy day. From June 1982 to June 1987 the Consolidated Fund overdraft grew from \$172.4 million to \$244.7 million. So much for the former Labor Government putting money away in hollow logs.

On coming to office in March 1988, the coalition imposed a staff and capital spending freeze. The money saved was used to eliminate the Consolidated Fund overdraft altogether. That freeze was continued into the beginning of 1988-89, the tail end of the stamp duty boom. That was the only year on record in which a financial surplus was achieved. That surplus was

put in the revenue equalisation account, which built up to \$476 million by June 1990. This account, which was established by the Government, helped to cushion the initial blows of the recession to our revenues. If

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Labor had frozen recurrent spending each year between 1982-83 and 1988-89, as the coalition has since done, New South Wales should have had an ever increasing financial surplus. Instead Labor ran financial deficits of \$600 million to \$1,400 million per annum in the last three years of its reign. Debt grew out of control, with interest payments rising by an average of 20 per cent in its last five years in office.

During most of its stay in office, Labor expanded recurrent spending at an average of more than 3 per cent per annum in real terms. Its financial strategy was simply to spend the booming stamp duty revenues as fast as they were received. It did not build up a contingency reserve. It left the coalition to set up a revenue equalisation fund in which the coalition put part of the surplus from 1987-88 after repayment of the overdraft. This surplus had been earmarked by Mr Unsworth to meet the cost of election promises in March 1988. The State's present deficit is not due to excessive spending but to a collapse of revenues. In the three years of coalition Government, recurrent spending has been frozen in real terms. In the last three years of Labor, recurrent spending rose by around 5 per cent in real terms. If instead Labor had frozen its spending and put the resulting surpluses in a revenue equalisation account, the State would now be running a large surplus, not a deficit. Labor squandered the good years of the 1980s, ratchetting up expenditure to match roller coaster stamp duty revenues and leaving the coalition to cut spending when these revenues inevitably collapsed. That is the sort of State we inherited.

The Hon. J. R. Johnson: What do you say about Eastern Creek?

The Hon. E. P. PICKERING: The debt charges on Labor's Darling Harbour fiasco equal one Eastern Creek investment a year. This is the sort of State we inherited. Yet in just three years of coalition government New South Wales has performed better than the other States both financially and economically. But we have not been satisfied simply to rest on our laurels. That is why we have embarked on the next phase. The 1991-92 Budget is the first part of this phase. The New South Wales Government has developed a positive strategy and program. The Government is not prepared to let New South Wales finances drift into crisis, as occurred in Victoria. Hard decisions have been taken up front to avoid even harder decisions having to be taken later. Besides, there is simply no alternative. The Opposition carps, criticises and carries on. It poses fine goals - for example, reducing debt - but then completely contradicts itself by failing to propose any viable strategy to achieve that reduction in debt.

Were the people of this State unfortunate enough to have had the Opposition in office after the 1988 election, the State would now be heading for the cliffs just like lemmings. The New South Wales economy is keeping the Australian economy afloat; and the New South Wales economy is dependent on financial strategy of the New South Wales Government. So keeping New South Wales strong is not some parochial aim. Rather, it is of the very essence for the survival of the Australian economy. Under our strategy, the key financial target that has been set is to cap general government net debt in real terms and, hopefully, over time, reduce it. This is a highly responsible target, given the current status of New South Wales as a low debt State. It is, in fact, a more rigorous and relevant target than the previous one of capping total public sector debt as a proportion of gross State product. Such a financial target requires a reduction in net debt relative to the forward projections of between \$3 billion and \$4 billion over the next three years and a reduction in the ongoing financial deficit by more than \$1 billion a year by 1993-94.

We are aiming to achieve this target without relying on any increases in tax rates other than for tobacco. At the same time, essential services to the community will not

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suffer. Rather, we are aiming to streamline the staff and operations of departments, continue to improve the efficiency and profitability of government trading enterprises, contract out services which can be performed less expensively by private enterprise, privatise selected agencies, and sell surplus assets. Our tools can be summarised by the appropriate acronym CAPS - contracting out, assets sales, privatisation and staff reductions. Labor rejects every element of CAPS, yet it the only remedy for fat and waste. Over the three year period CAPS, together with savings on debt charges from reduced borrowings, will save \$2.2 billion in the current budget, \$800 million in the capital budget and produce privatisation proceeds of \$3.25 billion - a grand total of more than \$6.2 billion. Net debt will decline in real terms by \$2.5 billion by 1993-94.

The major restructure of budget sector agencies will ensure the best provision of services. In future, departments must concentrate on those functions they can best perform and contract out those areas that can best be performed by other agencies. Contracting out should achieve savings of the order of 20 per cent on average. Based on an Industry Commission analysis, significant current expenditure savings will be able to be achieved in New South Wales by contracting out. Half of these savings will be able to be achieved in the health services area, which will be able to be retained fully in the public sector, especially for much needed public works. The other half potentially will be able to be achieved in the rest of the budget sector, with agreed distribution of savings between individual agencies and the budget to be established. A high level steering committee has been established which will work closely with individual agencies to drive the process of contracting out. The Office of Public Management is undertaking a review of inventory management across the Budget and government trading enterprise sectors which will achieve better inventory practices and both once-up and ongoing savings.

Though numbers in the government trading enterprise sector have declined by over 21,000 over the past three years, there has been virtually no change in the numbers in the budget sector, as a result of reductions in some areas - for example, the Business and Community Affairs Agency and Office of State Revenue - being offset by increases in others - for example, law and order. The rationalisation of the Department of School Education, the reorganisation of agencies, the reductions in the level of corporate head office functions, as well as the impact of productivity and portfolio savings, will result in staff reductions of at least 5,000 by 1993-94 in the budget sector. In order to facilitate this process of downsizing, the guidelines for redeployment and retrenchment have been significantly simplified in order to remove the need for ineffective, time-consuming redeployment processes. Improved redundancy packages have made available to those wishing to avail themselves of the opportunity to leave the public sector.

[The Deputy-President left the chair at 6.30 p.m. The House resumed at 8.30 p.m.]

The Hon. E. P. PICKERING [8.30]: In addition to these initiatives the Government is undertaking a program which will result conservatively in current expenditure savings of the order of \$950 million per annum by 1993-94, involving both across portfolio initiatives outlined previously and savings in individual portfolios. Turning to deal with government trading enterprises, dividend revenue from them has increased by 350 per cent over the past three years. That increase largely reflects the impact of cost reductions on profitability achieved by approved efficiency and rationalisation rather than increases in real price levels. Indeed, in real terms the average prices charged by the government trading enterprises are lower now than they were in 1987-88. It is intended to maintain the broad thrust of improved efficiency and a real decline in costs, which will flow into higher dividends and tax payments to the State Budget. By 1993-94 the average employee productivity for our largest government trading enterprises will be 67 per cent higher than in 1987-88. No other public sector

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in Australia has matched this microeconomic achievement. Indeed, even the private sector has not come close to productivity rises of this order. While these are longer term structural initiatives, we are also undertaking some interim funding initiatives.

The budget sector capital program has grown strongly in recent years, but that growth can no longer be sustained. The coming year's budget sector capital program of \$3,581 million is down 4 per cent in real terms over that for 1990-91. However, the total capital works program will increase in real terms, thanks to an expansion in capital outlays by government trading enterprises, particularly for water supply and sewerage services and electricity generation. This will help to maintain work for the State's building and construction industry. Privatisation of government businesses has been accepted around the world and in Australia as a necessary part of controlling debt and maintaining essential public services. Given the very tight situation that has been described, action on this front is absolutely essential in this State over the next few years. In particular, though New South Wales has been able to avoid the financial disasters inflicted on South Australia, Victoria and Western Australia by the actions of their State-owned financial institutions, there is no rationale for continued public ownership of financial institutions operating in competitive markets. This assumes that the sale proceeds that can be achieved by privatisation are in excess of retention value.

The proceeds of sales will be applied to reduce debt, which will produce a cash benefit in excess of that achieved from dividend and taxation payments under continued public sector ownership. The New South Wales Government has no alternative but to adopt the financial strategy that it is pursuing. It has no alternative but to pursue the CAPS measures I have outlined - measures which are ideological anathema to the Labor Party but absolutely necessary for fulfilling the financial strategy. This strategy and its CAPS measures will maintain our triple-A rating, consumer and business confidence and our national economic leadership. By 1993-94 it will reduce net debt by more than \$600 million in real terms; achieve additional current expenditure savings of nearly \$1 billion each year; and reduce budget sector staff levels by 5,000 and government trading enterprise staff by 7,500. At the same time New South Wales will continue to lead the national movement on microeconomic reform. The Government's financial strategy and associated measures are essential to the State's financial viability and the provision of services for the people of New South Wales. There is simply no alternative. With those few brief remarks I commend the Budget Estimates and related papers to the House.

Motion agreed to.

SPECIAL ADJOURNMENT

Motion by the Hon. E. P. Pickering agreed to:

That this House at its rising today do adjourn until Wednesday, 20th November, 1991, at 10.30 a.m.

APPROPRIATION BILL

BUSINESS FRANCHISE LICENCES (PETROLEUM PRODUCTS) AMENDMENT BILL

MOTOR VEHICLES TAXATION (AMENDMENT) BILL

PUBLIC FINANCE AND AUDIT (NET APPROPRIATIONS) AMENDMENT BILL

ROAD IMPROVEMENT (SPECIAL FUNDING) AMENDMENT BILL

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Second Reading

The Hon. E. P. PICKERING (Minister for Police and Emergency Services and Vice-President of the Executive Council) [8.34]: I move:

That these bills be now read a second time.

Both Houses have now completed the debate on the 1991-92 Budget. The Budget Estimates and related papers have been the subject of broad-ranging debate by members from all sides of the House, and I might say in an historical sense they have been subjected also to the very fine and careful scrutiny of the parliamentary estimates committees process for the first time in this Parliament. For those reasons I commend the bills to the House.

The Hon. M. R. EGAN (Leader of the Opposition) [8.35]: Four bills are cognate with the Appropriation Bill; they are the Business Franchise Licences (Petroleum Products) Amendment Bill, Motor Vehicles Taxation (Amendment) Bill, Public Finance and Audit (Net Appropriations) Amendment Bill and Road Improvement (Special Funding) Amendment Bill. To two of those bills - namely, the Business Franchise Licences (Petroleum Products) Amendment Bill and the Motor Vehicles Taxation (Amendment) Bill - the Opposition in the other place moved amendments, the thrust of which was to attempt to adjust the rates of taxation to the real level of inflation over the past 12 months rather than to the rate of inflation in the 1991-92 financial year, which is a much higher rate. Even in relation to that 1991-92 figure the Government has been using all along a figure of 5.2 per cent rather than 4.7 per cent. Undoubtedly this Chamber has the constitutional right to pass amendments to money bills. My legal colleagues on this side of the House concur with that view. The only difficulty is that the lower House has no obligation to accept those amendments so that they thus become law. That need not necessarily preclude the Opposition from moving amendments. However, notwithstanding the clear constitutional and legal right of this House to pass such amendments, the Australian Labor Party has always believed it is not the role of the upper House to move amendments to money bills. Therefore it will not do so.

The Hon. E. P. PICKERING (Minister for Police and Emergency Services and Vice-President of the Executive Council) [8.37], in reply: I thank the Leader of the Opposition for his infinite wisdom and commend the bills and the Budget Papers to the House.

Motion agreed to.

Bills read a second time.

Estimates Committees Reports

The Hon. Dr B. P. V. Pezzutti, brought up the report from Estimates Committee No. 1.

The Hon. J. H. Jobling, brought up the report from Estimates Committee No. 2.

The Hon. R. T. M. Bull, brought up the report from Estimates Committee No. 3.

The Hon. J. H. Jobling, on behalf of the Hon. Helen Sham-Ho, brought up the report from Estimates Committee No. 4.

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The Hon. J. F. Ryan, brought up the report from Estimates Committee No. 5.

Estimates Committees reports agreed to.

Bills passed through remaining stages.

CRIMINAL PROCEDURE (POLICE CUSTODY OF PROPERTY) AMENDMENT BILL (No. 2)

Second Reading

The Hon. E. P. PICKERING (Minister for Police and Emergency Services and Vice-President of the Executive Council) [8.45]: I move:

That this bill be now read a second time.

I seek the leave of the House to table my second reading speech for incorporation in *Hansard*.

Leave granted.

The Criminal Procedure (Police Custody of Property) Amendment Bill 1991 has been developed in order to overcome various shortcomings in the practical operation of section 358A of the Crimes Act 1900, which provides for the disposal of property including livestock, which is held in police custody. At present the section requires police to maintain allegedly stolen livestock for evidentiary purposes until proceedings against the offender have been determined or until the court makes an order as to custody. Such orders are usually not made until after the conclusion of the proceedings.

As a result of this provision, the New South Wales Police Service is liable for all costs involving maintenance, feeding, veterinary treatment and inspection incurred in relation to the holding of live animals for evidentiary purposes. These costs are often considerable and non-recoverable, due to the substantial period of time that may elapse until the matter is settled. The retention of stock in custody may also not be appropriate in some circumstances, as the appearance of the stock retained may change over time.

Under existing law which enables the use of video, photographs, documentation and registered valuers' assessments in proceedings, there is normally no longer any need for police to hold allegedly stolen stock for evidentiary purposes for any protracted length of time.

Although the law as it stands does enable a power of sale to be exercised by police in relation to property and provides lawful owners with the right to recover proceeds of sale, the section specifies that the sale may only take place at least one month after the determination of proceedings or following a court order as to custody, which is usually only made once proceedings are determined. As in some circumstances the determination of complex stock theft matters may take over two years, it is clear that the existing provisions of the Crimes Act place an unreasonable burden upon police resources in relation to the holding of livestock.

The provisions of the Bill presently before the House will operate to reduce the time for which police are required to hold livestock (for example, stolen cattle) in custody pending the disposal of criminal proceedings relating to the livestock, and to reduce the costs to the police of maintaining the livestock while in custody, without prejudicing the rights of persons who may be lawfully entitled to the livestock and without weakening the evidence for the prosecution.

In the course of drafting, particular attention has been given to the creation of a practical scheme to deal with the often complex questions relating to proof of ownership which may arise in cases of alleged stock theft.

I turn now to the provisions of the Bill. The Bill creates a new Part 13 in the Criminal Procedure Act 1986, which is to be devoted solely to matters relating to police custody of property.

Division 1 of Part 13 in effect transfers the existing terms of section 358A of the Crimes Act to the Criminal Procedure Act. These provisions detail the procedure to be adopted in relation to all property which is held in police custody.

Where criminal proceedings have been determined for offences in respect of which property excluding livestock is held in police custody, and such property has not been delivered to the person lawfully entitled to it, Part 13 Division 1 empowers the police to sell the property by public auction, and after deducting any expenses incurred in keeping the property in police custody, the Commissioner of Police may forward the proceeds of sale into the Consolidated Fund.

Any person who is lawfully entitled to property which has been dealt with in this way may recover the proceeds from the Treasurer.

As I have mentioned, Division 1 of Part 13 embodies the existing terms of section 358A of the Crimes Act, which have proved adequate in dealing with property apart from livestock. The only substantive change which has occurred in the course of the transfer of these provisions is consequential in nature. In the new section 65, the threshold limits for the hearing by appropriate courts of matters relating to custody of property have been increased in order to reflect changes which have been made to the monetary jurisdiction of Local Courts, the District Court and the Supreme Court of NSW.

As I also mentioned previously, particular problems are posed for NSW Police by the holding of livestock in their custody, in view of the substantial costs of maintenance which may be incurred. Division 2 of the proposed Part 13 is intended to provide simple procedures which will reduce the costs and inconvenience to police caused by the holding of stock, and which will protect the interests of the lawful owner of stock.

In cases of alleged livestock theft, Division 2 provides for different procedures which will apply in three circumstances.

Proposed section 68 of the Bill will apply in circumstances where there is no dispute as to the ownership of stolen stock (for example, where there is a guilty plea, and no third parties are involved). It provides that livestock may be delivered by police to the lawful owner once a suitable record and valuation of the stock has been made for evidentiary purposes. The police will be liable for the costs of maintenance during this brief period.

In alleged cases of livestock theft it may be that there is no dispute as to the ownership of the stock, but the true owner cannot be readily located.

This is frequently the case where the offenders have transported the stolen stock and subsequently been apprehended some distance from the true owner's local area.

Section 69 of the Bill is designed to ensure that the owner is given every chance to come forward, while also providing police with the opportunity of minimising maintenance costs. The section provides police with a discretion to apply to the Court for permission to exercise a power of sale over the stock where the owner is not known. The relevant court will be empowered to grant permission to a sale by public auction but only if it is satisfied that 28 days' notice of the police's intention to sell the property has been given, enabling the true owner an opportunity to come forward. Notice of this intention must be published in a newspaper with statewide circulation. Costs of maintenance for the first 28 days will be met by police.

Once this power of sale has been exercised, the proceeds from the public auction will be forwarded to the Treasurer for payment into the Consolidated Fund. A person who is lawfully entitled to the stock which has been sold may then make application to recover the proceeds from the Treasurer. This procedure is identical to that provided for in relation to all property in police custody pursuant to Division 1 of Part 13 of the Bill. The costs of any maintenance of stock by police beyond the initial 28 day period may be deducted from the proceeds of sale before these monies are forwarded for payment into Consolidated Fund. These costs will not be reimbursed.

The Bill also provides specific procedures which will apply where there is a dispute as to the ownership of the allegedly stolen livestock between two or more persons, preventing return of the stock before the determination of proceedings.

Where there is a dispute as to ownership, one or more of the disputing parties may agree to pay the costs of police maintenance of the stock until proceedings are determined. This procedure

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enables owners of valuable animals (such as stud stock) in particular, to preserve the value of their investment where the proceeds of sale would not fully reflect the value of the animal. It is open to owners of both valuable and non-valuable animals to pay for maintenance in this way while awaiting the outcome of proceedings.

Once proceedings are determined, the owner of the stock will be able to seek reimbursement of these maintenance costs from the unsuccessful party or parties. The Court will be empowered to order that the unsuccessful party meet these costs and, where appropriate, this order can be enforced as a judgment of the court.

Where none of the disputing parties undertakes to pay for the maintenance of animals in police custody, or where a party who has given such an undertaking fails to comply with the undertaking, police will be able to apply to the court for an order to sell the livestock at public auction.

Again, the court may only make such an order if it is satisfied that adequate notice has been given of the sale. The notice requirements in these circumstances are the same as those which apply where an owner is not known under section 69.

The Bill also provides for payment of proceeds of sale to the Treasurer in these circumstances, and the recovery of these proceeds by the true owner, less the deduction of police expenses.

Apart from the procedures which apply in the three specific circumstances which I have outlined, there are two further provisions which are of note.

Section 71 provides that any income or benefit derived from livestock while it is held in police custody (such as offspring born in custody or, for example, eggs) are to be held on behalf of the owner. If this stock is sold in accordance with the procedures I have described previously, the proceeds of sale will be recoverable by the owner.

Finally, I turn to the definition of "livestock" which is contained in proposed section 67 of the Bill. Although the Division 2 of Part 13 is principally aimed at cases involving the theft of agricultural animals such as cattle and sheep, the definition of "livestock" is sufficiently wide to include pets, in order to enable an owner of, for example, a stolen prize-winning Abyssinian cat, to maintain his or her investment in police custody where ownership is in dispute.

The Criminal Procedure (Police Custody of Property) Amendment Bill 1991 has been specifically developed to address the particular problems presently faced by police in maintaining livestock for evidentiary purposes in connection with a criminal offence.

Apart from minimising police costs in this regard, the Bill also achieves the equally important aims of ensuring that the rights of owners of stock are not prejudiced by the adoption of the new procedures.

As I have mentioned previously, the provisions of section 358A of the Crimes Act dealing with police custody of other property have also been updated and transferred to the Criminal Procedure Act to ensure that all provisions dealing with property in police custody appear in the same legislation.

I commend the bill.

The Hon. R. D. DYER [8.46]: The Opposition supports the Criminal Procedure (Police Custody of Property) Amendment Bill (No. 2). As this is the first occasion I have spoken in the House since first or maiden speeches have been made by some honourable members, I should like to take this opportunity of congratulating those members on their initial remarks in this House. I include in that regard my colleague the Hon. E. M. Obeid and also Government members opposite, the Hon. J. F. Ryan, the Hon. Jennifer Gardiner and the Hon. L. D. W. Coleman. In recent years I have had the pleasure of serving on the board of governors of the Law Foundation of New South Wales with the Hon. E. M. Obeid, and in that capacity I came to know him quite well. I was pleased to note that he gave a strong first speech in the House, and I am sure that in future years he will contribute significantly to the debates in this House. I should like

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also to congratulate the Hon. J. F. Ryan, who I thought also made a passionate and well-delivered first speech in the House. I look forward to his further contributions. Recently I had the pleasure of serving with the honourable member on the Joint Select Committee upon Gun Law Reform. If, there was an example of a committee that contributed to the better government of the State, that certainly was one. I am sure that the Hon. J. F. Ryan would agree with me that that was definitely a worthwhile exercise. I look forward to the further contributions to debate to be made by the Hon. J. F. Ryan.

I should like also to congratulate the Hon. L. D. W. Coleman on his first speech in the House. Regrettably, I was unable to be present when he did so. However, I listened in my office to what he had to say, and I am sure he will represent particularly the background he comes from - the rural sector of the economy - very ably in debates in this House. Finally, I should like to congratulate the Hon. Jennifer Gardiner on her first speech in the House and to do so very sincerely indeed. I thought that the Hon. Jennifer Gardiner made a particularly well constructed and thoughtful speech. She encapsulated well both the ethos and the history of her own party, the National Party, and its predecessor, the Country Party. I was particularly interested to learn that the Hon. Jennifer Gardiner at an early stage in her career was a clerk in a law office in Tamworth. I was even more interested to learn of her close association with my friend the Hon. Sir Adrian Solomons, who until recently was a very distinguished member of this House. The Hon. Sir Adrian Solomons and I perhaps have an affinity with each other partly because we are both members of the legal profession but also because our paths have crossed during such activities as the Australian Constitutional Convention and the former Committee of Subordinate Legislation of this House. I very sincerely congratulate the Hon. Jennifer Gardiner on her remarks, which I found to be most interesting. Her speech was a cameo and a great credit to her. It was what could be described as the archetype of a maiden speech.

Having paid those tributes to new members of the House, I revert to the bill we are considering, which substantially has the purpose of law reform with regard to the police custody of property. The bill will transfer the provisions of section 358A of the Crimes Act 1900, which relate to the disposal of property in the custody of police, to the Criminal Procedure Act 1986. The bill will also have the effect of repealing the existing provision of section 358A of the Crimes Act which is re-enacted in a more substantial and different form in this bill. The bill we are considering will substantially amend existing provisions to enable police to dispose of livestock in particular before proceedings relating to that property have been determined. The existing provision in the Crimes Act under section 358A provides quite simply that a court may, on the application of any person, make an order that any property which is in the custody of a member of the police force in connection with any offence, whether punishable on indictment or summarily, may be delivered to the person who appears to the court to be lawfully entitled to that property. The practice for any such application is that the court order is not usually made until after the conclusion of the proceedings. We all know that court proceedings can take some time to be disposed of. The simple fact is that considerable inconvenience can be caused both to the owner of the cattle - if that is the stock on the property - and to the police. Obviously police will have to take care of the property until such time as it can be restored to the rightful owner.

The Hon. E. P. Pickering: The expanding property. The cattle will multiply in custody.

The Hon. R. D. DYER: That point is taken. I can see that the property might
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well sustain a natural increase. If that is the case, police will have more property on their hands with the passage of time than when the property came into their possession. I note that under the new provision there is a duty cast upon police to restore any property, including any produce produced by that property while it has been in the custody of the police. I notice that eggs are mentioned. I trust that the eggs are worth handing over at the expiration of the period during which they have been in the custody of police. The mind boggles as to what condition the eggs might be in if the property is retained by the police for an undue length of time. The existing provision in the Crimes Act as to jurisdiction provides that, where the value of the property or money in question does not exceed \$2,000, a court of petty sessions, as it once was known, has jurisdiction. That court is now termed the Local Court. Where the value of the property exceeds \$2,000 but does not exceed \$20,000, the property is within the jurisdiction of the District Court. Where the value of the property, including money, exceeds \$20,000, the jurisdiction resides in the Supreme Court of New South Wales.

Since that provision was enacted, money has changed in value with the ravages of inflation. This bill provides that a Local Court constituted by a magistrate sitting alone shall have jurisdiction where the property does not exceed \$25,000. The District Court is to have jurisdiction where the property value exceeds \$25,000 but does not exceed \$250,000. The Supreme Court is to have jurisdiction where the value of the property exceeds \$250,000. The Opposition believes that the new provisions are sensible alterations to the jurisdictions of those three courts, having regard to the ravages of inflation over the years. It clearly would have been inappropriate to leave the jurisdictional limits where they were. I return briefly to the primary purpose of the legislation. Unlike the very simple provision of the Crimes Act which enables an application to be made where the court proceedings have been disposed of after substantial delay, this bill provides for procedures to apply in given circumstances. For example, the bill will enact proposed section 68, which is to be inserted in the Criminal Procedure Act, dealing with the procedure that shall apply if there is no dispute as to the ownership of the livestock and the owner is known.

The bill further makes provision for a proposed section 69 to be enacted, setting out a procedure which applies if there is no dispute as to the ownership of the livestock but the owner is not known. Finally, a proposed section 70 is to be enacted, laying down a procedure that applies where there is a dispute as to the ownership of the livestock. The bill gives attention to

three different fact situations. I do not need to delay the House by identifying in detail the procedures that apply in each of those. Suffice it to say that this bill lays down a more detailed procedure to take account of the merits of each case, such as I have just identified. I mentioned a moment ago a provision regarding the disposition of benefit derived from livestock. That is provided for in proposed section 71. It provides in substance that any income or benefit derived from livestock while in police custody - such as offspring born during custody or, in the case of poultry, eggs - are to be held or applied on behalf of the owner of the livestock. Again I return to the concept of what happens if the eggs have gone bad.

The Hon. Dr Marlene Goldsmith: Or hatched.

The Hon. R. D. DYER: I suppose that that becomes livestock itself, and that would be handed over. I am more concerned about the rotten eggs and what might happen to them. That is a light-hearted sidelight to the debate on this bill. Clearly the provisions of the bill will avoid the substantial inconvenience that obviously occurs to owners of livestock which is held pending the disposal of legal proceedings, such as cattle stealing cases, for substantial periods of time. As the Minister said by way of interjection

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when I commenced speaking, the police will also be relieved of the substantial burden of maintaining livestock for months or years as the case may be in the particular instance. Clearly this is a law reform measure that will improve procedures and lighten the load of both the owner of the property and the police. The Opposition is more than happy to support the measure before the House.

The Hon. J. M. SAMIOS [9.1]: I support the bill. Before dealing with it in detail, I wish to pay tribute to the members of the upper House who have recently delivered their maiden speeches - the Hon. E. M. Obeid, the Hon. J. F. Ryan, the Hon. L. D. W. Coleman, and the Hon. Jennifer Gardiner - all of whom made impressive contributions. I wish them well. Their track records so far indicate that they will make valuable contributions to this House and will serve its interests well. As indicated by previous speakers, the Criminal Procedure (Police Custody of Property) Amendment Bill (No. 2) is good housekeeping legislation. The objects of the bill are to transfer the provisions of section 358A of the Crimes Act 1900 relating to the disposal of property in the custody of the police from that Act to the Criminal Procedure Act 1986, and to amend those provisions to enable the police to dispose of livestock before proceedings relating to the livestock have been determined. Essentially the bill is concerned with pragmatically overcoming difficulties in the disposal of livestock held in police custody pending the resolution of proceedings or the making of an order as to the custody of the livestock. Such orders are not usually made until legal proceedings have been completed. At present the New South Wales Police Service is liable for various costs including maintenance, feeding and veterinary treatment which are incurred while the animals are held for evidentiary purposes. That has been made clear by previous speakers. The owner or owners and the court officials, who have enough duties to attend to without having to look after the interests of these animals, also suffer inconvenience.

As honourable members know, a delay in proceedings results in substantial costs to the taxpayers, particularly in this period of drought with the high cost of hay, for example, and to the police in whose pounds many of the livestock are kept. Those factors need to be considered as well as the disruption to the police administration. Since the advent of video and registered valuation assessments, the present procedure has been found to be capable of reform. The bill provides that the time for which police are required to hold livestock, for example stolen cattle, pending the disposal of proceedings will be reduced without prejudicing the parties in the prosecution of the case. Division 1 of part 13 provides that when prosecutions have been determined for offences in respect of which property excluding livestock is held in police custody and such property has not been delivered to the person lawfully entitled to it, the police may sell the property by public auction. After deducting the appropriate expenses incurred in maintaining the property in police custody, the Commissioner

of Police will forward the proceeds of sale to the Consolidated Fund from which any person who is lawfully entitled to the property may subsequently recover the proceeds.

As has already been noted, inflationary trends have resulted in provisions in clause 65 to increase the threshold limits applying to courts which deal with applications for the recovery of property. Property valued up to \$25,000 may be dealt with by a Local Court; property not exceeding \$250,000 in value may be dealt with by the District Court; and property exceeding \$250,000 in value will be dealt with by the Supreme Court. Division 2 is important, as it provides the procedures which will apply, first, if there is no dispute as to the ownership of the livestock and the owner is known; second, if there is no dispute as to the ownership of the livestock but the owner is not known; and, third, if there is a dispute as to the ownership of the livestock. Clause 71 is to be commended. Very often livestock may reproduce, as it were, while they are in police

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custody. Clause 71 provides that any income or benefit derived from livestock held in police custody - such as offspring born during custody or, in the case of poultry, eggs - is to be held on behalf of the owner. In essence, this bill is good pragmatic housekeeping legislation which will ensure that a number of inconveniences which occur at present in the holding of livestock and other property will be overcome to the satisfaction of the owners of the property, in the best interests of justice and to the benefit of the taxpayers and the people of the State of New South Wales.

The Hon. ELISABETH KIRKBY [9.8]: Before I speak to the Criminal Procedure (Police Custody of Property) Amendment Bill (No. 2), I should like to add my personal congratulations to those new members of this Chamber who have made their maiden speeches in recent days. I refer to the Hon. Dr Meredith Burgmann, the Hon. Jan Burnswoods, the Hon. L. D. W. Coleman, the Hon. Patricia Forsythe, the Hon. Jennifer Gardiner, the Hon. D. F. Moppett, the Hon. E. M. Obeid and the Hon. J. F. Ryan. As has already been stated by other members of this Chamber, the high quality of those maiden speeches and most distinctive personal contributions made by each of those members demonstrates that the intellect and dedication of members of this House is increasing and that the House will be the true House of review we all wish it to be. The speeches were of the highest quality and I found each of them individually different but fascinating.

The Australian Democrats support this bill, the principal object of which is to address the problems faced by police who have to maintain livestock for evidentiary purposes in connection with a criminal offence. The bill has two main purposes - to minimise the costs of police in maintaining livestock and to ensure that the rights of owners are not adversely affected by the new procedures. Section 358A of the Crimes Act, which provides for the disposal of property held in police custody, is at present inadequate to deal with livestock. Police must maintain allegedly stolen livestock for evidentiary purposes until proceedings against the offender have been determined or until the court makes an order as to custody. This usually occurs only after the conclusion of proceedings. Therefore, considerable costs are incurred by the police, who may have to look after livestock for up to two years, even though custody may not be appropriate. The bill will create a new part 13 in the Criminal Procedure Act of 1986. Basically, division 1 of part 13 will transfer the existing section 358A of the Crimes Act to the Criminal Procedure Act in order to deal solely with matters relating to police custody of property.

Where criminal proceedings have been determined for offences where property is held in custody - not livestock to which section 19 of the Stock Diseases Act of 1923 applies - police will be able to sell the property by auction and, after deducting expenses incurred in keeping the property, proceeds will be forwarded to the Consolidated Fund from which an owner may recover the proceeds. In division 2 specific provisions for dealing with livestock are made. Proposed section 68 indicates what is to be done where there is no dispute as to the ownership of stolen stock. Livestock may be delivered to the lawful owner after a suitable record of the

livestock has been made for evidentiary purposes. Proposed section 69 will apply if there is no dispute about the ownership of the livestock but the owner is unknown. A court, on the application of a police officer, may order the sale of the livestock after 28 days' notice of the intention to seek the court's order has been given to possible owners and the public at large. Costs incurred after the first 28 days of custody may be recovered after sale and the rest will go into consolidated revenue.

Proposed section 70 will apply if there is a dispute about the ownership of the
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livestock. If no party to the dispute agrees to pay to maintain the stock in custody, a court may order its sale following the procedure outlined above. A court may also order that the parties disputing ownership pay the expenses of keeping the livestock in police custody in such proportions as the court determines. The bill provides also that any benefit, such as produce or progeny derived from livestock while in police custody, will belong to the owner. Notice will also be given of the rights of the owner to recover sale proceeds from the Treasurer. I support the bill.

The Hon. JENNIFER GARDINER [9.14]: Before speaking briefly to this bill I should like to take the opportunity to thank honourable members from both sides of the House for their very kind comments in response to my first speech in this place last week. I thank them all for being so generous. This bill was introduced in an earlier draft in April this year in the other place but did not pass through all stages in both Houses of the Parliament at that time because of the dissolution of the Parliament in preparation for the conduct of the general election in May. Apart from scrutiny by the Parliamentary Counsel for any possible tidying up of the provisions, the bill is the same as the earlier one, which did not provoke any objection from any member of Parliament.

The bill has two primary objectives. First it addresses the problems the police have in maintaining livestock, possibly for prolonged periods, so that evidentiary requirements for criminal court proceedings are able to be met. This bill will allow livestock to be restored to owners in an expedited fashion. To maintain livestock for any period involves considerable expense and this would involve time and trouble for the Police Service. This bill will reduce the imposition on the police and at the same time will provide protection for the rights of owners of stock so that they are not prejudiced by the adoption of these less cumbersome and new provisions. The second purpose of the legislation is to update the provisions of section 358A of the Crimes Act which deal with police custody of other property and to transfer those provisions to the Criminal Procedure Act.

The passage of this bill will ensure that all provisions dealing with property in police custody appear in the one piece of legislation, namely, the Criminal Procedure Act. This is an administrative piece of legislation and it is pleasing to note that the Opposition is happy to support it as it is aimed at reasonably assisting police by reducing the burden upon them, without prejudicing criminal proceedings. It adopts an up-to-date approach to the returning of livestock and other goods to owners, where approved. These new procedures will be welcomed by affected or potentially affected farmers in particular and others who have had the misfortune of having their goods stolen. I have pleasure in supporting the bill on behalf of the National Party.

Reverend the Hon. F. J. NILE [9.16]: The Call to Australia group adds its congratulations to those new members of the Legislative Council who have delivered their maiden speeches. They have all given impressive speeches. I note that the Hon. E. M. Obeid includes the name of Moses in his Christian names; I am sure that Moses would have been proud of the honourable member's address to this House. It was a detailed presentation of his strong support for the Australian Labor Party and its philosophies. The Hon. J. F. Ryan gave a forceful address which demonstrated his academic and teaching skills. The Hon. Jennifer Gardiner gave us a clear understanding of her belief in the National Party and its policies. I am

sure she will more than adequately represent those interests in this House. The Hon. L. D. W. Coleman gave a sincere speech and my wife and I appreciated his encouraging remarks. I congratulate also the Hon. Dr Meredith Burgmann, who honourable members may be surprised to know was one of my lecturers at Macquarie University.

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The Hon. B. H. Vaughan: She failed you, too.

Reverend the Hon. F. J. NILE: Yes, because I did not complete my assignments. She also failed to change my views in any degree whatsoever.

The Hon. B. H. Vaughan: You were not after views; you were after a degree.

Reverend the Hon. F. J. NILE: I hope there is something somewhere on which the honourable member and I can agree, though I do not have much hope of that. I congratulate also the Hon. Jan Burnswoods on making her maiden speech to the House. The House is debating the Criminal Procedure (Police Custody of Property) Amendment Bill in its second draft. This is a simple bill to relieve the police of what has become an embarrassing situation when the police have in their custody evidence in the form of livestock. We have heard of problems relating to the custody of drug exhibits which must be held under sufficient security. Keeping livestock in custody is a unique situation. The police are required to maintain allegedly stolen livestock for use as evidence when proceedings come to court. This may take some time and has caused a degree of embarrassment to the New South Wales Police Service which is required to meet all costs relating to maintenance, feeding, veterinarian treatment and inspections incurred in relation to the holding of live animals for evidentiary purposes. These costs are often considerable and non-recoverable due to the substantial period that may elapse until the matter is settled. The retention of stock in custody may also not be appropriate in some circumstances as the appearance of the stock retained may change over time. For that practical reason we are pleased to support the bill.

The Hon. E. P. PICKERING (Minister for Police and Emergency Services and Vice-President of the Executive Council) [9.20], in reply: I thank all honourable members for their contributions to this important piece of legislation, which will be of great assistance to the Police Service. It is very difficult for police, when presented with a small number of livestock as evidence, to have the care and protection of that livestock as they gradually multiply, while court cases drag on. This bill will certainly make life easier for police, and for that reason I commend it.

Motion agreed to.

Bill read a second time and passed through remaining stages.

HOME BUSH ABATTOIR CORPORATION (DISSOLUTION AND TRANSFER) BILL

Second Reading

The Hon. E. P. PICKERING (Minister for Police and Emergency Services and Vice-President of the Executive Council) [9.23]: On behalf of the Hon. R. J. Webster I move:

That this bill be now read a second time.

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

Leave granted.

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The purpose of this bill is to dissolve the Homebush Abattoir Corporation on the 1st January 1992 and to transfer its assets, liabilities and staff to a new corporation to be called the Homebush Bay Ministerial Corporation.

This represents the final stage of a process, commenced by this Government, to close down the antiquated and inefficient Homebush abattoirs.

On assuming Government in 1988 the Minister immediately moved to close down the abattoirs in June of that year. The Minister subsequently closed down the under utilised and costly sale yards in May of 1990.

This bill is necessarily brief because it transfers the duties and responsibilities of the corporation, from a now inappropriate piece of legislation, the Meat Industry Act 1978, to a more relevant and appropriate entity, on behalf of the Crown.

All existing liabilities and actions by, or against, the Homebush Abattoir Corporation prior to its last day of operation will transfer across to the new corporation.

Importantly, all rights of those employees required to be retained by the new corporation will be similarly transferred without any loss of continuity of those rights.

The major beneficial change will be the ability of the new corporation to develop land consistent with the zoning of the Homebush Bay area. This will allow the control and delivery of the sporting facilities being constructed on the current corporation's land for Sydney's bid for the year 2000 Olympics.

The bill also has a provision to transfer out of the new entity any such assets, rights or liabilities to the Crown or to any person on behalf of the Crown.

It is intended that the new corporation will be administered by the Minister responsible for the Homebush Bay redevelopment, presently the Minister for Local Government and Minister for Cooperatives, my colleague, the Hon. G. P. B. Peacocke M.P.

In practical effect this will allow a coordinated approach to controlling and managing the redevelopment of the current HAC lands consistent with the overall Homebush Bay plan, without in any way lessening the existing government responsibilities on the site.

I would like, at this stage, to recognise the efforts of the corporation's general manager, Mr. Graham Crouch and the deputy general manager, Mr. Terry Hukins, for ensuring that the eventual goal of winding up of the Homebush Abattoir Corporation was never lost sight of.

Both of these managers have ensured that the process of dissolution and transfer has been carried out in the most efficient possible manner.

The bill demonstrates the Government's commitment to utilising, in the most efficient and appropriate manner the vast amount of land currently available in the Homebush Bay area.

I commend the bill.

The Hon. B. H. VAUGHAN (Deputy Leader of the Opposition) [9.24]: I speak to the Homebush Abattoir Corporation (Dissolution and Transfer) Bill, the objects of which are: to dissolve the Homebush Abattoir Corporation constituted by the Meat Industry Act 1978; to constitute a body corporate with the name of the Homebush Bay Ministerial Corporation, to

transfer the assets, liabilities and staff of the dissolved corporation to the new corporation and to give it certain functions in relation to transferred property and other property acquired by it; and to amend various Acts consequentially. Subject to the reservations made in the other place by the honourable member for Mount Druitt and the honourable member for Port Stephens, the Opposition supports the bill.

The Hon. R. T. M. BULL [9.26]: This bill will draw to a close what has been a long saga at Homebush. I say the word "saga" deliberately because the Homebush
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Abattoir Corporation did have a proud record, as some honourable members would know, as a major selling and killing facility of livestock for much of metropolitan Sydney. Unfortunately in the past few years there has been a diminution of that role, mainly because governments finally awoke to the fact that the slaughtering of livestock could be decentralised. The transport of livestock to Sydney to be slaughtered was an unnecessary procedure, causing bruising and stress on the livestock. Obviously time has caught up with Homebush abattoir as a killing facility and as a meat market. One has only to reflect on the disastrous results of the Homebush abattoir in the final years of the Wran and Unsworth Governments to realise what a black-hole it turned out to be in terms of wasting government money.

It is proposed to dissolve the Homebush Abattoir Corporation on 31st December. On and from that date the function of that corporation will effectively cease, because its lease held in relation to the Homebush meat market will expire. Thereafter, apart from the management of the site of the former Homebush abattoir, the corporation would have no effective role. This bill is a reflection of the Government's determination to modernise New South Wales, which is reflected in its decision to close down the antiquated and inefficient Homebush abattoir. The reasons for its closure are that the works are old and inefficient - they were designed at the turn of the century, in the days of train transport and seasonal abattoir operation. There is no need for a works of that size in the 1990s. It was a blight on the city and it created massive pollution problems. Homebush abattoir discharged into the Sydney sewerage system an amount of animal fat equal to the entire contribution of the rest of the city. For 12 years the Labor Government did nothing about the problem. In 1988, when in opposition, the coalition parties pledged to close down the disgracefully inefficient and polluting abattoir at Homebush Bay.

The existing corporation no longer has an effective function other than to manage its assets and liabilities. The object of this legislation is to establish a more appropriate legal entity to manage the considerable lands under the control of the present corporation. The new vehicle for managing the present responsibilities of the corporation will be the Homebush Bay Ministerial Corporation. It will commence operation on 1st January, 1992. The establishment of the new corporation will allow for the implementation of the Homebush Bay strategy, to which a more co-ordinated approach will be taken. The Homebush Bay strategy encompasses, among many things, Sydney's bid for the 2000 Olympic Games. The New South Wales bid is strong and well co-ordinated and will be even more so with the availability of the land occupied by the Homebush abattoir. The Homebush site has the capacity to provide athletes with essential accommodation. Nineteen sporting venues will be located within 10 minutes of Homebush. The central location of the site is a strong feature of the bill. Along with Darling Harbour and the Penrith Lakes scheme, Homebush will play a significant role in the New South Wales bid to host the 2000 Olympic Games. The move of the Royal Agricultural Society from Centennial Park to Homebush also is anticipated.

The new corporation will be transferred to the portfolio of the Minister for Local Government and Minister for Cooperatives and will be under the direct control of the Property Services Group. The new corporation will be subject to the audit and reporting requirements of the Public Finance and Audit Act. Outstanding liabilities of approximately \$13 million accumulated during the term of the previous Government will be fully funded by the development of stage 2 of the Australian Centre at Homebush and will be eliminated by the financial year 1995-96. Some of the corporation's 30 remaining staff will transfer to the new

corporation. Those not required by the new corporation will be offered redundancy arrangements that have been approved by the Public Employment
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Industrial Relations Authority.

The Government has set aside a portion of land at the former site of the State Rail Authority at Chullora for the development of a central meat complex to replace the present operation at Homebush Bay. The Minister for Local Government and Minister for Cooperatives has agreed to arbitrate the valuation of the Chullora land to determine the rental. If the lessees do not wish to utilise this option, there is at least one other cold storage site in Sydney, at Prospect, close to the present operation and ready for occupation after some minor preparatory work. The Government has pledged every possible assistance to the meat lessees, other than financial assistance or assistance in kind. The Government believes it is not appropriate for the taxpayers to subsidise what is purely a commercial operation. The termination of the leases at Homebush Bay will not affect the supply and pricing of meat in Sydney. Meat supplies can be sourced directly from country abattoirs, and that is happening now. With approximately 85 per cent to 90 per cent of Sydney's red meat supplies coming from country abattoirs, or from interstate in some cases, there is no reason why those sources could not supply all requirements.

The Hon. ELISABETH KIRKBY [9.33]: The Australian Democrats support the bill, with one reservation, which I ask the Minister to respond to in his reply. In the first term of the Greiner-Murray Government, the State-owned corporations legislation was passed. At that time the Government agreed with the Australian Democrats, as the Minister may remember, that a staff representative would be appointed to the board of all government corporations. That happened with GrainCorp. I should like the Minister's assurance that a staff representative will be appointed to the board of this corporation.

The Hon. R. J. WEBSTER (Minister for Planning and Minister for Energy) [9.34]: I thank honourable members for their contributions to the debate. To answer the Hon. Elisabeth Kirkby, this corporation will be different from the corporations established under the State-owned corporations legislation, to which the honourable member referred. The word corporation is loosely used and means many things to many people. Essentially this corporation will be a holding company merely to own and deal with the assets at Homebush Bay. It will not be a trading company or corporation in the accepted sense; it will be merely a holding entity. If there were to be a board, which I suspect will not be the case, perhaps consideration could be given to appointing a staff representative to the board. I commend the bill to the House.

Motion agreed to.

Bill read a second time and passed through remaining stages.

ADJOURNMENT

The Hon. R. J. WEBSTER (Minister for Planning and Minister for Energy) [9.40]: I move:

That this House do now adjourn.

UNIVERSITY OF WESTERN SYDNEY STUDENT PLACES

The Hon. Dr MARLENE GOLDSMITH [9.40]: I raise an important issue relating to the University of Western Sydney. I have in my possession a media release from the university that states that in the future young people in western and southwestern Sydney will find it increasingly difficult to gain a university place. Preliminary figures show that the growth in government-funded places will decline over the next three years and reach an alltime low for the university in 1994. Professor Brian Smith, the Vice-Chancellor of the University of Western Sydney, said:

It appears that the Commonwealth is proposing to reduce the number of new student places in 1994 to only 280 from a peak of 640 in 1990.

That is a significant reduction when the circumstances confronting the university are examined. Two problems arise. First, there is a declining proportion of tertiary places for New South Wales overall, and this reinforces the discrepancy between university places in New South Wales and Victoria in particular. Already Victoria has far more tertiary places per head of population than does New South Wales. Second, given this declining proportion in New South Wales, Victoria will have an even higher proportion of tertiary places per head of population. Consequently, one is forced to one of two conclusions. The Federal Department of Employment, Education and Training in its wisdom in allocating tertiary places must believe that either Victorians are more intelligent than people from New South Wales or they are more deserving of tertiary places. I do not accept either contention. It is appalling that New South Wales is so underserved with tertiary places. It is tragic that New South Wales is underserved because of the longstanding neglect of western Sydney. The policy of the Department of Employment, Education and Training of merely funding demand rather than adopting the more equitable approach of per capita funding reinforces present social inequity. Those whose families have never had the opportunity to undertake a tertiary education are unlikely to receive it, and under the department's policy they are unlikely to get it. The department, to its shame, does not include first generation university attendance in its definition of disadvantage.

Those whose families have never had access to tertiary education are least likely to demand it. Those whose families have had access to it are more likely to demand it. In other words, the department is providing additional tertiary places in Victoria at the expense of New South Wales, and that is rewarding those who are advantaged at the expense of those who are not. Western and southwestern Sydney is becoming more disadvantaged year after year. Annually the population of the region increases by 40,000. Generally speaking they are first home buyers, battlers and working-class people who most need the educational opportunities that are not being made available to them because of present Federal policy - a policy that ignores completely first generation university attendance. I draw to the attention of honourable members statistics showing degree qualifications by local government areas. Less than 2 per cent of the population of Auburn have degree qualifications. Penrith has less than 2 per cent; Holroyd about 2 per cent; Fairfield considerably less; and Blacktown about 1.5 per cent. The statistic for New South Wales shows that 4 per cent of the population have a degree qualification. In addition, 6 per cent of the remainder of the population of Sydney, excluding that of greater western Sydney, have a degree. I am talking about a region that traditionally has been underserved or not served at all with university places.

The DEPUTY-PRESIDENT: Order! The honourable member has exhausted her time for speaking.

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ARMS TRADE

The Hon. R. S. L. JONES [9.45]: Military, corporate and government representatives will be congregating in Canberra later this month for the purpose of buying and selling ever

more efficient machinery with which to kill and mutilate. The venue is AIDEX - Australia's International Defence and Equipment Exhibition - which is being held at the National Exhibition Centre in Canberra from 26th to 28th November. This exhibition is being promoted in defence journals worldwide as the most prestigious event of its kind in the Asia-Pacific region. It marks a significant aspect of the militarisation of Australia and the Asia-Pacific region and is a major part of the Australian Government's push for a larger slice of the world arms trade for Australia. The Australian Labor Government is undertaking the largest peacetime military build-up in Australia's history and is promoting a military build-up in the Asia-Pacific region on behalf of its mates in the international big business community. The Government is involved in a program of increasing Australia's arms exports and enticing foreign arms manufacturing corporations to set up shop on our shores. The green light has been given to both the Cape York space base and a private enterprise weapons testing range in South Australia. The legislative basis of defence export controls, schedule 13 of the Customs Act, has been amended and a new policy with regard to the granting of export licences has been implemented. Together, they will facilitate the export of arms from Australia.

There is no public record of past or current defence export licences. There is no public record of defence corporations use of university research facilities or of the revision of defence export policies. Public evidence does not exist of the current Australian Labor Government's concern for the environmental or sociological devastation wreaked by this trade in death and destruction. Militarism is war on the environment. From the destruction of the Pacific Islands to the every day depletion of natural resources, the arms industry is responsible for more environmental damage than any other factor in the human history of the Earth. The reason for the earliest known cause of man-made deforestation, which occurred 2000 years ago on the coast of the Aegean Sea, was the need for wood to build Roman warships. The mentality of destroying the environment for the sake of weapons production has not changed at all, with the Australian Government now planning a private enterprise weapons testing facility in South Australia and upgrading the uranium mining operations at Roxby Downs to the extent that the water of the Great Artesian Basin is under threat.

The Australian Government also hosts military exercises such as Kangaroo 89 in which 50,000 troops from Australia, the United States and elsewhere wreaked havoc on Australia's environmentally sensitive northern regions. Add to this the waste of natural resources and pollution generated from weapons manufacture, the fuel used by the military - by far the largest fleet of vehicles in Australia - the extravagant use of chlorofluorocarbons as cleaning agents and one is faced with the largest environmental problem in Australia today, without a single shot having to be fired. Militarism is also war on women. In the 44 years between 1945 and 1989 more than 13 million civilians have been killed in wars. Of these 13 million civilians, most have been women and children. Women are the first to go without food, shelter or education in times of poverty. They are the first to go without necessities in times of war. Women are the targets in indiscriminate bombing raids. Women are raped and tortured both by invaders and the armies on their side. Women are left to care for the children, the old and the mutilated. War and the planning for war is the ultimate paradigm of the present patriarchal system.

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Australia's arms exports are arming repression. Ruth Sivard, in the latest edition of her report on the world's military, lists no fewer than 21 countries which are either current or recent purchasers of Australian arms as inflicting official violence - torture, brutality, disappearances and political killings - on citizens. The Philippines, a country currently engaged in what its government calls a total war against insurgents fighting for land reform - a country with an appalling human rights violations record - is not only a buyer of Australian arms but also a beneficiary of Australian military aid. Indonesia has probably found the helicopters and patrol boats it has purchased from Australia very useful in implementing its transmigration policy. The mobile air photography and map production laboratory, a gift from the Australian people, would have been an enormous help in murdering many thousands of East Timorese who have not

accepted the Indonesian annexation of their country. This situation is mirrored in countries such as Burma, Malaysia, Nepal, Thailand, Papua New Guinea as well as many others. The trade in arms is responsible for a great deal of poverty in the world. In 1989 World Bank President Conable estimated that a full one-third of the debt of some Third World countries can be attributed to arms imports. The World Bank's 1990 annual report observed that many developing countries " . . . devote a sizeable share of their government budget to defence . . . ". I conclude with a quote from former United States President Eisenhower who said:

Every gun that is made, every warship that is launched, every rocket fired represents, in the final analysis a theft from those who have hunger but are not fed and from those who are cold and not clothed.

Military expenditure should now be used for repairing the earth and not for arms.

BUILDING INDUSTRY ROYAL COMMISSION

The Hon. ELISABETH KIRKBY [9.50]: I have been asked by the Building Action Review Group, BARG, a division of the Property Owners Association of New South Wales, to bring to public notice a letter they wrote to the Executive Director of the Royal Commission into Productivity in the Building Industry in New South Wales. The letter, dated 12th November, states:

Thank you for replying to our formal request of July 1, 1991 for a public hearing dealing with the residential building sector. As you have acknowledged this request was the culmination of several verbal requests to various Commission staff during the first six months of 1991 and following the presentation of various evidential material. In these circumstances we are sure that you are just as disappointed as us that four months has lapsed between the date of our formal request and your letter October 29, 1991.

As regards the reasons given for denying Consumers a public hearing we respectively disagree with the two grounds stated.

The terms of reference are stated in the letter as follows:

We do not dispute that guideline 1 of your Letters Patent requires that you conduct your enquiries with " . . . as little formality as possible, with a view to making the enquiry as economical as possible" in relation to matters 1 and 3 of your terms of reference. (For the benefit of BARG members, matters 1 & 2 are those that relate to productivity and efficiency as distinct from illegal activities which come under matter 2).

Our argument is that the problems in the residential building sector stem from " . . . illegal activities that occur in, or in relation to building industry in New South Wales . . . ". That is, matter 2 of your Letters Patent has application. Further ILLEGAL is broadly defined and not subject to any "economical" guideline.

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We therefore conclude that the examples provided of the ACTION and/or INACTION by the Building Services Corporation & Local Government in the execution of their statutory duties falls within matter 2.

Similarly, we submit that the INACTION of the Standards Association of Australia in formulating a comprehensive unbiased building contract after more than five years is a misappropriation of public monies. In this regard we ask that you note the following statement June 15, 1991 by Professor Bob Baxter of the Trade Practices Commission following the prosecution of a building company:

"I am particularly concerned that the standard form contracts used by project home builders strongly favour the rights of builders and give consumers very little protection."

As regards the conduct of Arbitration we submit that the practices adopted and the Awards made are illegal. The residents of New South Wales have a right to know what to expect at building Arbitrations which are commonly referred to as Kangaroo Courts. Similarly, the people of New South Wales have the right to know the dollar amount of donations (in whatever form) made by the Housing Associations to the political parties of New South Wales.

Your second reason for denying a public hearing is due to a view that the matters raised in the BARG submissions is better dealt with by the Policy & Research Division of the Commission.

We disagree with this conclusion simply because this is why the numerous related enquiries into aspects of the building industry have failed to have any impact. Put simply, you cannot expect to formulate an efficient and productive industry from an armchair!

In conclusion we hope that your visit to overseas building sites is productive. Despite our considered opinion that it is a waste of Taxpayers money. A Public Hearing of the problems in the residential building sector would have been more economical and productive.

One final point, upon release of the Commissions findings we will be providing consumers with a critical appraisal of its shortcomings and benefits. We sincerely hope that the former is not extensive due to the wrong direction taken October 29, 1991.

This letter was signed by the president of BARG, the Building Action Review Group. I have many representations made to me about the Building Services Corporation. I do believe that residential consumers have a right to be heard before the royal commission. Perhaps the Government would like to consider this matter.

Motion agreed to.

The House adjourned at 9.55 p.m.