

LEGISLATIVE COUNCIL

Wednesday 21 September 2005

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

The Clerk of the Parliaments offered the Prayers.

The PRESIDENT: I acknowledge that we are meeting on Eora land.

PHOTO CARD

Production of Documents: Order

Motion by Ms Lee Rhiannon agreed to:

That, under Standing Order 52, there be laid upon the table of the House within 14 days of the date of the passing of this resolution all documents created since 30 October 2003 and not previously provided in return to an earlier order, in the possession, custody or control of Privacy NSW or the Acting Privacy Commission, relating to the proposal to introduce in New South Wales a photographic card for people with drivers licences, including:

- (a) any documents which include notes, comment, opinion, advice, expression of concern, opposition to or support for the proposal, including any briefing material provided to the Minister for Roads, the Roads and Traffic Authority (RTA), the Premier, the Premier's Department, the Cabinet Office, the Attorney General, the Attorney General's Department,
- (b) any correspondence, including faxes and emails, between the Acting Privacy Commissioner or staff of Privacy NSW and the Minister for Roads, Roads and Traffic Authority (RTA), the Premier, the Premier's Department, the Cabinet Office, the Attorney General, and the Attorney General's Department, and
- (c) any document which records or refers to the production of documents as a result of this order of the House.

PETITIONS

Same-sex Marriage Legislation

Petitions opposing same-sex marriage legislation, received from **the Hon. Rick Colless** and **the Hon. Christine Robertson**.

Brigalow Belt South Bioregion and Nandewar Bioregion Cypress Pine

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

Desalination and Sustainable Water Supply

Petition opposing construction of a desalination plant in Sydney, and requesting a sustainable water supply through harvesting and recycling of water, and water efficiency, received from **Ms Sylvia Hale**.

Disability Programs Funding

Petition requesting a guarantee that the quality of services offered by the Post-School Options and Adult Training, Learning and Support programs will not be reduced through funding cuts or restructuring, received from **Ms Sylvia Hale**.

Monaro Electorate Traffic Problems

Petition requesting a review of road construction delays and traffic problems in Queanbeyan, Jerrabomberra and surrounding areas in the Monaro electorate, received from **the Hon. Melinda Pavey**.

Recreational Fishing

Petitions opposing any restrictions on recreational fishing in the mid North Coast waters, received from **the Hon. Melinda Pavey**.

Riverina and Murray-Darling Depression Bioregions Forestry Industries

Petition requesting support for all forestry industries in the Riverina and Murray-Darling Depression Bioregions, received from **the Hon. Rick Colless**.

LEGISLATION REVIEW COMMITTEE

Report: The Right to Silence

The Hon. Don Harwin, on behalf of the Chairman, tabled Discussion Paper No. 1, entitled "The Right to Silence", dated 21 September 2005, together with extracts of the minutes.

Report ordered to be printed.

The Hon. DON HARWIN [11.12 a.m.]: I move:

That the House take note of the report.

Debated adjourned on motion by the Hon. Don Harwin.

HANSARD ELECTRONIC RECORD SUPPRESSION

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

That the electronic version of the speech given by a member relating to the Department of Community Services, identified in a submission to the President dated 20 September 2005, be edited to suppress the names of all individuals concerned and the extract from the medical report quoted.

DUTIES AMENDMENT (ABOLITION OF VENDOR DUTY) BILL

Second Reading

The Hon. JOHN DELLA BOSCA (Special Minister of State, Minister for Commerce, Minister for Industrial Relations, Minister for Ageing, Minister for Disability Services, Assistant Treasurer, and Vice-President of the Executive Council) [11.15 a.m.]: I move:

That this bill be now read a second time.

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

Leave granted.

This bill implements the announcement on 2 August 2005 that vendor duty would not apply in respect of contracts for the sale of property first signed on or after that date.

It is a very simple piece of legislation: it does two things:

1. It abolishes vendor duty for all contracts exchanged on or after 2 August 2005.
2. It abolishes disposal duty—the vendor duty equivalent for people with indirect interests in property—for all disposals completed on or after 2 August 2005.

It is simple and should be supported wholeheartedly by all members.

Why vendor duty was abolished:

Vendor duty was introduced at a time when the market was booming.

Times have changed.

In current market conditions vendor duty is a handbrake on economic activity.

Moreover, it had become a psychological impediment on investment in New South Wales.

The abolition of vendor duty should assist in boosting the level of investment in New South Wales and lead to an increase in building activity in the State.

Access Economics has said so.

The Property Council has said so.

Even Treasury's own data showed that vendor duty would dampen the level of turnover.

There will be a cost to abolishing vendor duty.

It was projected to raise \$358 million this financial year.

Increased activity in the property market, resulting in increased revenue from transfer duty is likely to go some way towards funding the gap.

The remainder will be found through the Audit of expenditure I have commissioned to forensically scrutinise the budget...

...and find ways of improving government services...

...while reducing their cost.

The audit team is headed by Dr Mike Vertigan, former head of the Victorian Treasury, and Mr Nigel Stokes, who has extensive experience in banking and public finance.

They have already started their work.

Details of the Bill:

This bill abolishes vendor duty.

The bill also abolishes disposal duty—the application of vendor duty to land rich transactions.

The introduction of disposal duty was necessary to prevent avoidance of vendor duty through the disposal of indirect interest in land rather than the disposal of direct interests.

Disposal duty is abolished from the same date—2 August 2005—for disposals of any interest by a significant interest holder.

For vendor duty contracts exchanged but not settled by 2 August 2005 will remain liable for the duty.

This is appropriate. Contracts exchanged prior to 2 August 2005 were exchanged on the basis that vendor duty would continue to apply. The impact of vendor duty on the transaction was factored into the agreement.

To unilaterally change the basis of the agreement after the contracts had been exchanged would provide one party with a windfall gain.

The alternative of exempting from duty those contracts that had been exchanged but not settled prior to 2 August would be unfair.

It would mean that two contracts exchanged on the same date could have different taxation outcomes—those settled prior to 2 August would be taxed, while those settled after 2 August would not.

The approach taken in this bill of no longer applying vendor duty only to transactions entered into on or after 2 August is fair and consistent.

These anti-avoidance provisions are a matter of equity and are consistent with how governments—State and Federal, now and in the past—have dealt with tax changes.

That is: the changes take effect from the day of the announcement in order to ensure that all taxpayers are treated fairly.

This is the sensible step.

It reduces State taxation.

It boosts investor confidence.

I commend the bill to the House.

The Hon. GREG PEARCE [11.15 a.m.]: The new trainee Premier may have asked for the wholehearted support of all members for this bill, which abolishes the dreaded vendor tax, but that does not change the fact that the Premier bears as much responsibility as his former colleagues for this destructive, unfair and retrogressive tax. He was at the Cabinet table when Bob Carr and Michael Egan introduced this tax, again hitting the people of Australia's highest taxed State. Also, it does not change the fact that while the Coalition,

under John Brogden, recognised the damage that this tax has done and immediately had a policy to remove it, Premier Iemma sat in Cabinet meetings refusing to do so. The Premier is not new. He should be appalled by his part in the spin, waste and mismanagement of this State, and the rundown of infrastructure and services, which has led to the current budget black hole—he could not deny that last night but he could not tell us anything about it either.

I remind honourable members of the history of this extraordinarily bad tax. Honourable members will remember that, as one of his parting gifts to the State, the former Treasurer the Hon. Michael Egan introduced a mini-budget. Supposedly, the State budget was in crisis. At that time we did not know that the budget was in crisis; of course, it is now unravelling at a rate that the Government has no capacity to handle and deal with. The fact that the Government is simply sitting on its hands hoping that things will come good by Christmas is of great concern to the people of New South Wales. The vendor tax was introduced as part of the mini-budget.

We conducted an inquiry into the mini-budget, during which we saw one of the most extraordinary performances. The then Treasurer, Mr Egan, and his leading Treasury officials appeared and had to admit that they had done no research into the vendor tax and what it would do. They had no projections for its impact and they had no modelling. They did not have any idea what the impact of the vendor tax would be on the taxpayers of New South Wales. Michael Egan justified it when he said that the tax was "commonsense". Indeed, he admitted that it was something he had dreamed up off the top of his head. The taxpayers of New South Wales have had to pay for Michael Egan's dream, and the baby trainee Premier has had to reverse the tax in the most embarrassing circumstances but in circumstances that must be accepted. The vendor tax, which has had a massive retrogressive impact on the New South Wales economy, should never have been introduced.

When the Premier introduced the bill in the other place, said it was a simple piece of legislation. That is true. It is a simple piece of legislation and it should never have been necessary because the tax should never have been implemented at all. This backdown by the Government in getting rid of it exposes the Ministers who sat around the table with Michael Egan and Bob Carr as the greatest hypocrites who ever occupied these Houses of Parliament. They sat around for 18 months arguing that this tax did not have to go. Then, just to top it off with the most appalling act of hypocrisy at the very end, they delayed the announcement that this tax would be removed so that Bob Carr could skulk off and claim credit for whatever he claimed credit for as Premier and allow the new trainee Premier to make an announcement on his first day as Premier. In that period it is estimated that \$60 million of tax was paid unnecessarily and unfairly by people who were used in a stunt by the new Premier to make sure he had a big announcement on his first day in the job.

Much has already been said in the other place about the need to get rid of this tax. It has been an offensive tax. It has been something that the people of New South Wales have complained about and have fought against ever since it was introduced. Many people have done the hard yards to convince the Government that it had to reverse this regressive tax. A number of them have spent a great deal of time and effort in that endeavour—among them industry groups such as the Housing Industry Association, the Property Council of Australia, the Urban Development Institute of Australia and many other people and organisations in the community. The fact that they have had to mobilise to force the Government to reverse the tax is something the Government should be ashamed of. The trainee Premier cannot abrogate his own responsibility for accepting this tax in the first place and then for leaving it in place so long.

It is interesting that the Minister for Finance is not dealing with this tax, as he is usually the one given the sledgehammer jobs. Of course, he has probably been kept quiet ever since he made his gaffe on radio when he admitted the State was in deficit. It is interesting that the Premier could not answer that question last night. This tax was nothing more than a piece of economic vandalism by the Government. The tax had to go, and it is a disgrace that the Government has taken so long to act.

Ms LEE RHIANNON [11.23 a.m.]: One of the Premier's first acts when he took on the top job in this State after he replaced Bob Carr was to announce he would abolish the vendor tax. This tactic was clearly intended to show that the new Premier had started on the front foot, responsive to public concerns, and was his own man, free from the mistakes of the Carr-Egan era.

The Hon. John Della Bosca: It is an era? That is a big tick.

Ms LEE RHIANNON: Yes, would you not say that? I think that is good Labor language.

The Hon. John Della Bosca: I am surprised that you are prepared to call it an era. I think Michael and Bob would be very proud.

Ms LEE RHIANNON: I think we certainly can. Now they have gone one certainly feels it was that. Certainly the New South Wales Government took a terrible caning over the vendor tax. Predictably, the howls of protest have come from those whose incomes have suffered—real estate agents, developers and, of course, those who own investment properties. The criticism was loud and sustained, yet the public debate was one-sided. In all the criticism there was no mention of the abolition of stamp duty for most first home buyers, a positive reform that was introduced at the same time as the vendor tax, and a reform that helped the property industry as well as many young families.

The property industry claimed that the vendor tax led to the end of the property boom. In reality, it is far more complicated than that. There is considerable evidence that the market was already cooling when the tax was introduced, and there is no guarantee that the abolition of the tax will see property values rise again. In fact, many economic commentators have suggested that the opposite is more likely. The Federal Reserve Bank Governor, Ian Macfarlane, argues that the reason for the fall in New South Wales property prices is that they had risen so excessively they became unaffordable. This has affected emigration from New South Wales to other States. He believes housing became so expensive in Sydney that it was in the interests of people, especially young people, to move elsewhere so they could enjoy a more affordable lifestyle.

Sydney house prices are somewhere between 50 per cent and 60 per cent higher than Melbourne house prices. Macfarlane gets impatient when he hears real estate agents argue that we must get house prices going up again and that that will save New South Wales. Such a move would create further problems rather than be a solution. Some economists believe the vendor tax was introduced when the die had been cast and the downturn had begun. The State's sluggish growth has little to do with property investment funds supposedly leaving the State. Rather, it has more to do with thousands of people who left New South Wales to buy homes they could afford. One could argue that the Government's real failure was in introducing the vendor tax too late in the cycle. Had it been brought in earlier it might have moderated the property bubble, leading to a more sustainable property market.

The Greens supported the vendor tax legislation when it passed through Parliament, and we still believe that we were right to do so. It was not a perfect tax by any means, but it was justifiable, particularly when combined with stamp duty relief for first home buyers. Abolishing the vendor tax got the new Premier a couple of days of good headlines but they are long gone now. Being a successful Premier requires more than that. Our infrastructure and services are run down and a sustained period of higher public investment is essential to bring our trains, hospitals and our schools up to scratch. The money will have to come from somewhere, and the Premier may live to regret abolishing an essentially sound tax to gain 48 hours of media sunshine. We now have a weak Government that is in fear of losing the next State election.

The Government is trying to get a quick turnaround in public opinion. The Premier is missing the point. The public is demanding long-term solutions to infrastructure issues—real, substantial solutions, expensive solutions indeed, but not short-term fixes. We need to explore another important question—the murky relationship between the Labor Government, the Sussex Street headquarters of the Labor Party, and the property industry. Let us remember the \$7 million the New South Wales Labor Party has received in donations from the property industry over the past six years.

The Hon. John Della Bosca: Did you co-author this with Tara Moss?

Ms LEE RHIANNON: No, I think the Minister knows the Greens have a long track record on this issue. As we know, over the past six years the New South Wales Labor Party has received \$7 million in donations from the property industry. During the last year for which we have donations information from the Australian Electoral Commission, the New South Wales division of the ALP received almost \$1.4 million in contributions from property interests. That was in the fiscal year 2003-04 when there was no election in our State. Donations from property companies will be an important source of the funds the ALP wants to use to fight the upcoming election in 2007.

The Government obviously wants to keep these donors on side because it hopes that even larger amounts of money will flow to the party over the next 18 months. One has to wonder whether there is an element of pandering to the property industry in the introduction of this bill. We all know that major donors to the Australian Labor Party [ALP] get preferential treatment, access to Ministers and so on, and I am sure that their concerns are given high priority in the Premier's office. We have no reason to believe that this attitude has changed with the change of the guard at Governor Macquarie Tower. We should not be surprised that the Liberal Party never supported the vendor tax. It has fallen far behind the ALP in the amount of money donated

to its coffers by the property industry. It certainly did not want to put this group off side. Last year the New South Wales Liberal Party received a little over \$700,000 from property interests, only half of the amount the Labor Party received.

The Hon. John Della Bosca: It is also about half the amount they received from property developers, too, Lee.

Ms LEE RHIANNON: I also acknowledge that interjection. In 1998-99, the financial year that covers the 1999 State election, the two parties were neck and neck in contributions from the property sector. Since then the gap has steadily increased in Labor's favour. Even in the year of the 2003 New South Wales election the ALP received \$2.2 million compared with the \$1.4 million given to the Liberals. I am certain that the Liberals will want to reverse that pattern. I imagine they see it as critical to winning the next election. I make two points in conclusion. One is that the vendor tax was largely a tax on property speculators who turned over properties rapidly. The small, prudent investor does not buy and sell frequently in hope of fast profits, and so was less affected. In fact one could argue that small investors will be hurt more by the hole the removal of the tax will cause in the New South Wales budget. The second point relates to the negative impact on the policies of a government by donations to party coffers by property interests. Until we finally follow the advice of former Prime Minister Paul Keating and current member of the House of Representatives Malcolm Turnbull and abandon these and other donations, large donors will continue to have too great an influence on government policies in this State.

The Hon. PATRICIA FORSYTHE [11.32 a.m.]: "The Vendor Duty Tax is the world's dumbest tax." They are not my words but the words of the New South Wales Secretary of the Construction, Forestry, Mining and Energy Union [CFMEU], Andrew Ferguson, in a media release of 20 April 2005. Ms Lee Rhiannon focused in her speech on trying to link political parties and the property industry. However, many groups well beyond the property industry were concerned about the tax, not least the trade union movement, because it understood the link between the loss of investment and the loss of jobs. If Ms Lee Rhiannon does not understand that point one could be grateful at least for the pressure that the union movement was able to put on the Government. The press release went on to say:

This tax threatens the jobs of workers across the industry and will mean higher unemployment, higher rents and less investment across NSW unless Bob Carr does the smart thing and abolishes this tax which has backfired on the people of NSW.

That is why today, long overdue, we are debating the Duties Amendment (Abolition of Vendor Duty) Bill. The Opposition did not support the duty in the beginning and, as other honourable members have noted, we did not support the amendments in relation to the land rich duty and we now welcome the well overdue abolition of the duty. The CFMEU press release also makes the valid point about the range of organisations pressuring the Government, not merely the property industry and unions. It states:

- Broad agreement in the industry, business and investment circles that the taxes [including land tax] are complex, inefficient and fail a basic test of jobs and equity:

- Construction workers,
- Small property investors,
- Construction forestry mining energy union,
- The Master Builders Association,
- The Property Council of Australia,
- The Real Estate Institute of New South Wales,
- The Housing Industry Association, and
- [the Coalition].

- Data from the Australian Bureau of Statistics and Access Economics backs the critics:

- Removal of tax would be offset by increase in stamp duty paid, from increase in transactions.
- In the first full six months of the vendors duty being in operation, commercial transactions in NSW declined by over \$500 million, while in Queensland they jumped by \$840 million.

That is the real effect: it was a dampener on the economy of New South Wales and the beneficiary was Queensland. No State should step out on its own in introducing such a tax because it simply gives an advantage

to its natural competitors, in this case Victoria and Queensland. They were able to appeal to investors at the very time when New South Wales was totally discouraging investment. Last year the then Treasurer referred in debate in this House to his desire to damp down the economy to make it easier for first home buyers. What he was really saying was that he wanted to give an impetus to the economies of other States. The press release goes on to state:

- The Australian Taxation Office found that the suburbs of Liverpool, Blacktown, Wentworthville, Pagewood, Bossley Park and Hoxton Park are among the top 20 suburbs where small-time investors live, in largely traditional Labor areas.

That completely gives the lie to the sort of nonsense we heard from the Greens, that it is all just about the property industry. The Government is now well aware of the impact of its legislation and how it is being punished by small-time investors, many of whom live in areas associated with support for the Labor Party. Hoxton Park was referred to. It will be familiar to many members of this Chamber as being included in the electorate of Macquarie Fields. How did the people of Hoxton Park vote in last weekend's by-election? There was an 11.33 per cent drop in the vote for the ALP. The community clearly spoke up about actions of the Carr Government and now Iemma Government that have punished them. The Opposition welcomes the abolition of the tax. Access Economics described it in a report to the Property Council of Australia as the State's most inefficient tax and a very clear case of bad tax design, both qualitatively and quantitatively.

There is a message for the current Treasurer and Premier: when Treasurers try to play economist rather than bean counter they will inevitably get it wrong. I take the point from Ms Lee Rhiannon that the duty was introduced at the wrong end of the cycle. It was a case of the then Treasurer trying to be an economist and doing a bit of social engineering of his own. It demonstrably failed, as we said it would. When the then Treasurer said that it may help first home buyers I recall saying to him that what he was forgetting was that the first effect would be to drive up rents. People who have yet to purchase their first home inevitably will be renters. Earlier this year when I was at a real estate function in Queanbeyan I asked a number of real estate agents about what they saw as the impact of the vendor tax. They said that rents in their area had gone up about 10 per cent as a direct consequence of the vendor duty because inevitably property owners pass on likely impacts on their investment.

More than anything else, the vendor duty dried up the investment market. When you have scarcity of supply in a true market economy it will distort the market, and that is effectively what happened. I believe the Government has demonstrably failed. It has failed its own principles of fiscal strategy. We know that, in its fiscal legislation, the Government's first principle is keeping the budget and forward estimates in surplus, and its final principle is one of tax restraint. The Government has failed on both counts. Today we welcome this legislation, which will effectively mark the end of the vendor duty. It was poorly introduced in the first place. The Government completely misunderstood the impact it would have on the real estate market in New South Wales. The Government certainly completely misunderstood our capacity to be competitive with the States of Queensland and Victoria, in particular. I am absolutely certain that the Government completely misunderstood the impact it would have on jobs in this State.

One would have thought that the first consideration of a Labor government—of all governments—would be job security. However, the Government completely misunderstood the impact the vendor duty would have in that regard. That is why the Construction, Forestry, Mining and Energy Union made its plea; that is why it formed an alliance with business. Both agreed it was not in the best interests of New South Wales. The Coalition understood it was not in the best interests of New South Wales. Finally, the Government, to make the new Premier look good, accepted what everyone had been saying for a year: that it was a poor tax that should not have been introduced and it needed to be abolished. The Coalition welcomes this bill as an important step forward in the growth and competitiveness of the New South Wales economy.

Reverend the Hon. FRED NILE [11.41 a.m.]: The Christian Democratic Party supports the passage of the Duties Amendment (Abolition of Vendor Duty) Bill. The bill will amend the Duties Act 1997 to abolish vendor duty, which is 2.25 per cent, and duty on the disposal of interest in, as described in the legislation, land rich companies and trusts schemes, on and from 2 August 2005. It might have been better if the Government had used another word in the overview of the bill, instead of inciting the Greens and others by using the word "rich"—perhaps "land surplus companies" would have been more appropriate. We all understand, though, what the term means. There is no doubt that the vendor tax had an impact on our State and its economy, particularly when added to the new land tax, which was expanded to include all investment properties and in respect of which the threshold was removed.

The vendor duty was perhaps the final legacy of the former Treasurer, Michael Egan, who decided, in his wisdom, that it would be a good way to increase income. However, obviously it has had a damaging impact upon New South Wales and its economy. There is also no doubt that the price of land in New South Wales is higher than in any other Australian State. It would appear that the main reason for that is not the vendor tax but the very slow release of parcels of land. It almost seems to be an artificial method of keeping land prices high. If there is limited supply of land, obviously the price of that land will be more expensive than if it were plentiful. It is interesting to note that while land is becoming more and more expensive to buy, the blocks are getting smaller and smaller in size. The size of blocks of land has been dramatically reduced but the price of those blocks remains high. In fact, blocks of land in new housing developments are now so small that anyone who purchases one has to build a two-storey house because a single-storey house will often not fit on the block. We now have in many new suburbs streets and streets of two-storey houses.

The vendor duty and land tax associated with it have also had a considerable impact on the housing rental market and have helped to push up rents. It is pleasing that the Government, under the leadership of the new Premier, rapidly moved to abolish this tax from 2 August, but it would be foolish of the Government to think that the removal of the tax means that all will be well; that the vendor duty was the only problem facing the economy of this State and that now that it has been removed suddenly everything will pick up. A number of recent reports indicate that, even though the vendor duty did have an impact, it may not have had as big an impact as was first thought, and the removal of the tax may not have a dramatic impact on land prices or on the construction of new dwellings.

In fact, the *Australian Financial Review* reports that the Governor of the Reserve Bank, Ian Macfarlane, does not think the recently abandoned vendor duty on investment property is to blame for the doldrums in which New South Wales finds itself compared with other Australian States. It has been suggested by many people that the vendor duty contributed to the slump in the State's housing market over the past year and the relatively large fall in Sydney house prices. Mr Macfarlane said, "No, I don't think it's been a big part of the story at all." He went on to say:

The truth is something the local property industry probably does not want to hear, but New South Wales is a victim of its own property excesses since the mid-1990s. Just as the State enjoyed a relatively strong property-fuelled boom, it must now ensure a relatively strong correction.

Sydney house prices have always been higher than other States, but between 1995 and 2003 they rose from about 60 per cent higher to 90 per cent higher. The boom was driven by solid immigration and helped fill government coffers, but it also helped sow the seeds for its eventual destruction. How did people respond? Many homeowners simply sold up and moved interstate. Many young workers who would have moved to Sydney could not afford to do so. Mr Macfarlane went on to say:

It's so expensive that, particularly for younger people, they are going to where their lifestyle is more affordable ... and for older people, I think a lot of them are cashing out and moving to other places.

Mr Macfarlane noted that, as a result, there is significant net immigration from New South Wales. He further noted that slower population growth set in by 2003 and, together with prices simply going too far, has been an important negative influence on the market. The Government will be in trouble if it believes that the abolition of the vendor duty means that suddenly all will be well. In fact, there is greater danger now because the scrapping of the tax, which the Christian Democratic Party supports, means that the Government will lose more than \$300 million in income from the vendor duty that it had budgeted for. The Government will not now receive that income and, with increased expenditure for wages and in other areas, the proposed surplus of \$300 million or so will be quickly eaten up as a result of the scrapping of this tax.

Combined with other expenses that the Government has to meet, we are now facing a situation where the budget will be in deficit. The Government has to fill the resulting \$358 million hole in revenue and do it without raising taxes. It has become a test for the new Premier as to how he can perform the juggling trick of reducing the deficit without a tax increase. The hope is that by scrapping the vendor duty there will be such an upturn in sales and so on that that will produce income from stamp duty, which will get the Government out of trouble. We do not know whether that will in fact occur; we will just have to wait and see if that is the case. Apparently, the increase in construction, sales and auctions has not occurred—at least not in any dramatic way. There has been only a very small increase so scrapping the vendor duty is not going to be a simple solution to the Government's economic problems

As other honourable members have said, it is interesting that criticism of the vendor duty—perhaps the most harmful criticism of it—came from left-wing trade unions, which are part of the New South Wales union

movement. As has been said, Andrew Ferguson, the State Secretary of the Construction, Forestry, Mining and Energy Union [CFMEU], said:

The vendor duty is the world's dumbest tax ...

Every investor that moves their money interstate or overseas because of this unfavourable tax, Government revenue, jobs and investment are lost.

Brian Parker, the Assistant State Secretary of the CFMEU, also attacked the tax. He said:

We will actively campaign against the State Government until this vendor duty is reversed ...

We estimate that it could affect at least 50 per cent of the jobs in our industry because investors are investing in other States.

We had the unusual situation of that left-wing union working in alliance with the Property Council of Australia, the Housing Industry Association and the Real Estate Institute. I imagine that probably one of the major factors in the Government's thinking about vendor duty was that it had no choice but to abolish it with this legislation. We will now have to wait to see whether the economy improves, whether the revenue from stamp duty will meet the Government's deficit, and whether we will see another new tax or whether the Government will be tempted to rearrange land tax to increase income from that area. Land tax has already caused a tremendously harmful impact upon many small investors who have saved and put aside their money in a small investment property, perhaps for their retirement or as part of a self-funded superannuation plan. Any further increase in those taxes will hurt many people across the State.

I obviously urge the Government not to increase taxes in any area. However, the Government may now have to review its budget to ascertain areas in which it can reduce expenditure. I believe there is overexpenditure in some areas. Those areas should now be reviewed and the expenditure reduced to bring the Government's budget out of the red and into the black. The Christian Democratic Party supports the bill.

The Hon. MELINDA PAVEY [11.52 a.m.]: The Nationals do not oppose the Duties Amendment (Abolition of Vendor Duty) Bill. Indeed, from day one we have said that the vendor duty should not have been introduced. This bill reminds me of chickenpox. If you get chickenpox, you end up getting rid of chickenpox but you never thank the person who gave you chickenpox in the first place. The people of New South Wales will not thank the Labor Party for the introduction of this tax, which has been like chickenpox for mum and dad investors across New South Wales. The tax has had an enormous impact not only on the Sydney property market, which members have spoken about this morning, but also on the North Coast, the Monaro region, the South Coast and the whole of inland New South Wales. The tax has had such an impact that councils in northern New South Wales are saying, "We are sick and tired of this rotten, terrible government. We want to secede. We want to be part of Queensland, where they don't do stupid things like this."

[Interruption]

Your union head, Andrew Ferguson from the Construction, Forestry, Mining and Energy Union—your people—has labelled vendor duty as the world's dumbest tax. Congratulations. We are not going to thank you for getting rid of the chickenpox—vendor duty, the world's dumbest tax.

The Hon. Henry Tsang: You are not helping the people of New South Wales. You are taking away \$3 billion of our GST and giving it to Queensland.

The Hon. MELINDA PAVEY: On that point, the Government of the State, whether it be under Bob Carr or the New South Wales Labor Party's puppet man, Morris Iemma, installed by Mark Arbib and the New South Wales Labor Party head office—

The DEPUTY-PRESIDENT (Reverend the Hon. Fred Nile): Order! The Parliamentary Secretary will allow the Hon. Melinda Pavey to continue her speech.

The Hon. MELINDA PAVEY: Something has not been reconciled in the thoughts of Labor Party members in the Chamber: over the past 10 years an extra \$8 billion has flowed into the coffers of New South Wales Treasury because of the property boom in this State—which has been orchestrated, developed and encouraged by the good economic development and management of the Federal Government. The Government has had an extra \$8 billion that it never expected to get, along with extra GST revenues that the Government never expected or budgeted for.

The problem is that New South Wales is in an absolute budget crisis. The Premier's performance last night during a budget estimates committee hearing was nothing less than appalling. He can tally up the Opposition's vision for country and city New South Wales, but as at September 2005 he has not given thought or cannot give a figure as to the true budget position of New South Wales. To this very day, the Premier has not collected the budget figures for New South Wales, despite a requirement in law for him to publish budget figures on a monthly basis. He has neglected to do that. He is a puppet of Sussex Street. As a puppet of Mark Arbib, on his very first day as Premier he made the exciting announcement, "We are going to get rid of the chickenpox; we are going to get rid of the vendor tax. I pull this out of my top drawer. No longer is New South Wales going to suffer from the vendor tax, otherwise known as the chickenpox."

The Labor Party engaged in a devious campaign when the Labor Party realised that vendor tax was not working. The tax killed the property market to such an extent that the Government was not even receiving the sort of money it thought it would receive with the tax. There was a period of one to two months between Bob Carr's overseas trip, his swansong at taxpayers' expense, as he travelled to the Middle East—

[Interruption]

It is very shameful that a Premier goes on an overseas holiday when he has already decided to leave the premiership, and then comes back and says that he is going. It was his swansong junket. It is little wonder we are going into budget deficit. The brains that he had already decided secretly—their polling had told them that vendor duty was not working and it was not liked by the mum and dad investors in places like Homebush—

Mr Ian Cohen: Rubbish! By developers and the Property Council, whom you are absolutely beholden to.

The Hon. MELINDA PAVEY: Yes, the Property Council and the Real Estate Institute, the people that represent good, hardworking people across this State. Is that a shame? Is it a shame to listen to people? Is it a shame to hear about the impact of the tax on mum and dad investors and on New South Wales?

[Interruption]

I do care what happens in northern New South Wales, southern New South Wales and western New South Wales.

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

The Hon. MELINDA PAVEY: It seems that members in this Chamber oppose working-class people wanting to have a holiday. The Labor Party had this secret plan. Walt Secord had been the Premier's chief spin doctor for many years. I was astounded at his absolute honesty in admitting this secret plan—which had been hatched for some time—to relieve and save the taxpayers of New South Wales from this vendor tax. The plan had been in place and the decision had been made, but Labor had to be strategic about it. In discussions with Mark Arbib, Labor members decided they would make this announcement a special one for their new boy, Morris Iemma. So on his first day on the job when it would make him look like he was achieving something, he pulls out from his top drawer his first big announcement.

The Hon. Duncan Gay: Morris minor.

The Hon. MELINDA PAVEY: Morris minor. Exactly.

The Hon. Rick Colless: The trainee.

The Hon. MELINDA PAVEY: The trainee. And wasn't he a trainee in the budget estimates last night? He could not put his finger on the true budget position in New South Wales in terms of the number of people who are employed by the New South Wales taxpayer. He does not even know how many of them have a job or do not have a job, let alone the true budget position. Despite the \$8 billion that has washed into New South Wales in extra revenue through the burgeoning property market over the past 10 years, this Government was forced to introduce the vendor tax because of its own incompetence to pay for its accumulating bills. The Government realised that it had killed off the property market, thereby putting itself in a difficult position. Now the Government is slugging insurance premiums with extra stamp duty charges in order to get more money.

The Premier has no idea of the figure involved in the budget deficit. The Opposition is proud of its campaign against the vendor tax. I hope, for the sake of the people of New South Wales, that no more ridiculous bits of legislation will have to be presented to this House in order to get the Government out of its financial mess.

Pursuant to sessional orders business interrupted.

QUESTIONS WITHOUT NOTICE

HUNTER POLICE NUMBERS

The Hon. MICHAEL GALLACHER: My question without notice is directed to the Minister for the Hunter. As the Minister for the Hunter and former Minister for Police, is the Minister aware of claims by the honourable member for Charlestown, Matthew Morris, in the Newcastle *Herald* on 22 August that as part of his top five achievements for his electorate since the 2003 State election, he had achieved "extra police officers"? Has the Minister counselled his colleague about his claim, given that in March 2003 there were 189 police at Lake Macquarie local area command [LAC] and today there are just 182 police, and that during the same period there were 199 police at Newcastle LAC and today there are just 187? As the Minister for the Hunter, how does one of his colleagues make such a claim that he has achieved "extra police officers" since the last election, when it is not true?

The Hon. MICHAEL COSTA: I am not aware of the article in the Newcastle *Herald*.

JUNIPERINA JUVENILE JUSTICE CENTRE OPENING

The Hon. GREG DONNELLY: My question without notice is addressed to the Minister for Juvenile Justice. What information can the Minister give about the latest improvements to juvenile justice centres in New South Wales?

The Hon. TONY KELLY: During the recent recess, the former Minister officially opened the Juniperina Juvenile Justice Centre at Lidcombe. This was part of a long-term plan to close the 60-year-old centre at Yasmar in Haberfield. The Juniperina Juvenile Justice Centre sets a new benchmark in juvenile detention centre design and construction for not only Australia but also at an international level. The punishment for young offenders is lost liberty. Our responsibility is to make all efforts to rehabilitate them in a secure and safe environment.

Juniperina has been planned and built to accommodate young female offenders in security while offering the latest approaches in rehabilitation. As the only standalone detention centre in Australia to be purpose-built for girls and young women, Juniperina reflects significant policy approaches spelt out in the department's groundbreaking Girls' and Young Women's Action Plan, developed three years ago. I am pleased to inform the House that late last month the movement of detainees and staff from Yasmar to Juniperina went very smoothly, with all involved now settled into their new surroundings. The statewide centre caters for girls and young women who have been charged with offences committed between the ages of 10 and 18 years, regardless of their level of classification.

The average age of young women detained at the centre is 16 years. They are in custody for offences such as assault, theft and robbery. Young women who are admitted to the centre often have a number of issues to deal with beyond their offending behaviour. These include alcohol and other drug misuse, homelessness, or the lack of safe and secure accommodation, as well as health and mental health issues including self-harm. Young women often come into custody with high levels of need and are often victims of crime and abuse, for example, family violence, physical, sexual and verbal abuse. They have limited relationship skills and low self-esteem. A high number of the young women who come into custody are from Aboriginal or culturally-diverse groups. Many young women in custody have a limited formal education and often they come from low socioeconomic communities.

I draw this picture not to excuse criminality but to provide an understanding of how these young people become enmeshed in a cycle of crime. The staff at this centre face huge challenges in working with these young women. But to those staff, and in fact to all juvenile justice staff, let me make it clear that they have the support

of the Government and the wider community. Our support is backed by quality facilities. The community expects young offenders to leave custody with skills to help break the juvenile crime cycle. Sunninghill School has transferred from Yasmar to Juniperina. This means the dedicated teachers from the Department of Education and Training will maintain the school's important role in helping to improve the education of a group of young people. The lessons learnt continue beyond Juniperina and give these young women positive goals in life.

Importantly, these facilities are housed in a highly secure environment. This reflects the Government's determination to protect the wider community, the staff who work there and the detainees they work with. The physical security is obvious in the high fences, the solid locks, the duress alarms and the more than 50 digital closed-circuit television cameras. But all the locks and fences in the world mean nothing without a vigilant staff applying a firm but fair system of discipline, backed by strict rules and balanced by a system of incentives that encourages good behaviour.

Juniperina is the fourth totally new juvenile detention centre opened in New South Wales since 1998. The New South Wales Government has invested more than \$100 million in providing safe, secure, well-equipped and up-to-date facilities for juvenile justice. Detention and rehabilitation is costly, especially for young offenders, but it is a price we must pay if we are serious about breaking the cycle of juvenile crime and building safer and more supportive communities.

OVINE JOHNE'S DISEASE TRANSACTION FUND

The Hon. DUNCAN GAY: My question without notice is directed to the Minister for Primary Industries. Does the Minister recall that in his recent media release to announce an advance of \$725,000 to build up the new ovine Johne's disease transaction fund, he stated the advance would be repaid gradually over the life of the scheme? Will the Minister now commit to the Government being the last party to be repaid this advance, so 450 sheep producers, who are owed \$2.4 million, do not have to wait any longer? If the Minister refuses to be the last party repaid, the advance will not shorten the time to pay producers the money that the Government owes them; is that correct?

The Hon. IAN MACDONALD: The answer to that question is no.

PHILLIP STREET, SYDNEY, BUILDING

The Hon. DAVID OLDFIELD: My question is directed to the Minister for Commerce. Is the Minister familiar with the building at 10 Phillip Street, Sydney? Is this building, which is an older style, multistorey building, owned by, or under the control of, the Government? If the answer is yes, is the building vacant? If so, how long has the building been vacant? The building has a derelict appearance. Is the building being maintained? What is the value of the building and the site? What plans, including a timetable for implementation, does the Government have for the building? If the building is not vacant, who is the tenant?

The Hon. JOHN DELLA BOSCA: I am not aware of the particular building the honourable member is speaking about, but the question he raises is generally about properties owned by the New South Wales Government and vacancy rates. It is important to underline that previous governments have had different records of being able to fill government offices with suitable and appropriate government tenants. The New South Wales Government occupies 1.2 million square metres of office space and more than 1,000 buildings across the State. At the end of August 2005 the total vacant space was about 3,600 square metres, which is only 0.3 per cent of the total space occupied by the Government. This is a marked improvement on the vacancy rate of 2.23 per cent under the Coalition as at 31 January 1995, which was seven times the Government's current vacancy rate.

The Government's current vacancy rate also compares more than favourably to the office market vacancy rate of 10.2 per cent in the Sydney central business district as at August 2005. That figure, supplied by the Property Council of Australia, shows that New South Wales Government properties compare favourably with the performance of the private sector in the same market. The Hon. David Oldfield asked about a particular premise at 10 Phillip Street. I do not have information on the specifics of his question, but I am happy to take the balance of the question on notice and provide the answer in due course.

TRAINEES AND APPRENTICES MINIMUM WAGE

The Hon. IAN WEST: My question is directed to the Minister for Industrial Relations. Can the Minister inform the House about plans to lower minimum wages for trainees and apprentices?

The Hon. JOHN DELLA BOSCA: I thank the Hon. Ian West for his ongoing interest in industrial affairs and the future skills of the nation. The Australian Government has announced—and members have seen

the publicity—that it will "remove the barriers that restrict opportunities for young Australians to enter an apprenticeship". Honourable members can probably guess the barrier that the Commonwealth has focused on: it is wages. And for the lowest paid the Government has again indicated it believes they are simply paid too much. The Prime Minister has listed his first initiative under a unitary industrial relations system, which is to create a new special minimum wage for apprentices and trainees.

The Hon. Melinda Pavey: What a good idea!

The Hon. JOHN DELLA BOSCA: Mr Howard claims that his special minimum wage would ensure that trainees and apprentices are competitive in the labour market.

The Hon. Melinda Pavey: What are you doing about the crisis?

The Hon. JOHN DELLA BOSCA: Who will be the next group of workers to get a special rate of pay to make them competitive? The Hon. Melinda Pavey is a capitalist who does not believe in the profit motive. This is further evidence of John Howard's true workplace reform agenda—to slash wages and conditions and, of course, pick on the most vulnerable in society. We know that if the Commonwealth submissions to the national wage case had been accepted, minimum wages would be approximately \$50 lower than they are at the moment. The Prime Minister has at last identified that there is a skills shortage.

The Hon. Melinda Pavey: What are you going to do about the skills shortage?

The Hon. JOHN DELLA BOSCA: One would have thought from the way the Commonwealth Government has carried on with respect to industrial matters in the last year that he had not realised there was a skills shortage. He has now discovered it, but his solution is the wrong one. The New South Wales Government has led the way in promoting apprenticeships and school-based traineeships. Currently, almost 70,000 school students in this State are enrolled in high-quality vocational programs as part of their Higher School Certificate [HSC]. This is what we are doing about it, Melinda, if you had actually taken the trouble to look at the question. That is one-third of all year 11 and 12 students, more than any other State or Territory, and we compare favourably with any jurisdiction in the Western World.

These courses provide credit points towards the HSC while a student is at school and count towards a traineeship or an apprenticeship once a student leaves school. Many of these students go on to gain full qualifications in trade-related occupations such as automotive, hospitality and manufacturing, just to name a few. Of these 70,000, over 1,400 HSC students are in school-based part-time traineeships. Students doing this are actually employed in part-time traineeships while still at school. They have both on-the-job and classroom-based commitments to the traineeship. The vast majority of trainees and all apprentices begin their formal training in a full-time capacity once they leave school.

The New South Wales Government's approach to vocational education and training in schools keeps students' options open. Students can work towards an industry qualification, the HSC and, if they so choose, keep open the option to obtain a university admission index. This provides maximum opportunities once they leave school. The Commonwealth's answer is, of course, to slash wages for young people and allow apprenticeships to continue indefinitely. As if that would encourage anyone to seek an apprenticeship, given that the overwhelming evidence is that the decline in apprenticeship recruitment is due to concerns about wage levels and security and continuity of the apprenticeship!

Apprentices are already among those most at risk from exploitative Australian workplace agreements [AWA]. In the last financial year the Commonwealth approved AWAs covering 16,700 people under 21 years, including 9,300 under 18 years and nearly 700 under 15 years. The recent young people and work survey conducted by the New South Wales Office of Industrial Relations shows that young people are largely unaware of their rights and are vulnerable to exploitation.

GAME COUNCIL

Ms LEE RHIANNON: I direct my question to the Minister for Primary Industries. Who is the new Chief Executive Officer of the Game Council? Is Orange Councillor Glen Taylor involved with the Game Council and, if so, what is his role with the council? Is the Game Council in financial difficulties? Have representatives of the council been negotiating with the Government about a rescue package to assist the Game Council get through this period of financial difficulties? If there is a rescue package, how much money is the Minister considering giving to the Game Council?

The Hon. IAN MACDONALD: There is no rescue package. This is obviously the sort of spin the Greens want to put on it because they opposed the Game Council from the beginning. They have been opposed to the whole concept and they are continuing the rage. I have been advised of speculation regarding the financial state of the Game Council of New South Wales, and I am aware of the intent behind the question. I have issued a statement rejecting those claims and will reiterate these comments to the House today.

The Game Council of New South Wales is properly and appropriately funded. The Game Council is not in financial crisis and continues to operate in line with the original design when it was created. The Game Council received an initial start-up grant of \$1.25 million from the State Government in 2002-03, supplemented by a credit facility and revenue from game hunting licences. In 2004-05 the Game Council's budget allocation was \$1.85 million. The budget allocation for 2005-06 is \$2.36 million.

Recent media reports that the council will be out of funds by October 2005 are absolutely false, so most of the premise of the question is also false. The Game Council is moving forward with its long-term plans to eventually be self-funding. It is important to note that when the Game Council was created, there was no blueprint from which to build a new game hunting and feral animal management system like this one. Plans were laid and decisions made using the best information and experience available at that time. Clearly, plans will be adjusted as needed in the early stages of any new organisation and the Game Council is no exception.

It is an Australian first and this Government recognises the important role it plays in the management of conservation hunting in New South Wales. With respect to confidential records of the Game Council being released publicly, based on advice to my office, a document has been provided to some media outlets. The document in question was a working document created nearly a year ago and was never approved by the Chair of Game Council and never accepted by its committee of management. Therefore, it does not reflect what I understand to be the Game Council's position, nor should it be interpreted as such. I repeat that the Game Council is moving forward with its long-term plans to eventually be self-funding. In the meantime the State Government is providing the appropriate levels of support to ensure that it meets its obligations. The State Government believes that the Game Council has an important role to play in New South Wales and we will continue to work with the organisation to ensure its future success.

Ms LEE RHIANNON: I ask a supplementary question. How much revenue has been raised from licences in the last financial year? Who is the new chief executive officer of the Game Council, and is Orange Councillor Glen Taylor involved with the Game Council?

The Hon. John Della Bosca: Is this a job application, Lee?

Ms LEE RHIANNON: This was part of the original question.

The Hon. IAN MACDONALD: The acting chief executive officer is Brian Boyle. They have not reached finalisation on who will be the person in the longer term. As for Glen Taylor's role, Glen works in my office in Orange and if he occasionally gets involved with matters to do with the Game Council, that is probably a good thing. I understand that there is considerable revenue from licences.

The Hon. Duncan Gay: Is that Glen Taylor, the Labor candidate?

The Hon. IAN MACDONALD: Former Labor candidate. I have employed many people who have been candidates for Parliament and who, in fact, have served in this Parliament and the other Parliament. I believe that there are, except for the Greens, many talented people elected to this House who can contribute to the State in the long term. I will supply the member with an answer on the actual figure, but I believe that more than 4,000 licences were sold last year, which would have brought in considerable revenue.

[Questions without notice interrupted.]

DISTINGUISHED VISITORS

The PRESIDENT: I welcome to the President's Gallery the Honourable Harvey Hodder, Speaker of the House of Assembly of Newfoundland and Labrador, Canada, accompanied by Mrs Hodder, and Mr John Noel, Clerk of the House of Assembly of Newfoundland and Labrador, and Mrs Noel.

[Questions without notice resumed.]

QUESTIONS WITHOUT NOTICE

DISABILITY INFORMATION AND ADVOCACY DISCUSSION PAPER

The Hon. JOHN RYAN: My question without notice is addressed to the Minister for Disability Services. Has the Minister made plans to publicly release the disability information and advocacy discussion paper? Have groups been waiting since September 2002 for the release of this critical discussion paper? Has the Government made plans to provide funding for existing advocacy groups so that they can provide ongoing advocacy and information to people with disabilities?

The Hon. JOHN DELLA BOSCA: The Hon. John Ryan is drawing a long bow in relation to my culpability for any management of affairs in Disability Services. As he is well aware, I have been Minister for Disability Services for a little under six months, but he seems to be attempting to hold me accountable for events that occurred in 2002. The New South Wales Government recognises that access to advocacy and information services is important for people with a disability, their families and their carers. More than \$5.9 million will be spent on disability advocacy and information services across New South Wales in this financial year. This includes services targeting rural and regional areas and people from culturally diverse backgrounds, funded with the \$1 million of growth money allocated in 2001.

A position paper outlining the future directions for reform of the disability advocacy and information service sector is being finalised and will be released as soon as practicable. There will be an opportunity for public comment on the paper, which will be considered in the development of a new policy framework for disability advocacy and information services. I can advise that I have approved an extension of funding to all providers until 30 June 2006 to provide security to advocacy and information services while the reform process is being finalised.

AGEING POPULATION HEALTH STUDY

The Hon. CHRISTINE ROBERTSON: My question is directed to the Minister for Health. What action is the New South Wales Government taking for the prevention and treatment of the health repercussions of an ageing population?

The Hon. Robyn Parker: You answered this question last night in the estimates hearing.

The Hon. JOHN HATZISTERGOS: Not everyone was at the estimates hearing last night to hear the information. However, I made the point yesterday—I want to reiterate it today, as I did publicly when I launched the 45 and Up study—that persons aged 65 and over now account for 13.4 per cent of the State's population. Persons aged 65 and over account for 41 per cent of the acute admissions to emergency departments. The Productivity Commission predicts that one in four Australians will be aged over 65 by 2044-45. Health care costs are predicted to rise by 4.5 percentage points of gross domestic product by 2044-45, with half of that increase generated by the ageing population. That will provide major challenges for NSW Health.

I encourage all honourable members to be part of the 45 and Up study, which I officially launched today. It is a long-term research project that will capture detailed information about people aged 45 and up, especially their health needs and use of health services, and provide an integrated picture of health in mid to later life. There are two aims of this research. The first is to ensure that as far as possible we are able to maintain people as they progress into their older years in a community setting, with the opportunity to maintain their social contacts and their quality of life in a community setting rather than in institutional care. The second important aim is to ensure that our health services are directed appropriately at achieving those outcomes, that is, healthy living during the ages leading up to 65 and over.

About 250,000 people will participate in this study, that is, one in 10 New South Wales residents will be involved. This will be the largest study of its kind in the Southern Hemisphere. Participating in the study, which is completely voluntary, will involve completing periodic postal questionnaires over a time span of at least 20 years and also participating occasionally in tests, including blood tests.

The Hon. Robyn Parker: What about breast screening for older women?

The Hon. JOHN HATZISTERGOS: The Cancer Institute is part of this. I answered that question yesterday. The Hon. Robyn Parker wants another answer to the question. The New South Wales Cancer Council and the National Heart Foundation are joint partners with the Sax Institute in promoting this study. By tracking the health of 250,000 New South Wales residents over 20 years or more, we aim to have the immense power to explore factors that promote good health, prevent diseases such as diabetes and arthritis, keep people out of hospital and keep people living in their own homes for as long as possible.

This study is the result of the collaboration of more than 120 medical experts, scientists and researchers. It has been granted the requisite ethics and research approval. It comes also with the appropriate privacy safeguards under both New South Wales and Federal privacy laws. Indeed, the former Independent Commission Against Corruption commissioner, Irene Moss, chairs the ethics committee overseeing the study. It is auspiced by the Sax Institute, which will receive funding from New South Wales Health over a three-year period. The Cancer Council and the National Heart Foundation are providing a further \$2.5 million over five years towards the study. The Government is supporting this study, which is an important study. We need good research to help us tackle the challenge of healthy ageing. The population of New South Wales will change dramatically over the next 20 years, and we must be in a position to prepare for those changes.

CANOLA CROP CONTAMINATION

The Hon. PETER BREEN: My question without notice is addressed to the Minister for Primary Industries. Did the Minister inform the budget estimates committee on 15 September that, in response to the discovery of GE contamination in canola variety trials on New South Wales farms, "We sprayed and that eradicated the problem"? Was the Minister in possession of a certificate under division 2, section 14 of the Gene Technology (GM Crop Moratorium) Act 2003? Did he give a written direction to have the plants destroyed? Did the director-general issue a permit for the destruction of the plants under division 3, section 20 of the Gene Technology (GM Crop Moratorium) Act? Has the Minister informed his advisory council of the full extent of the contamination event and the actions he took in relation to the contamination?

The Hon. IAN MACDONALD: The matters were referred to the Gene Technology Council for its advice. The department destroyed the crops, effectively as a precaution. Honourable members must remember that this was not a GM crop, so it was exempt from the operation of the Act.

The Hon. Rick Colless: In a non-GM crop, that's even worse.

The Hon. IAN MACDONALD: I made this clear the other night, and the honourable member was there. It was a non-GM crop that was being trialled in New South Wales on behalf of the Victorian Department of Primary Industries. When some plants in the crop were detected as exhibiting some GE traces, and because they had not flowered at that point, the proper notification was made to the director-general and the action was taken.

PUBLIC SERVICE STAFF CUTS

The Hon. GREG PEARCE: My question is addressed to the Minister for Finance, Minister for Infrastructure, and Minister for the Hunter. Has the Premier counselled the Minister following his gaffes in blurting out the budget deficit black hole and his plan to fix it by getting rid of 74,000 public servants? If not, did the Premier explain to the Minister his lack of confidence in the Minister in the Finance portfolio, where he has appointed his own experts to review government waste and mismanagement in the budget, and in the Infrastructure portfolio, where he has appointed his own Olympic-style supremo to implement infrastructure projects? Will the Minister immediately make a contribution to budget savings by resigning as Minister and forfeiting his ministerial salary and other expenses as a contribution to the budget black hole?

The Hon. MICHAEL COSTA: The honourable member's question is a rehash of a question he asked last week. The fact is that I never said that there are 74,000 surplus public servants. The honourable member made that up, and he knows that. In relation to government finances, I will go one further. I am happy to vote for the abolition of the upper House to save a lot of salaries and expense, provided the honourable member moves a motion to that effect. He will get my vote for it.

LOCAL PARKS COMMEMORATIVE NAMES

The Hon. JAN BURNSWOODS: My question is to the Minister for Lands. Will the Minister advise the House on the Government's policy on commemorative names for local parks?

The Hon. TONY KELLY: Naming of parks and other natural features is administered by the Geographical Names Board. The board assigns new names in consultation with local communities. One of the

board's policy guidelines relates to commemorative names, that is, names assigned in honour of members of the local community who contributed significantly to their local area or left their mark in some way. Like all board policies and procedures, community input is highly valued, giving all parties a say in a naming decision. The board is keen to receive suggestions from members of the public to support local identities being honoured with a commemorative name for a local park or reserve. It is a wonderful way to acknowledge and remember an individual's contribution to the community.

I fully endorse the board's policy and I encourage people to put forward suggestions for names of new parks and landmarks to commemorate local community members. The names we choose for our landmarks, parks and suburbs give us a sense of living history. It is a process where everyone is entitled to have a say. Rest assured, these parks are not all named after royalty, local government politicians or members of Parliament. Last year I attended the naming ceremony of the Eric Evans Park in North Wahroonga. The park was named in honour of a little boy who was tragically killed by a car when alighting from a school bus. Eric's terrible accident was the catalyst for a New South Wales Staysafe road safety initiative. A block of land in Salamander Bay was assigned the name Ben Clarke Reserve after a young man who lost his battle with the rare genetic disorder Hunter's Syndrome in 2003. I am informed that the board will shortly receive a proposal to name a park in the Tweed after a construction worker who died on a Casuarina building site.

The board also gives precedence to names of historical value. An example of this is Vinegar Hill in the suburb of Rouse Hill which recognises an historical battle between mainly Irish convicts and imperial troops that took place in 1804. Another great example of that is Fairmile Cove, which is named after those ships that were built in the harbour. One of this House's former members, the Hon. Greg Percival, who was in Parliament for a couple of years and took Lloyd Lange's place up to 1988, is currently the president of that Fairmile Cove Association.

The Hon. Duncan Gay: Is there going to be a Latham Place?

The Hon. TONY KELLY: See what happens when I give credit to someone from the Opposition. Members opposite knock someone from our side. I will not acknowledge them in future. As I said, the board encourages members of the community and interest groups to have their say on naming proposals. It is best that people first approach their local councils for help in gaining community support for a proposal. There are a few rules to bear in mind. The board discourages proposals to name features after living people, as proposals of this kind inevitably cause division within the community and receive the most objections. Once a proposal is received, the board works closely with the local council to gauge community support. The board also advertises proposed names in order to give local communities a chance to have their say. Again, I encourage people in the community to put forward suggestions for commemorative names. More information is available from the Geographical Names Board office in Bathurst or from the board's web site.

TRANSGRID ELECTRICITY TENDERS

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: My question is to the Minister for Ports and Waterways, representing the Minister for Utilities. Why is TransGrid the agency to call for tenders for demand management of electricity, when TransGrid as a builder of networks is in a total conflict of interest position? Will the Government create an agency with access to the electricity supply and demand data and the expertise to assess options from a neutral perspective? If not, why not?

The Hon. ERIC ROOZENDAAL: I will refer the honourable member's question to the Minister for Utilities.

MOBILE PHONES IMPROPER USE

The Hon. MELINDA PAVEY: My question without notice is to the Minister for Justice, Minister for Juvenile Justice, Minister for Emergency Services, Minister for Lands, and Minister for Rural Affairs. Will he explain why the Government moved rather than sacked an employee at Rural Fire Service headquarters at Homebush who racked up well in excess of \$3,000 of taxpayer funds calling 1900 sex and horoscope lines using government-owned mobile phones and then blamed his mother?

The Hon. TONY KELLY: I have been advised of the misuse of a Rural Fire Service mobile telephone in the possession of a staff member. An independent investigation by the Internal Audit Bureau revealed that the excessive bills resulted from the misuse of the mobile by a family member rather than by the employee himself.

As a result of the investigation, the staff member concerned has been the subject of disciplinary action. The Rural Fire Service has referred the matter to the Independent Commission Against Corruption to consider whether further action is warranted in the circumstances. The Rural Fire Service has also sought repayment of the inappropriately incurred mobile expenses, and I understand they are being repaid.

NEWCASTLE COAL LOADER

The Hon. TONY CATANZARITI: My question is to the Minister for Ports and Waterways. Will the Minister provide the House with the latest information on the development of new infrastructure in the Hunter?

The Hon. ERIC ROOZENDAAL: I thank the honourable member for his interest in this matter. Newcastle is the world's largest and most efficient coal export port, and a port integral to providing jobs in the Hunter region. In March this year, two groups were shortlisted to build and operate Newcastle's third coal loader, a major infrastructure project giving Newcastle a strong base for future growth. The Newcastle *Herald* on 16 March 2005 called the third coal loader the most significant event in the city's industrial history since BHP decided to close its steelworks in 1997. On 26 August I announced the winning proponent to develop the third coal loader, namely, the Newcastle Coal Infrastructure Group [NCIG]. NCIG consists of Excel Coal, Centennial Coal, BHP Billiton, Donaldson Coal, AMCI Mining, White Mining and Whitehaven Coal Mining.

This \$530 million investment will see Newcastle stay the premier coal export port and create more than 2,000 direct and indirect jobs. The Australian Bureau of Agricultural and Resource Economics estimates that demand for Hunter coal will increase from the current level of 78 million tonnes per year to 122 million tonnes in 2015. Demand could be even higher if China's and India's appetite for coal continues to grow. New figures released by the bureau on 20 September show the nation is about to enjoy a \$7 billion surge in coal-related export earnings. The Iemma Government is working hard to ensure the Newcastle port has the infrastructure to maintain its position as the world's premier export port. The two existing coal loaders already have approval to move about 102 million tonnes of coal a year. The NCIG plans are expected to substantially increase its capacity by constructing a 30 million tonnes per annum coal-loading facility on a 136-hectare site on Kooragang Island. The new facility will comprise two additional coal-loading berths and a new rail line on Kooragang Island. This is an ideal use for port land on Kooragang Island.

Mr Ian Cohen: You do not sound as though you believe this.

The Hon. ERIC ROOZENDAAL: I am glad the Greens have decided to say something. The Greens oppose the expansion of the coal port. They say it is bad for all reasons. If the Greens were honest they would explain to the people of the Hunter Valley why they are opposed to 2,000 jobs. This is what the Iemma Government is about—2,000 jobs. It is not about grandstanding and pathetic asides. This is what the Greens cannot stomach. Members of the Opposition are no better. They cannot cope with good policy. Our commitment to the Hunter infrastructure is 2,000 jobs for the region, and that is 2,000 jobs for New South Wales.

The Hon. Michael Gallacher: Point of order: Madam President, as you know, it is unparliamentary to use props in Parliament. Apart from that, the Minister is using the unfortunate case of the steel projects—2,000 jobs were lost out of Newcastle and the Government did not deliver one.

The Hon. ERIC ROOZENDAAL: That is ridiculous. With Newcastle's ongoing growth it is great to see one of the region's traditional industries doing well. [*Time expired.*]

The PRESIDENT: Order! I remind the Minister that his behaviour should not be unparliamentary.

GENETICALLY MODIFIED CANOLA TRIAL

Mr IAN COHEN: My question is directed to the Minister for Natural Resources, Minister for Primary Industries, and Minister for Mineral Resources. Have at least 35 farms across Australia been contaminated with genetically engineered canola grown in national variety trials? Has Monsanto's Roundup-resistant gene been found in two of five Victory cultivars at levels of up to 20 per cent? Is it true that agriculture Ministers and department heads have forbidden their departments from informing affected farmers? How many of the affected farms are in New South Wales? Has the Minister instructed that these farmers be notified? If not, why not?

The Hon. IAN MACDONALD: I am not aware of some of the matters the honourable member has brought forward in relation to the national variety trials. As a matter of priority we have referred matters

concerning contamination of some crops to the Primary Industry Standing Committee for reference to the Primary Industries Ministerial Council. We have also instructed the Grains Gene Technology Committee to look at these issues, which is under our Act. Also, there has been a reference to the Crown Solicitor to deal with matters that arise out of this issue. I have answered these questions previously.

The Hon. Duncan Gay: These are non-GM crops.

The Hon. IAN MACDONALD: Yes, the national variety trials have had traces of GM found in them. We are discussing what we are going to do about it at the moment. It is a national issue. Liability is one issue that will be discussed. The honourable member must be a bit hesitant in this area because he represents The Nationals. If a strict liability regime were applied in this State or anywhere else in the country farmers could be prosecuted for unwittingly planting material that they believed was non-GM, but later found to be GM, and therefore could face prosecution. Members have to be very careful. They cannot put forward that concept without thinking about the full consequences.

HOSPITAL WAITING LISTS

The Hon. ROBYN PARKER: Can the Minister for Health explain the "not ready for care" lists ballooning by nearly 25 per cent in 18 months? Can he explain why in January 2004 there were 12,583 out of 62,890 patients on the elective surgery waiting lists classed as "not ready for care", while the latest figures from June 2005 show that there are 60,123 patients on the elective surgery waiting list but 15,423 classed as "not ready for care"? Is the Minister fiddling with elective surgery waiting lists and reclassifying patients who want their surgery as "not ready for care" in order to make his performance look better?

The Hon. JOHN HATZISTERGOS: No.

WATER MANAGEMENT PLANS

The Hon. HENRY TSANG: Will the Minister for Natural Resources, Minister for Primary Industries, and Minister for Mineral Resources please update the House on the progress being made in reforming water management plans in New South Wales?

The Hon. IAN MACDONALD: The New South Wales Labor Government is at the forefront when it comes to developing smart, innovative ways of managing water. In fact, even before the current drought really took hold we were well on the way to delivering the most comprehensive overhaul of water management in Australian history. The introduction of the Water Management Act 2000 heralded a new approach to the management of one of our most precious natural resources. This included the development of 10-year water sharing plans, which set out rules for dividing water allocations for both environmental needs and water users such as irrigators. Last week I announced the latest step in this series of water reforms—the development of macro water plans for the State's remaining unregulated rivers and the ground water. These plans will help protect the health of our State's river systems while providing clear entitlements for water users.

There will be 28 surface water plans and 12 ground water plans, which will cover the remaining areas of New South Wales, excluding the greater Sydney metropolitan area. Each plan will take into account important issues such as the environmental health of the river system, basic landholder rights, town water supplies, and extractive purposes such as irrigation. These macro water plans will be designed to provide a fair allocation of water between all users while ensuring our environment is protected and improved. Introduction of the plans will also bring all water users in regional New South Wales into one licensing system under the Water Management Act. The departments of natural resources, primary industries, and environment and conservation will be working with regional communities to develop the plans. Local catchment management authorities [CMAs] will also provide input. This is the point I would like to make very clear—the plans will be developed with full input from local communities.

It is a concept that the Opposition's spokesman on natural resources seems unable to grasp. The honourable member for Murrumbidgee has spent more than two years working in the natural resources area for the Opposition, but he still has not come to grips with how the water reform process works. Yesterday he issued a press release claiming the State Government was "forcing" these new plans on regional communities without "undergoing proper community consultation". Instead, he claims, "city-based bureaucrats" are imposing their own "ideologies and plans on local communities". Nothing could be further from the truth. The extent of local involvement and community consultation was made clear in my announcement last week. However, as the

honourable member for Murrumbidgee and his colleagues in the Coalition seem to have difficulty understanding the process, I will explain it very simply for them. The plans have not yet been drafted and will not be forced on regional communities. In fact, regional panels will be established which will include expert regional staff from the three departments as well as local CMA representatives—the people chosen for their extensive on-the-ground knowledge of local issues and concerns.

Recommendations from these panels will form the basis for the draft plans, which will be placed on public exhibition. Once that happens I will be encouraging all members of the community to look at the plans and make submissions to the State Government. As part of this process the CMAs will be holding consultations with stakeholders to explain the main elements of the plan and seek feedback from the community. CMAs will also issue progress updates within the broader local communities to make sure everyone is informed throughout the entire process. Public consultation and co-operation with local communities is one of the most important features of the State Government's entire water reform process. Opposition members may grumble, as they usually do, and complain all they want, but the fact remains that these decisions are based on community issues and concerns involving local people with local knowledge. The State Government is proud of what we have achieved in water reform. Once these macro plans are in place New South Wales will have one of the simplest and fairest water management systems in Australia.

RAILWAY STATION DISABLED ACCESS

Ms SYLVIA HALE: I direct my question to the Minister for Disability Services. What action has the Minister taken to ensure that people in a wheelchair or with limited mobility have equal access to public transport, given that 71 per cent of train stations in the inner west and south lines have no disability access and 73 per cent of stations on the eastern suburbs-Illawarra line have intermittent or non-existent disability access? Given that the Government made commitments during the Marrickville by-election to improve wheelchair access to the 11 stations in the electorate that have no wheelchair access, what discussions has the Minister had with the transport Minister to improve disability access?

The Hon. JOHN DELLA BOSCA: I have not had, in the immediate sense, discussions with the Minister for Transport about particular stations in the Marrickville electorate. That is something that I am sure the Minister for Transport is quite competent and capable of doing himself. Disability access to transport and public services and access to public buildings—and for that matter private accommodation as well—is a whole-of-government question that has been grappled with by governments for some time, and through any agency the Government has a proud record in this regard. Quite independently of the Department of Ageing, Disability and Home Care [DADHC], the Department of Commerce has guidelines about public buildings and disability access.

The honourable member is well aware of those and, as a former public office bearer in local government, she is well aware of the implications of the issues in relation to planning for disability access. I think it is very important for the honourable member to understand that the Government is preparing a whole-of-government plan in relation to infrastructure, including transport infrastructure, and how that interacts with the need for disability access across the education and transport sectors, and in public buildings in general. In relation to the specifics of the honourable member's question about particular stations and about any current plan or review within the public transport arena, I will refer that part of her question to the Minister for Transport for a detailed answer.

ADAMINABY CROWN LANDS ASSESSMENT

The Hon. PATRICIA FORSYTHE: My question without notice is addressed to the Minister for Justice, Minister for Juvenile Justice, Minister for Emergency Services, Minister for Lands, and Minister for Rural Affairs. In view of the Minister's written advice to the honourable member for Monaro, dated 18 August 2003, that he had requested the Department of Lands to undertake a marketing assessment of any further development and disposal of Crown land within Adaminaby, has that assessment been undertaken and, if so, what did it indicate? Will additional land be made available within the township, given that the Snowy River shire identified it as a priority action in the Snowy River Settlement Strategy released in 2002?

The Hon. TONY KELLY: Obviously I do not recall the content of the hundreds of letters I sign each week, so I undertake to get an answer for the honourable member as soon as practicable.

WATER FLUORIDATION

The Hon. KAYEE GRIFFIN: My question is addressed to the Minister for Health. What is the latest information on water fluoridation?

The Hon. JOHN HATZISTERGOS: The honourable member has asked a very important question. I can advise the House that a decision has been made by the Director-General of Health to fluoridate the water supply in the Bellingen area. The Bellingen community can look forward to better oral health care from 30 September of this year when fluoride will be added to local water supplies as a protective measure. This strategy was advocated by Australian Health Ministers in 2004 as an effective public health measure and has long been successful in Sydney and other major metropolitan centres, as well as many rural shires. The local adoption follows a recommendation by the Fluoridation of Public Water Supplies Advisory Committee that has been endorsed by the New South Wales Director-General of Health, who has directed Bellingen Shire Council accordingly.

The committee's recommendation was taken in the light of fluoridation experience in Australian capital cities and regional areas, and took into account a community consultation in October 2004. In the committee's view, the fluoridation of the lower Bellingen and Dorrigo water supply is essential to stem the rising tide of tooth decay and the consequent effects on general health. The State's Chief Dental Officer, Dr Clive Wright, advises that water fluoridation can reduce dental decay in children by up to 60 per cent. NSW Health has committed \$2 million to fully fund all capital costs of installing the equipment and the North Coast Area Health Service will provide Bellingen Shire Council with \$20,000 per year over two years for recurrent costs.

I am aware that some social activists have opposed the decision, but I reject their views on water fluoridation as poorly researched and parochial. There is international support for water fluoridation, with bodies such as the World Health Organization and the American Dental Association championing fluoridation of water supplies as the most effective public health measure for the prevention of dental decay. According to the President of the American Dental Association, community water fluoridation is the most economical preventive method we have in dentistry. As honourable members may know, the National Health and Medical Research Council [NHMRC] is Australia's peak health body for the achievement of the best possible standards for individual and public health.

In 1999, the NHMRC commissioned a review to evaluate scientific data gathered since 1990 relating to the health effects of fluoridated water and fluoride from other sources. The review concluded that water fluoridation continues to provide significant benefits in the prevention of dental caries, particularly in children but also in adults. On 29 July 2004 the Australian Health Ministers endorsed the national oral health plan and specifically endorsed the fluoridation of water supplies as an effective public health measure. The Ministers agreed to take this endorsement into account in the development of oral health services within their jurisdictions.

Water fluoridation has been exhaustively researched, in fact more so than any other public health measure, and the overwhelming conclusion is that water fluoridation is safe. It has been endorsed and recommended by more than 150 scientific, health and political organisations throughout the world including the Australian National Health and Medical Research Council, the United States of America Center for Disease Control, the World Health Organization, Health Canada and numerous other public health watchdogs throughout the world. Water fluoridation to prevent dental disease has been rated as one of the top 10 public health achievements of the twentieth century, alongside the eradication of smallpox and the elimination of poliomyelitis, by the United States of America Center for Disease Control.

Water fluoridation has been a way of life in Australia for more than 50 years and in America for 60 years. It is not an experiment; it is not new. I am advised that the water supplies in approximately 90 per cent of New South Wales are fluoridated. Water fluoridation transcends many barriers; people of all ages, social background and culture benefit equally. A large body of literature indicates that there is no proven evidence to suggest that optimally fluoridated water is anything but a safe, effective and equitable means of helping to reduce dental decay for all age groups.

PALLIATIVE CARE SPIRITUAL SUPPORT

Reverend the Hon. Dr GORDON MOYES: I ask the Minister for Health a question without notice. Is the Minister aware of an ABC news item, expressing the findings of Queensland researcher Monika Wilson, that terminally ill patients would not want to opt for euthanasia if palliative care consisted of therapy beyond simply offering drugs to help with pain management? Does the Minister recognise that there is a role for spiritual care workers in this context, especially given that Ms Wilson has indicated a need for palliative care to cater for pastoral care workers or spiritual care workers in order to help patients to talk it out and make meaning of what it means now to be a person who is dying? Will the Minister indicate whether current policies across New South Wales hospitals appropriately reflect the role of spiritual care workers in providing spiritual support to sick and dying individuals in hospitals, and whether current legislation facilitates spiritual aid for the sick and the dying?

The Hon. JOHN HATZISTERGOS: My views on this issue are a matter of public record. We have debated it before. In terms of what we provide, there are chaplains in the health system that provide appropriate spiritual support, as well as of course a number of volunteers who come to hospitals and various agencies to provide that further support. I have not seen the article by Ms Wilson but if there are any other aspects that the honourable member is particularly interested in, I am happy to have a look at it and provide any additional information that might be relevant to the question.

METROPOLITAN STRATEGY

The Hon. CHARLIE LYNN: My question without notice is to the Minister for Finance, Minister for Infrastructure, and Minister for the Hunter, representing the Minister for Planning. Is the Minister aware that a draft metropolitan strategy, which contains recommendations for the provision of multilevel developments up to six or eight storeys high around transport nodes in suburbs such as Ingleburn, has been presented to the director-general and to the Minister for approval? Is the Minister also aware that the Australian Labor Party won the seat of Macquarie Fields on a campaign based on no high-rise developments? Was the Australian Labor Party campaign against multilevel developments in Macquarie Fields conducted with the Minister's knowledge? Does the Minister intend to approve the draft metropolitan strategy in regard to multilevel developments around suburban transport nodes? If so, will he apologise to the residents of Macquarie Fields for allowing a local campaign to be run on a false premise?

The Hon. MICHAEL COSTA: I have to say I really do not understand the question. It is illogical. It seeks—

The Hon. Charlie Lynn: Point of order: I appreciate that the Minister would not understand the question, that is why I asked him to pass it on to the Minister for Planning.

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

The Hon. MICHAEL COSTA: That is precisely the problem. The question asks the Minister for Planning if he is aware of himself doing something.

The Hon. John Ryan: Point of order: The Minister is debating the question.

The PRESIDENT: Order! I remind the Minister that he is not allowed to debate the question.

The Hon. MICHAEL COSTA: I understand the standing orders on this matter; I just do not understand the question. But I will pass it on to the Minister for Planning and he can ask himself if he is aware of what he has done, which seems to me to be highly illogical. In relation to Macquarie Fields, it was a great result for the Labor Party, as were the other by-elections, and we are very content to retain the three seats.

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

The Hon. MICHAEL COSTA: As I said, it was a great result in Macquarie Fields. Once again, it vindicates this Government. We have done a lot, but we have a lot to do, and we will continue to work for the people of New South Wales.

GOVERNMENT WASTE AND MISMANAGEMENT

The Hon. GREG PEARCE: My question is directed to the Minister for Finance, Minister for Infrastructure, and Minister for the Hunter. What action has the Minister taken since January, when he was appointed Minister for Economic Reform, and more recently, when he was appointed Minister for Finance, to identify and eliminate waste in the New South Wales Government? What results have been achieved, and what action has he taken against Ministers who allow such waste and mismanagement to occur in their departments and agencies?

The Hon. MICHAEL COSTA: The Hon. Greg Pearce has asked me similar questions in the past. But I am always very happy to answer questions on waste and mismanagement because this Government had to clean up the mess of the previous Coalition Government. We spent the first part of our time in office paying off debts accumulated by the previous Coalition Government. That Government constantly ran budget deficits and constantly wasted money—on projects like the airport link. We all know what happened with that project. I have also been reminded about Port Macquarie.

As has been said on many occasions, the Government is very proud of its financial and fiscal record. We have been able to do things that are quite extraordinary in terms of providing a range of new initiatives and programs, and at the same time pay off the accumulated debt of the previous Coalition Government. On a previous occasion I spoke about the budget deficits that were the basis of that accumulated debt. Under the previous Coalition Government there was deficit after deficit. In 1990-91 the budget deficit was \$1.2 billion, in 1991-92 the budget deficit was \$1.6 billion, in 1992-93 the budget deficit was \$1.2 billion, and in 1993-94 the budget deficit was \$900 million. Clearly, the previous Coalition Government's record on financial management is a disgrace. Indeed, it is galling that a member of a party that has such a legacy talks about waste and mismanagement.

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

PHILLIP STREET, SYDNEY, BUILDING

The Hon. JOHN DELLA BOSCA: Earlier in question time today the Hon. David Oldfield asked me a question concerning a property at 10 Phillip Street, Sydney. I am advised by the Department of Commerce that the property is neither leased nor owned by the State Government.

Questions without notice concluded.

[The President left the chair at 1.04 p.m. The House resumed at 2.00 p.m.]

STANDING COMMITTEE ON SOCIAL ISSUES

Report: Inquiry into Issues Relating to Redfern and Waterloo: Final Report

Debate resumed from 14 September 2005.

The Hon. JAN BURNSWOODS [2.00 p.m.]: In the very brief time remaining to me I reiterate the thanks to the committee members and staff that I gave on the last occasion I spoke in this take-note debate. I also pay tribute to some of the good things happening in and around Redfern since the release of the committee's report. I mention, for instance, the wonderful work of the Construction, Forestry, Mining and Energy Union, in conjunction with Lidcombe TAFE and a number of companies in the construction industry, which, the last time I checked, had helped to train 150 young Aboriginal men—a very large percentage of whom were from Redfern and Waterloo. Some of them were informal apprentices and some of the slightly older men trained through TAFE and the companies. All those people are being guaranteed full-time jobs. There are a number of positives happening in human services in relation to the new health centre, and I would like to conclude my contribution to this debate by warmly welcoming them.

Motion agreed to.

GENERAL PURPOSE STANDING COMMITTEE NO. 4

Report: The Designer Outlets Centre, Liverpool

Debate resumed from 22 February 2005.

The Hon. JENNIFER GARDINER [2.02 p.m.]: In November 2003 the designer outlets centre on Orange Grove Road, Liverpool, was officially opened by the then Minister for Planning, the Hon. Craig Knowles. In early 2004, Westfield successfully challenged the legality of the consent that was provided by the Liverpool City Council to allow a warehouse outlet to operate on that site and, despite various appeals by the designer outlets centre's owner, Gazcorp, the decision of the courts was upheld and the centre was ordered to close. Thereafter began another phase in an extraordinary saga in south-western Sydney.

In an attempt to keep the centre open, the newly appointed administrator of the Liverpool City Council, Gabrielle Kibble, who was a former Director General of the Department of Planning, sought to rezone the land on which the centre was built. That application was refused by the Minister Assisting the Minister for Infrastructure and Planning, the Hon. Diane Beamer, and the centre closed on 25 August 2004. The committee found that that had led to the loss of approximately 400 jobs and significant financial losses for tenants,

generating one of the most controversial debates about a planning matter in the recent history of this State. It is in that context that General Purpose Standing Committee No. 4 commenced its inquiry into the closure of the centre and the circumstances around it.

It was a very intensive inquiry. The committee held 12 public hearings and heard evidence from 65 witnesses—19 of whom appeared on more than one occasion and some were quite regular witnesses. At the outset I would like to thank everyone who participated in the inquiry by making a submission to us—and we had many hundreds of submissions—those who gave evidence and those who came along to the public hearings to listen to the proceedings of the committee and to give support to those giving evidence. In particular the committee appreciated the contributions of tenants and employees from the designer outlets centre who faced considerable job and financial insecurity, as well as the witnesses who appeared before the committee on multiple occasions.

One hearing was conducted at Liverpool council chambers. Many witnesses gave the committee their own account of what impact the closure would have on their lives and their businesses. Also, I thank all of my colleagues who served on this most challenging inquiry. The committee was very grateful for the work that was done by the then Director of the General Purpose Standing Committees of the Legislative Council, Mr Steven Reynolds, who co-ordinated the conduct of the inquiry. We also appreciated the assistance from time to time of the Clerk Assistant—Committees, Mr Warren Cahill, and committee officers Beverly Duffy and Madeleine Foley, who were heavily involved in writing this report. I thank also the secretariat staff for their involvement, because at times staff not dedicated, so to speak, to the Orange Grove inquiry were brought in to support those who were, because of the intensity of the inquiry.

We also appreciated advice given to us on some very important issues from time to time by the Clerk of the Parliaments, Mr John Evans, and the Deputy Clerk of the Legislative Council, Ms Lynn Lovelock. Particular thanks go to Hansard because at times the hearings were quite lengthy, and we really appreciated the fact that Hansard was able to accommodate such a full-on and demanding inquiry. Thanks go also to the many other members of the staff of the Parliament who helped in the committee's work.

The committee made a couple of recommendations and a dozen findings. We found that the closure of the designer outlets centre resulted in a severe impact on employees, including the loss of approximately 400 jobs, and led to significant financial loss to tenants. I note that last weekend a by-election was held for the seat of Macquarie Fields, within which is located the Orange Grove designer outlets centre. I have no doubt whatsoever that some of the people directly affected by this controversy expressed their views via the secrecy of the ballot box, and this resulted in a substantial swing away from the Government to the Liberal Party. Macquarie Fields was the seat from which Mr Knowles resigned only a few weeks ago.

The committee also found that the weight of evidence before it did not support the view of the Director General of the Department of Infrastructure, Planning and Natural Resources [DIPNR], Ms Jennifer Westacott, that the designer outlets centre has significant potential for adverse economic impact on the Liverpool central business district. Rather, the committee found that the centre had a net benefit to Liverpool, particularly when social and economic factors, such as its impact on the region's high level of employment, were taken into consideration. It must be noted that at the time of the inquiry Liverpool had the highest unemployment rate in Australia, a point clearly made by the local Federal member.

It is interesting to note that Jennifer Westacott, although still on duty as the Director-General of DIPNR, has handed in her resignation from that office since the Orange Grove inquiry. The committee found conflicting evidence with respect to the number of tenants. Some members wanted the committee to pay close attention to the number of tenants who were informed by Gazcorp of the impending legal action at the time they signed the leases and the manner of disclosure to those tenants. The committee found there was no evidence that the managing director of Gazcorp deliberately delayed the signings of leases to mitigate future action by the tenants. We believe that many tenants were reassured by the fact that the then planning Minister and member for Macquarie Fields, Mr Craig Knowles, officially opened the centre, and that this sent a message to businesses associated with the centre that the centre must have been okay. We received direct evidence of that at our hearing at Liverpool.

The committee found that the rezoning application made to DIPNR by the Liverpool City Council administrator, Ms Kibble, was made on relevant and appropriate grounds. With respect to the conduct of Liverpool City Council, some attempts were made to cast aspersions on some officers and members of the council. They were given an opportunity to put their side of the story, and the committee found that there was no evidence of improper conduct involving former councillors or staff of Liverpool City Council.

Some unusual aspects of the original development approval were identified during the course of evidence. Nevertheless, we found that there was no improper conduct involving former councillors or staff members—a finding vindicated by later events. Considerable attention was given to architect Frank Mosca, who was a frequent witness at the inquiry and who used his access to Liverpool City Council to vigorously pursue his clients' interests. However, the committee did not have any conclusive evidence that he acted improperly.

The committee found strong evidence that before 20 April 2004, a critical date in the inquiry, DIPNR officers other than the director-general, Ms Jennifer Westacott, believed that the rezoning application would be approved by the Minister and that the section 69 report, also a crucial document, was prepared on that basis. The committee found that there was no evidence that a planning Minister had previously made a decision on the rezoning application contrary to the recommendations of a section 69 report. There was strong evidence that Minister Beamer and her Chief of Staff, Michael Meagher, anticipated that the section 69 report would be in the Minister's office by mid April for approval and gazettal before that date and that they were aware of the contents of the report and recommendations for approval of the draft local environmental plan. This was, in the words of the Chief of Staff, "the Minister's preferred position".

The committee found that there was no evidence that former Premier Carr discussed the rezoning of Orange Grove with representatives of Westfield. The committee noted that an analysis of that aspect of the inquiry was unable to be concluded because Mr Carr did not make himself available to answer the committee's questions. There was evidence that Westfield did use its access to the Premier's Office, through the Premier's Chief of Staff, to seek to influence the outcome of the rezoning application by associating it with past concerns regarding Liverpool City Council. Despite the issue of a meeting between the Premier and Westfield representatives being raised publicly in July 2004, representatives of Westfield and Mr Carr did not reveal the meeting of 19 April between Westfield and the Premier's Chief of Staff until 17 August. It is obvious that this upper House inquiry facilitated the exposition of that vital information. Without the inquiry, no-one would have known about those events.

The committee found that there was no evidence that the Premier discussed the rezoning directly with Minister Beamer. Nonetheless, because neither the Premier nor Ms Beamer made themselves available to answer the committee's questions, the committee could not be certain that such a discussion or discussions did not occur. We found that following the meeting between the Premier's Chief of Staff and Minister Beamer and her Chief of Staff on 20 April 2004, Minister Beamer and her staff refused to meet with the proponents of the rezoning. Minister Beamer did not reveal her meeting on 20 April with the Premier's Chief of Staff until after the committee's hearing on 17 August. Again, the committee's proceedings tended to tease these things out.

The committee found there was no evidence that Minister Knowles intervened in the decision of Minister Beamer regarding the rezoning. However, the committee found that the decision by Minister Knowles to open the centre was unwise, given that he had been informed of impending legal action about the centre. The fact that he opened the centre may have contributed to greater confidence by tenants in their future security than was warranted. The committee examined allegations with respect to the member for Fairfield, Mr Tripodi, who, the committee found, was a strong supporter of the designer outlets centre until Minister Beamer rejected the rezoning. The majority of committee members believed the following testimony of Mr Gazal:

Joseph Tripodi told me that the Minister Dianne Beamer told him that Premier Carr rang her and told her not to sign the rezoning of the Designer Outlets Liverpool. Joseph went on to explain that Bob Carr is doing a favour for his mate Frank Lowry. But Joseph told me and assured me that Dianne Beamer will do the right thing and sign the rezoning because it is a no-brainer; 450 jobs will be lost and a law suit for 40 million dollars against Liverpool Council.

The committee believes that Westfield improperly used its influence at the level of the Premier and the Premier's Office to influence a planning decision that would commercially affect Westfield. It was our view that the Premier and his office sought to inappropriately direct Minister Beamer's decision on the centre based solely on the improper influence exerted by Westfield. The committee also found that former Premier Carr, his Chief of Staff, Mr Wedderburn, the Assistant Planning Minister, Ms Beamer, the then planning Minister, Mr Knowles, and representatives of Westfield conspired to cover up their involvement in the Orange Grove affair. This was a momentous inquiry and a number of events occurred during the inquiry that had no precedent. Committee members are grateful for the fact that a number of people who, under different circumstances, might not have made themselves available, in the end agreed to give evidence to the committee.

The Hon. KAYEE GRIFFIN [2.17 p.m.]: I shall comment on Liverpool council's approval process regarding the Orange Grove proposal. Given some of the issues that arose during the approval process, it is timely to remind councils of the need to assure the general public and applicants that their processes when

dealing with development applications are transparent. I make that comment because there was concern about the way the process was undertaken by Liverpool council in relation to the Orange Grove application. In hindsight, I believe that some of those proposals need to be addressed. Certainly, I am concerned about the delegation process undertaken by councils and how far that process goes.

The committee heard that the Orange Grove development application was lodged with Liverpool City Council on 6 June 2002. At that time there was concern that the application did not comply with the Liverpool local environmental plan [LEP] at that time. Regardless of that, and regardless of what happened in the ensuing period—a letter was sent to Mr Gerard Turrisi, who lodged the application on behalf of Mr Gazal—there is not much information as to why there was a delay of some months before the development went through the advertising process. Initially, after 6 June 2002, council wrote a letter stating that the application lodged on behalf of Mr Gazal could not be approved because it was outside the approval process under the terms of the Liverpool LEP. As a consequence, certain things occurred.

Basically, the problem was that the LEP specifically related to use of the site for bulky goods or a warehouse distribution centre, not a retail outlet to the public. After some months the application was advertised. I am concerned that the advertisement for the application was obscure and was in small print. The council's delegation process provided that if there were fewer than three objections to the application it could automatically be approved under delegation. Liverpool council's delegation process left some things to be desired—that is, the process went too far down the line, there was a question as to whether the elected members and senior staff at Liverpool council were adequately advised and made aware of what was happening with the advertising process, and the application for Orange Grove could be approved even if there were fewer than three objections.

As a consequence, the application was approved after an advertising period of 14 days. Indeed, approval was given under delegation on the fifteenth day after the required advertising period. I doubt whether most people would have been aware that the development application had been advertised. Commonsense would suggest that the approval process for something involving a change in zoning or an area not zoned for a retail outlet was undertaken without certain council processes being followed and certain information not being given to elected members and senior staff of council. Whatever processes were undertaken by Liverpool council at that time, people who should have been knowledgeable about the development application may not have known what stage the process was at and that automatic approval was granted through the delegation process because there were fewer than three objections to the development application.

[Debate interrupted.]

DISTINGUISHED VISITORS

The PRESIDENT: I welcome to the President's gallery a delegation of senators from Italy led by Senator Pedrazzini.

GENERAL PURPOSE STANDING COMMITTEE NO. 4

Report: The Designer Outlets Centre, Liverpool

[Debate resumed.]

The Hon. KAYEE GRIFFIN [2.22 p.m.]: It is fair to say that people want transparency in the development application process, and they want to know that elected members and senior staff of council are aware of what an application entails, including issues relating to rezoning. In this case the development application was approved although the rezoning process had not been undertaken. I understand that the current general manager of Liverpool council has changed the approval process, which is probably a direct consequence of the inquiry into Orange Grove. Large applications should be dealt with transparently; the whole of council, the elected members, et cetera, should know all the details.

I do not believe that the delegation process should move so far down the line that necessary information that people should be aware of, such as whether a site must be rezoned to enable a specific business to occur, is not made available. I believe that that is what happened at Liverpool. I am pleased that Liverpool council has changed its processes and that it will receive excellent advice, particularly on large applications, in terms of what the application entails, what effect it may have on surrounding areas, the effect of the current zoning status

and so on. It is important to remind local councils that the processes they undertake should be held up to scrutiny; if the processes are not transparent councils could be seen to be hiding issues from the general public.

When councils make decisions on development applications, either by delegation or as an elected body, they need to be involved and informed about possible consequences. It is regrettable that certain issues relating to the Orange Grove process were not made public in terms of what the delegation meant, what approving the development application would mean and what it meant in terms of the current zoning under the Liverpool LEP. Given the issues raised during the inquiry, I hope one outcome is that people are more aware of their obligations when dealing with large development applications and issues that may have a profound effect not just on applicants but on those involved in Liverpool council's approval process. The normal processes in terms of approvals, rezoning issues and other matters that councils must deal with must be able to withstand scrutiny from the general public, including those who see fit to question the processes.

The Hon. JOHN RYAN [2.27 p.m.]: I am pleased the House has an opportunity to take note of the report on the designer outlets centre, Liverpool. One of my most important comments is that this saga of the Liverpool designer outlets centre has resulted in Liverpool losing at least 400 unskilled jobs—possibly more—that would have been held by women in south-west Sydney. Since the decision by the State Government not to approve a local environment plan [LEP] to allow the designer outlets to trade, a retail centre that was operating near Liverpool has simply begun to die. Not only have we lost the designer outlets centre, but trade at the bulky goods centre that operates next door is beginning to deteriorate. More than 400 jobs have been lost. In all probability, the whole centre will be lost in time. It is dying on the vine. Both of the outlets depended on each other.

This retail outlet was supposed to be a threat to the Liverpool centre. There is a much larger threat to the Liverpool centre now: The centre being designed and built by Westfield as an extension of its existing shopping centre at Liverpool. When the Westfield extensions are completed, there is no doubt that that centre will kill forever the Liverpool town centre. It will suck all the business activity that currently exists on the shopping strip around Liverpool into the vortex of its operations. Only a few real estate agents and \$2 shops will be left along the shopping strip. The crocodile tears that were cried by the State Government and Westfield about destroying the Liverpool town centre will soon be seen for what they are. In the short time I have to speak on this matter, I draw the attention of the House to two findings that I believe are not only true but were ultimately vindicated by the subsequent inquiry into the same matter by the Independent Commission Against Corruption. Finding 6 of the committee was:

There is strong evidence that prior to 20 April 2004 DIPNR officers, other than the Director General Ms Jennifer Westacott, believed that the rezoning application would be approved by the Minister. The s69 report was prepared on this basis ...

There is strong evidence that Minister Beamer and her Chief of Staff, Mr Michael Meagher, were anticipating the s69 report being in the Minister's office by mid-April for approval and gazettal on 23 April, and that the Minister and Mr Meagher were aware of the contents of the s69 report and its recommendations for approval of the draft LEP which was, in Mr Meagher's words, "the Minister's preferred position."

Unfortunately, none of the Ministers involved in making this decision came to the committee to give evidence. They all avoided answering questions when they were confronted with these issues during estimates committees. Subsequently, their evidence before the ICAC demonstrated that that finding was 100 per cent correct. This was the Minister's preferred position. The Carr Government was going to approve the designer outlets centre. What stalled it? Apparently, it was stalled by a fabrication of corruption allegations brought into the Premier's office by officers of Westfield, which were never investigated and never reported to the Gazals, who never had an opportunity to respond to them. Those allegations poisoned the environment under which the LEP was to be considered.

I point out a couple of pertinent facts that the committee did not find, but were subsequently discovered by the ICAC. The report that went to Minister Beamer to be considered did not contain any of the independent reports by consultants that supported keeping the designer outlets open. The only reports that went to the Minister were the section 69 report, which supported the designer outlets being approved, a memorandum of a couple of pages that contained no details of any matter from Jennifer Westacott, the then Director-General of the Department of Planning, and the report prepared by Westfield into how the designer outlets would impact on the Liverpool town centre. None of the independent reports that had been prepared by Liverpool council, for example, which supported the designer outlets staying open, was ever presented to the Minister for her consideration.

I remind the House that the former Premier denied that he or his office had anything to do with this matter until the committee that produced this report found some telltale evidence in the form of emails that smoked him out. The fact the then Premier was found to have not told the truth to the media was an important reason why ultimately he had to resign his office and leave the job of Premier. His credibility was completely

shot for all time. He denied he knew anything about it. However, not only did he know about it but his chief of staff was making submissions to the Director-General of Planning about the Orange Grove matter on more occasions than the committee was told about, according to the ICAC. That discovery shot the credibility of Premier Carr altogether.

This poisoned the environment under which Liverpool council's application for an LEP was to be considered. Often Government members rant and rave about this matter not having been properly approved by Liverpool council. That was true, but not for any reasons of corruption—and that was found by the ICAC without any contradiction. The approval that had been given was then sought to be rectified by an LEP, on which no court had made any determination. Government members have said that the courts had made a decision about Orange Grove, but they had not done so on its merits. They had in relation to the approval given by Liverpool council. I remind honourable members that an LEP is quite different from a development application. Sure, the development application was flawed, but the LEP was not. The manner in which the LEP was considered was flawed. It was derailed by submissions made by Westfield to the Premier's office. I draw the attention of the House to committee finding 12, which states:

It is the Committee's view that Westfield improperly used the influence that they had at the level of the Premier and the Premier's office to influence a planning decision that would commercially affect Westfield.

It is the Committee's view that the Premier and the Premier's office sought to inappropriately direct Minister Beamer's decision on the Designer Outlets Centre based solely on the improper influence exerted by Westfield ...

I put it to the House that that was pretty much what the ICAC found in its determination. It did not determine that corrupt conduct occurred, but it determined that inappropriate conduct occurred. There is no doubt that it was inappropriate conduct. It could not be called corrupt conduct. I have never said, nor has the Opposition, that corruption was taking place. We strongly put the view that it was inappropriate lobbying in the Premier's office that ultimately derailed a proposal that would have given jobs and economic activity that are solely needed to the Liverpool area. That is the saga of Orange Grove.

Finally, in responding to this report I note that a bill is before the other place that could rectify this saga. This House passed the Orange Grove legislation. The Government should pass that legislation and give this development to the people of Liverpool. It would do good. It would employ more than 400 people. It would create an opportunity for designer outlets shopping in south-western Sydney, which the area does not have. Hot air was expressed by people who opposed the Opposition's bill. They referred to transport problems. Every weekend hundreds and thousands of people from south-western Sydney travel outside the area to use other designer outlets centres, some of which are formal and others informal.

I ask members to have a look at what is happening outside Green Square railway station in Alexandria. That is a designer outlet centre by default. There is a designer outlet centre in Homebush that is certainly not in a retail centre. There is more justification for approving the Designer Outlets Centre in Liverpool than is the case with any of those other designer outlets. In fact, it would do good in an area which still has one of the nation's highest levels of unemployment. I ask the Parliament not only to note the report but also to support the bill that is before the other House.

Ms SYLVIA HALE [2.37 p.m.]: The Designer Outlets Centre, Liverpool, inquiry was one of the more fascinating inquiries with which I have been involved. It was significant because the refusal of the rezoning for the Orange Grove centre was one of the first in a series of measures that proved to be so incredibly unpopular with the public that they ultimately led to the resignation of the then Premier, Bob Carr, the resignation of the then Minister for Planning, Craig Knowles, and the subsequent demotion the then Assistant Minister for Planning, Diane Beamer. In some ways it is good that those people have paid the price for their involvement in this sorry saga. But, of course, the news is nowhere near as good for the 400 people who have lost their jobs and been left without the benefits of comfortable superannuation payouts.

The inquiry was also interesting because it was an opportunity to examine the malign influence of donations by developers and commercial elements, and the malign influence of those people upon the way in which the Government of this State conducts itself. Anyone who wishes to see the evidence of that malign influence has only to look at the chronology of key events contained on page 12 of the report. It notes that on 13 April Administrator Gabrielle Kibble separated The Crossroads application from the Orange Grove rezoning and approved a draft amendment to the Liverpool local environment plan [LEP]. The significant thing is that Gabrielle Kibble, herself a former Director-General of Planning, someone who had been specifically installed at Liverpool council to clean up the mess that was left behind by the Oasis proposals, said that the rezoning should

take place. As I understand it, her view was that perhaps the granting of the permission to develop the bulky goods site was an unfortunate one and one that was not in accord with draft State Environmental Planning Policy 66 on the integration of land use and transport. But the centre having been built, the fact that it was operating and the fact that it was providing more than 400 jobs were sufficient reasons to set in motion the rezoning that would allow those jobs to be retained and the centre to keep operating. That was a very sensible approach by Ms Kibble.

On 14 April Ms Kibble, representing the council, wrote to the Department of Infrastructure, Planning and Natural Resources submitting the draft amendment. On 15 April, the day after, Westfield's Director of Corporate Affairs, Mr Mark Ryan, called the Premier's chief of staff, Mr Graeme Wedderburn, suggesting a meeting between Mr Lowy and the Premier—nothing like mates getting together to discuss a rezoning! Mr Wedderburn suggested a meeting be between himself and Mr Ryan—the Premier would get all these messages via Mr Wedderburn. On 19 April the meeting took place, between Mr Ryan, Mr Wedderburn and another Westfield representative, Craig Marshall. Mr Wedderburn briefed the Premier about the meeting that day. There are these conduits, this direct influence. They ring up their mates, make an appointment and say, "We are unhappy about this." They lobby. So it goes on. On 20 April—almost day after day after day—Mr Wedderburn met with assistant planning Minister Diane Beamer, her chief of staff Mr Michael Meagher and the deputy chief of staff for Mr Knowles, Mr Emilio Ferrer, regarding the meeting with Westfield.

All they have to do is get on the phone and they have immediate entree into the highest echelons of the Government. What did Westfield come up with? Why did it say that something untoward was happening? At the inquiry it suggested a sinister web of influence but there was nothing to support any of the accusations that were made. The noteworthy thing was that Westfield was never required by Mr Wedderburn, Mr Meagher, Minister Beamer or the Premier, indirectly through Mr Wedderburn, to produce any evidence to support any of the allegations that were made. It was all smear and innuendo. That is what continued at the inquiry. When the Westfield representatives were questioned on these matters they could produce absolutely nothing to substantiate any of the claims they made. It was on the basis of those claims that the Premier directed that warnings be given to Minister Beamer that she do the right thing. As it turned out, the right thing was to refuse the application. The inquiry exposed to the public in one isolated incident just how that chain of influence works, just how donations to a political party pay off, how you go about persuading the Government to come up with the desired result.

The findings of the inquiry are worth taking note of, particularly finding 12. It is the committee's view that Westfield improperly used the influence that it had at the level of the Premier and the Premier's office to influence a planning decision that would commercially affect Westfield. It is the committee's view that the Premier's office sought to inappropriately direct Minister Beamer's decision on the Designer Outlets Centre. It was also the committee's view that the Premier, the Premier's chief of staff, the assistant planning Minister and the planning Minister, Craig Knowles, and representatives of Westfield conspired to cover up their involvement in the Orange Grove affair. An extraordinarily tacky scenario of events was exposed by the inquiry. As I have said before, I think this is the most significant aspect of it. I found it personally somewhat abhorrent that there was plenty of evidence that Mr Joe Tripodi was a very strong advocate of the Designer Outlets Centre. Indeed, his conversation quoted on page xiii at the introduction of the report, about which we were given evidence by Mr Gazal, shows the really nasty, unpleasant, inappropriate off-putting behaviour of an individual who tries to do favours for mates and then finds that there are mates who are far more powerful and significant and have far more influence upon the outcomes of the decisions. He declined to give evidence to the committee, hid away and let his erstwhile friends be hung out to dry.

Reverend the Hon. Dr Gordon Moyes: I don't think you approve!

Ms SYLVIA HALE: I do not approve of them. I believe there is a certain way to behave and that the behaviour evidenced by Mr Tripodi, Mr Carr, Mr Lowy, Ms Beamer and Ms Westacott is extraordinarily reprehensible. As I said earlier, I suppose one of the better outcomes of this inquiry, the subsequent inquiry by the Independent Commission against Corruption, and the public attention that has been focused on this decision has been the departure of the former Premier, the former Minister for Planning and the former Director General of the Department of Infrastructure, Planning and Natural Resources, Jennifer Westacott.

The Hon. JAN BURNSWOODS [2.47 p.m.]: I want to speak in relation to the report on the Designer Outlets Centre at Liverpool as a member of General Purpose Standing Committee No. 4 and someone who was present during the 12 hearings and the numerous deliberative meetings that have been referred to. What I would really like to stress in making my remarks is that what we have heard so far in this debate from the Hon. Jennifer

Gardiner, the Hon. John Ryan and Ms Sylvia Hale—I except the Hon. Kayee Griffin from this—is unfortunately a complete repeat of what bedevilled the entire inquiry, that is, an apparent conviction, and we just heard it most notably from the Ms Sylvia Hale, that if you speak loudly enough and keep using words like "smear" and "cover up" and all the rest of it, somehow or other you have made your case.

We have heard from three members so far, none of whom, for instance, has been able to admit that almost every part of the report referred to was not adopted unanimously by the committee. They have been unable to admit that the Independent Commission against Corruption [ICAC] report, which followed not all that long after the report of this committee, disagreed completely on every major count with the sorts of things we have heard today. Indeed, they are not even able to admit, in relation to the 12 findings of the committee that the Hon. Jennifer Gardiner went through so carefully, exactly what these findings are. I would like to refer to a few of them, because I think the wording of some of the findings is really important.

For example, finding 5 begins, "There is no evidence before the Committee of improper conduct," et cetera. Finding 8 begins, "There is no evidence before the Committee that the Premier had discussed the rezoning of Orange Grove with representatives of Westfield", and the finding goes on. Finding 9 begins, "There is no evidence before the Committee that the Premier had discussed the rezoning directly with Minister Beamer", and the finding goes on. Finding 10 begins, "There is no evidence before the Committee that Minister Knowles intervened in the decision of Minister Beamer regarding the rezoning", and that is followed by another two or three paragraphs. Finding 11 was one of a few findings in which Government members managed to persuade the majority of the committee to do the semi-decent thing on one of the rare occasions in the six months this inquiry dragged on. They actually agreed to an amendment to insert the words "a majority of the Committee believes". They did that in respect of one finding,

Even in the other findings, as I have just pointed out, the members had to admit, time and again, and the words are there for anyone who wants to look at them, "There is no evidence". The report produced a piddling two recommendations, which again makes it fairly clear I think that this whole inquiry was a desperate attempt by a desperate Opposition and some desperate crossbenchers to take account of a very sad situation where a developer, the leaseholders and the employees in the shops at the designer centre found themselves the victims of what members would probably have to agree was incompetence at Liverpool City Council. It seems fairly clear that there is no evidence of corruption there. It was a series of most unfortunate events with a desperate Opposition and a conscienceless couple of crossbench members thinking that this was an issue on which they could attack the Government.

Honourable members have heard that attack continue today. We have heard these amazing conclusions drawn that somehow or other if you yell the rhetoric about corruption and all the rest of it loudly enough, you can then draw the conclusion that some of these events might have led to the resignation of Bob Carr as Premier of New South Wales. What we have heard today is another example of a group of people who are unable to confront the evidence, unable to deal with the facts of the situation, and who think, as the Hon. John Ryan and Ms Sylvia Hale showed so clearly—although, not the Hon. Jennifer Gardiner—that if they scream loudly enough people will listen.

I would like to say something about the ICAC report, which followed on from that report of General Purpose Standing Committee No. 4. Going through the same points, and I can relate them point by point to the findings, the ICAC report found that there was no evidence of corrupt conduct in relation to Liverpool City Council's grant of development consent. I made that point earlier. It found that the Liverpool City Council approval was not the result of any corrupt conduct or improper influence. It found no evidence to substantiate the assertion by the Hon. John Ryan in relation to corruption and the Orange Grove developer. It found no evidence to substantiate claims that the Premier took or authorised any inappropriate action to interfere in the decision-making process of Minister Beamer; and no evidence that the management of the corruption allegations made by Mr Ryan adversely affected Minister Beamer's decision.

The commission found that Minister Beamer's decision to not approve the draft local environmental plan [LEP] was available to her, having regard to its merits and State Government planning policies. In relation to the allegations made in the statutory declarations—and we all remember the way the sopranos, John Brogden, Peter Fraser and all those other wonderful people waved statutory declarations around like toilet paper—the ICAC concluded:

In relation to the allegations made in the statutory declarations the Commission is satisfied to the requisite standard that the words attributed to Mr Carr were not said by him, that he did not say words to a similar effect, and that Mr Carr did not instruct Mr Wedderburn to pass on a message to Minister Beamer of similar import.

The commission further concluded:

The relevant denials by Mr Carr, Mr Wedderburn and Minister Beamer, and Mr Tripodi's denial that Minister Beamer herself told him that Mr Carr had said these words, have not been seriously challenged and there is therefore no credible evidence to support the proposition that Mr Carr said or did anything intended to derail a proper exercise by Minister Beamer of her statutory discretion, or capable of having that effect.

The Independent Commission Against Corruption further concluded:

No findings are made in this report that any person engaged in corrupt conduct. Accordingly, no recommendations are made that any consideration be given to the prosecution of any person for any criminal offence, or the taking of action against any person for any specified disciplinary offence, or the taking of action against any public official on specified grounds with a view to dismissing, dispensing with the services of, or otherwise terminating the services of the public official.

So, what did this inquiry produce? It produced a great deal of wasted time. The chair said at the beginning, reading from the foreword to the report, that there were 12 hearings and 65 witnesses, 19 of whom appeared before the committee on more than one occasion. The inquiry went on for some six months. It tied up a very large number of the clerks of the Parliament. It cost a very large amount of public money, not only that spent on the hearings and all the ancillary matters, but also the enormous amount spent on lawyers for various different groups. It did a lot of damage to the reputation of Liverpool City Council, some of which was clearly deserved in relation to the competence of the council prior to the appointment of Ms Kibble as administrator.

The inquiry process and the committee's report went a long way towards bringing the upper House committee system into disrepute; indeed, I believe it went a long way towards bringing the Parliament into disrepute. If we are to have committee inquiries, it is important that all of us think about the kinds of allegations that can so easily be thrown around in what people sometimes call coward's castle, referring to the use of parliamentary privilege to protect ourselves and enable us to say things without a skerrick of evidence, in some cases with very dubious, if not improper, motives. I have been a member of this place for many years and have served on a number of committees. In my view, this committee and the report it produced are the lowest of the very low. I very much regret the need to speak in the take-note debate on this report.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS [2.57 p.m.]: I was not involved in this committee process. However, I was quoted in it, and I believe the inquiry process illustrated very poor practices. As far as my own dealings with Nabil Gazal are concerned, I stand by the substance of what I said. If the words were not exactly accurate, be that as it may. I was not unsympathetic to Nabil Gazal. I think he is an honest man, and I believe he lodged development applications to see if he could get them approved. I understand that many developers lodge development applications beyond the current applicable zonings, and many such applications are approved. Of course, that is how developers make money, because the zoning changes favour money being made far more than would be the case otherwise.

The fact that there was such a sloppy process perhaps illustrates that Liverpool council acted inappropriately. The outstanding aspect was that once the rules had been stretched with regard to zoning, it would appear that the Premier was influenced by Westfield. Given the recommendation to allow past mistakes to survive and the centre to remain open, it is difficult to believe that favours were not called in by a powerful vested interest group. The fact that the committee did not have the necessary evidence says something about the committee process. We do not run inquisitions. We do not have telephone tapping, taping, or the other methods used by various police forces, the Independent Commission Against Corruption [ICAC], and so on, to get serious convictions in this area.

I believe the fact that the Premier and Minister Beamer effectively told the committee to take a running jump was a contempt for good governance that was symptomatic of the Carr Government, and I am sorry to say that. The fact that the Labor members did not co-operate during the inquiry is certainly nothing new; they do not admit to anything that does not suit the Government's political interest. That is also regrettable. I believe that the fact that the ICAC said there was no case to answer means that effectively it has a limited definition of corruption, and that if money does not actually change hands and people are not able to prove that, there is no case to answer.

Pursuant to sessional orders debate interrupted.

DUTIES AMENDMENT (ABOLITION OF VENDOR DUTY) BILL

Second Reading

Debate resumed from an earlier hour.

Ms SYLVIA HALE [3.02 p.m.]: The Greens support the retention of vendor duty. Last year the tax provided approximately \$340 million income to the State Government. Vendor duty is an equitable tax because it is charged not on the sale of the family home but only on the sale of investment properties. It is a tax that falls

heaviest on those who buy and sell property on a regular basis. In other words, it is a tax on speculators, those who make a speculative profit from the sale of real estate.

In abolishing the tax, the Premier has caved in to speculative property investors. This move is populism rather than good policy. Morris Iemma's first major initiative as Premier has demonstrated that, under his leadership, there will be no greater vision for forward thinking than we had under the Carr administration. The Government has once again capitulated to the industry that complains the loudest and donates most heavily to the Labor Party: the property industry. In 2004-05 vendor duty brought \$340 million to the State in revenue. That is revenue that could have been hypothecated to social and affordable housing. Once the tax is abolished, we will have \$340 million less to spend on public housing, schools, hospitals, and essential community services.

Assuming an average house and land package in New South Wales costs about \$300,000, the lost \$340 million—a loss that will repeat itself every year—could have boosted the State's public housing by an additional 1,130 new homes. The \$7 million the New South Wales Labor Party has received in donations from the property industry over the past six years could have paid for an additional 23 houses. Instead of that money sloshing into the Labor Party's you-scratch-my-back-and-I'll-scratch-yours fund, it could have been better spent on actual housing for residents of New South Wales. Perhaps some of these large property developers could spend some of their very healthy profits on providing some affordable housing in every development, instead of misdirecting their money to the Labor Party's coffers. The public sees the donations for what they are—bribes to ensure that the Government does the donor's bidding. If the property industry has \$7 million to pay for political patronage, it has \$7 million to provide for affordable public housing.

The Premier has said that he is interested in affordable housing, which the Greens were pleased to hear. But we are yet to see whether this will translate into meaningful action. It is hardly encouraging when his first act as the new Premier is to bring to an abrupt end a stream of funding that might have given some substance to his words. The abolition of vendor duty is a bad decision because it represents a short-term capitulation to vested interests. There is a real and growing housing affordability problem in New South Wales that this Premier must urgently address.

Reserve Bank Governor Ian McFarlane recently noted that young people are being told to flee Sydney as they can never afford to buy a home here. Housing Industry Association data shows that the median price of a first home in Sydney is \$428,000, compared with \$365,000 in Brisbane and \$270,000 in Melbourne. An average working couple would need to find a 5 to 10 per cent deposit to secure a loan, or in the vicinity of \$10,000 to \$20,000. Then they have to come up with monthly repayments of \$2,748 a month on a loan of \$400,000. It takes about 10 years of average wages to buy a house in Sydney. Adelaide University geographer Graham Hugo's research shows that people are leaving Sydney, to the tune of about 15,000 a year. Half of them go to other States and Territories, and the other half go to the coast. One might think that most of these people are retirees, but that is not the case; many are in their twenties and thirties and have young families. The Australian Bureau of Statistics estimates that in the three years to mid-2004 there was an exodus from New South Wales of 11,400 people under the age of 40. Clearly, housing costs are a factor. In Sydney, investor buyers outnumber first home buyers. They take advantage of negative gearing, which allows them to claim their losses as a deduction against income. Now they will enjoy the additional benefit of not having to pay the vendor tax. Eventually, Sydney will become totally dysfunctional as people on low and median incomes leave.

A recent study by the University of Western Sydney, the New South Wales Labor Council and Shelter NSW found that many essential service workers, if they have managed to buy into the housing market, have to travel incredibly long distances to work or, if they do not own their own house, they live closer to where they work but have to pay higher rents. Research by Professor Judy Yates from the University of Sydney has shown that the number of people in long-term perpetual rental leases is increasing. For a significant number of people the assumption that renting is a transitional form of housing tenure is no longer the case. Yet, unlike renters in some European countries, renters in New South Wales have very limited security of tenure; in fact, not much at all, considering that they can be evicted for no reason with 60 days notice.

The review of the Residential Tenancies Act makes vague noises about offering longer leases, but for landlords who are keen to capitalise on their investment, many refuse to tie their properties up in long-term leases. At the same time, the Government has brought in new policies for public housing, designed to erode security of tenure for public housing tenants. Those tenants who are working and earning \$39,000 gross a year will be asked to leave public housing and be thrown out into the gaping and unsympathetic jaws of the overpriced private rental market. What we really need is action, not platitudes or remarks that the market will deliver sufficient housing stock. What New South Wales needs is a check on speculative property development, and this is precisely what the vendor tax was designed to achieve.

Rather than abolishing the vendor tax, the Government should be taking the following initiatives. It should retain the vendor tax and hypothecate the revenue to social and affordable housing purposes. The Government should commit to tripling the size of the social housing sector over the next 10 years and broaden eligibility to ensure diversity and cross-subsidisation of social housing from a mix of rents. The Government should change the Environmental Planning and Assessment Act to allow local councils to levy developers or require them to provide a proportion of affordable housing in all new developments. The Greens will introduce a bill to amend the Act to do precisely that. The Government should increase the proportion of social or affordable housing in all LandCom developments to a minimum of 30 per cent. The Government should support housing types that reduce overall construction costs, such as environmentally friendly, yet inexpensive, building materials. The Government should increase and promote "sweat equity" schemes, whereby people can contribute their labour to building houses and then receive part equity in a finished home.

If all these measures were instituted we would be on the way to addressing the high housing prices in Sydney and elsewhere in New South Wales. All those paying higher rents or unable to afford Sydney's spiralling housing prices would benefit. The Greens oppose scrapping the vendor tax. It is a short-term move that panders to the property industry and will deprive the Government of legitimately levied monies in the order of \$340 million a year. This is money that could be better used to address the housing crisis in this State.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS [3.13 p.m.]: I do not think the Duties Amendment (Abolition of Vendor Duty) Bill is a wise bill. I am very disappointed by the opportunism of the Opposition in this case and the cowardice of the Government in backing down from its decision to impose this vendor tax. I should declare an interest here. I am a property investor who has engaged in negative gearing and has done quite well out of it. As a salaried doctor I was not making a fortune compared with private doctors, and my house was making more money than I was, which I think is quite odd and, frankly, wrong. It is arbitrary in the sense that one can work quite hard doing a good job in medicine and not make very much money but one can invest in property, doing very little and requiring no brains, and make a lot of money.

One can reflect on the arbitrariness of the universe perhaps, but perhaps those of us who are presuming to legislate for the good of the country should look at where the investment goes and what effect that is likely to have in the long term. Clearly, if housing prices rise in marginal seats it is very good for the people trying to win those marginal seats and ingratiate themselves with the residents of those electorates as politicians. High prices are good for the property markets, but they are not good for young people coming onto the market who hope that the prices of properties they are trying to buy bear some constant ratio to the salaries that they are able to earn.

Property has been a no-brainer in relation to making money. It has been much easier for people to make money in property than in any other sort of investment. That is a powerful incentive for not thinking about intelligent investment in other areas, and in our country simply buying property while others buy shares is perhaps a recipe for long-term disaster. On 13 May 2004, when I spoke on this bill when it was the State Revenue Legislation Amendment Bill, I had researched it and gone to some trouble. In my contribution I quoted an article by Peter Martin that appeared on page 19 of the *Sydney Morning Herald* of 21 April 2004, which read:

For a moment there I thought that Bob Carr had done the wrong thing. I read that his new transaction tax on the sale of investment properties was a "shocker", a "major attack" that would erode retirement savings and consign the property market to "oblivion". And those were just the reactions in the *Herald*.

In *The Australian Financial Review* an industry analyst explained that for an investor who bought a property for \$600,000 and then sold it for an extra \$200,000, the tax take would be \$22,000 on the way in, \$18,000 on the way out, and \$39,000 in capital gains tax—a take he described as "outrageous".

And then the spell broke. The taxes in the analyst's example add up to just 39 per cent. Australia's top marginal rate of tax is 48.5 per cent. The rate below that is 43.5 per cent. About half of us pay those rates on every additional dollar we earn at work, as well as on every single dollar we earn in interest on our savings.

Looked at that way, the real question isn't "how did the taxes on trading in property ever get to be so high?" but "how did they ever get to be so low?"

Most of the blame (or credit) belongs to two people: the Treasurer, Peter Costello, and John Ralph, the doyen of Australian company directors, at present chairman of both Telstra and the Commonwealth Bank.

In 1998 Costello asked Ralph to inquire into business taxation. One of the terms of reference was odd, and extremely specific. It dealt with individual, rather than business taxation. Costello wanted Ralph to examine "the scope for capping the rate of tax applying to capital gains for individuals to 30 per cent". Until that point capital gains had been taxed at the individual's marginal tax rate, minus inflation.

Ralph went further than Costello had suggested. In September 1999 he recommended that only half of each capital gains be taxed, which as he pointed out would effectively cut the top rate to 24 per cent.

What followed was an avalanche of funds pouring into investment real estate, and a change in our financial psyche. One in every eight Australian taxpayers now owns an investment property, firming to one in every three where annual income exceeds \$100,000.

Ralph didn't see it coming. His report contained not a word about real estate. He said instead he inspected the cuts to bring about a surge in sharemarket investment, "particularly in innovative, high-growth companies".

Mark Latham saw it more clearly than most. In an extraordinarily prescient speech he said the cut would add "to the great Australian disease of asset and property speculation, particularly in our big cities. It will take away resources from the knowledge economy and put them into the least productive, least honourable aspects of Australian economic activity".

It was already legal to negatively gear. That is, to borrow so much to buy a property that your interest payments ensured you made a loss each year, which you could use to cut your income for tax purposes. It was also legal to claim a depreciation deduction after buying a new house or unit, regardless of whether or not the investment actually declined in value.

But as attractive as these benefits were, they did little more than defer the payment of tax. It would be paid on the day the property was sold. All that was the theory, until September 1999. From that date, as Melbourne University's Professor Cameron Rider puts it, only half of the deductions were recouped—the other half were converted from a deferral of tax to a permanent exemption from tax.

The changes gave property an advantage over competing forms of investment. Shares could match it when it came to negatively gearing and capital gains tax, but couldn't match the associated depreciation deduction, as scores of mesmerised Australians were being told in investment seminars each weekend.

Borrowing to buy property became the "smart" thing to do, even for Australians who had never borrowed before except to buy their home. As Macquarie Bank's Rory Robertson told his clients: "It is almost as though the Australian tax system has been screaming at taxpayers to gear up to earn increased capital gains rather than to work harder to earn increased wages or salaries."

Or to make money renting out the property they bought. The Tax Office says six out of every 10 of Australia's landlords actually lose money on an operating basis.

This tax-driven diversion of money and effort away from work, away from small businesses, away from productive investments, is without recent precedent. It has helped push property prices into uncharted territory and may have brought on our last two interest rate increases. All this from a change that Ralph recommended in order to "achieve a better allocation of the nation's capital resources".

When Latham tried to have Labor oppose it in September 1999 he was overruled by his leader, Kim Beazley. Shortly before becoming shadow treasurer [in July 2003] he explored with Access Economics a plan to restore full tax to capital gains and use the billions of dollars liberated to cut the top tax rate for all forms of income. Access believed it could sell the plan as being fairer for both high and low income earners.

When news of the plan leaked [in March 2004] Latham ruled it out. He did so again this week. In election mode neither Latham, Howard nor Costello is likely to propose what an increasing body of expert opinion believes has to be done.

The Productivity Commission is said to have recommended some sort of action on property taxation to Costello. He is yet to release its report.

By rushing in and taxing where our Federal leaders are scared to tread, Bob Carr and his Treasurer, Michael Egan, may have done the nation a favour.

And they get to keep the money as well.

I believe that that view expressed by financial experts on the effect of the tax move by Michael Egan was correct—and honourable members know full well that I did not always agree with Michael Egan. Australia has been quite careless in giving away some of its assets. The Foreign Investment Review Board believes that we are in a world economy and therefore we have to sell everything. People involved in the mining industry have told me that all our major goldmining companies are now foreign owned. Normandy Mining Ltd is under threat, BHP Billiton has already gone and Woodside Mining—the only significant oil company owned by Australians—has been targeted for takeover.

Although the Americans are all for international capital and buying on the world market, they were less than enthusiastic when the Chinese wanted to buy one of their small but significant oil companies, even though the Chinese are cashed up as a result of Americans going into deficit to buy Chinese goods. Australia must look after its interests, and politicians have a duty to consider the national interest. Every dollar increase in property value makes it more difficult for young people to enter the market. The inequity gap between our generation and the next has widened.

The Government has backed down on this tax, although the Federal Government should have introduced it. Property prices have increased significantly in New South Wales, so even with this tax very few

people would have lost money. The Government would merely have recouped money from what had been an extraordinary real estate boom, fuelled by a tax system that favoured real estate over all other investments. Responsible financial journalists claim the problem should have been fixed at the Federal level, but it was not. It is the case of a laissez-faire philosophy giving into the real estate lobby, and the outcome is boom and bust. When the New South Wales Government tried to do something, the Liberals were opportunistic and the Labor Government blinked. This Labor Government has demonstrated cowardice while the Opposition, which presumes to be in government one day, has been opportunistic. The Act should not be repealed and, therefore, the Australian Democrats do not support the bill.

Mr IAN COHEN [3.26 p.m.]: I speak briefly on the Duties Amendment (Abolition of Vendor Duty) Bill. My Greens colleagues in this place and the Hon. Dr Arthur Chesterfield-Evans have spoken in detail on the bill and I appreciate their comments. The bill, which highlights the position of various representatives in this House, is a retrograde step. The abolition of vendor duty in this State means that the Government is caving in to the real estate industry and certain interest groups.

I have listened with interest to the contributions of other members, particularly the bleating about mum and dad investors. This tax did not have an impact on the value of properties; its only impact was at the time of sale. People who wanted to maintain their investment in real estate for their children and obtain fair rental were not affected by the tax. It encouraged the exchange of properties and their build up in value. If people sell their own home for an inflated price, they then have to find another property for which they pay an equally inflated price. In my hometown of Byron Bay the value of property has skyrocketed and has done enormous damage to the social capital in the community. It has made it extremely difficult for young people to buy a home. The phenomenon up and down the coast is that properties are being left empty for most of the year rather than being rented out legitimately.

The system is offensive and, as part of our open capitalist economy, is extremely unfair. It favours real estate over all other forms of investment. Those who are lucky are very lucky and those who have maintained their savings in other forms have missed out in a big way. The scrapping of the vendor duty will widen the gap between the wealthy and those who are struggling for a basic necessity: a secure shelter, without the fear of eviction at any time. That is a big issue for families in New South Wales. I agree that the Government's timing in terms of abolishing the vendor duty is poor. Indeed, I was concerned that abolition of the vendor duty was the first announcement by the newly elected Premier of New South Wales.

I am aware of criticism by the Construction, Mining, Forestry and Energy Union [CMFEU] that the vendor duty has an impact on jobs. The CMFEU representatives are being narrow minded and short sighted in supporting their workers to maximise job opportunities. They are missing out in a big way in terms of the problems that devolve from a lack of vendor duty, including encouraging real estate to spiral out of hand. The unions have made a big mistake. I am happy to discuss this matter with the union representatives as I am interested to hear more. The overheated property market in New South Wales is driven by the real estate industry and people chasing that never ending dream of home ownership, which is receding. The unions have not served their wider membership—families, low-income earners, and people in society generally who are struggling to either own a home or even afford rent in some circumstances.

The Greens would like to see more properties made available, both for purchase and rental, at reasonable prices. Rather than protecting the mum and dad investors, the real estate industry is killing the property market with investor and speculation properties. The industry, particularly in my home town on the Far North Coast of New South Wales in Byron shire, is turning communities into commodities. We should be looking at slowing down such developments. Reverend the Hon. Fred Nile claims that it is small investors, but cumulatively it is having a massive impact on society. North Coast investment properties are not providing affordable rentals, but they are heating up the market. First home buyers do not have an opportunity to buy into the market because it is absolutely white hot.

Do people rent? They can rent. Once upon a time people in my area could rent until they got thrown out at Christmas time to make way for holiday renters; the owners of properties got a short bonus from holiday renting, but people were forced to leave. But now, with year-round tourism, people are not just renting properties during the Christmas holidays; they are renting throughout the year. Indeed, real estate agents are advertising properties, guaranteeing that people can get rentals through holiday renting. That means that there is a dearth of rental properties available to people who want to live in the area permanently—they are physically forced out of the area—and people are then trading in that source—

The Hon. Duncan Gay: Set it up as a gaol! Don't allow anyone to farm it! Don't let people come there on holidays! Lock it up! Keep it for yourselves!

Mr IAN COHEN: I acknowledge the interjections by the Deputy Leader of the Opposition, but the reasoning behind his statements is absolutely infantile. He is talking about defending illegal holiday renting.

The Hon. Duncan Gay: Holiday renting is not illegal.

Mr IAN COHEN: It is illegal in residential areas. It is a problem in my community. The honourable member lives out west, where there are no such pressures, but he thinks he may get a windfall on the coast by ripping the guts out of local communities.

The DEPUTY-PRESIDENT (The Hon. Amanda Fazio): Order! I remind all members that interjections are disorderly at all times.

Mr IAN COHEN: I resent the comments of the Deputy Leader of the Opposition because he knows nothing.

The Hon. Duncan Gay: Who cares!

Mr IAN COHEN: He should visit my community to see what the impacts are! Perhaps he has an investment property in my community. What is happening with illegal holiday rentals in residential areas is cutting the social fabric of the community.

The Hon. Duncan Gay: The local council is your problem.

Mr IAN COHEN: My local council is trying to stop holiday rentals in illegal areas. My local council represents the community and has strong community support on these issues. People are coming in from other areas, buying rental properties on the expectation not of getting a fair rent of \$300 or \$400 a week from people living there for 12 months of the year and not creating a service, as members of both major parties are pretending—

The Hon. Duncan Gay: No seaside holidays anymore.

Mr IAN COHEN: There are plenty of areas for seaside holidays.

The DEPUTY-PRESIDENT (The Hon. Amanda Fazio): Order! I call the Deputy Leader of the Opposition to order for the first time. I call to order other members who continue to interject. I advise Mr Ian Cohen to ignore the interjections and to continue his speech.

Mr IAN COHEN: Thank you for your advice, but I like to answer interjections that clearly show the hollow rattling of an Opposition that pretends to represent the community when indeed it represents narrow interests in society. I welcome the interjections. I am sorry if they are disruptive to the House. The fact is that this, like nothing else—

The Hon. Duncan Gay: Are you challenging the Deputy-President's ruling?

Mr IAN COHEN: I am not challenging the ruling; I am incorporating some of the issues pertinently raised by the Deputy-President. I appreciate the interjections; they have value because they show the hypocrisy of Opposition members. It clearly shows that they are prepared to see young people driven out of their communities because they cannot buy land in places where their parents have owned land for generations. Farmers are saying that they cannot afford to stay in their local areas because land is being used to cater for the tourist industry. We are seeing a community turned into a commodity.

We hear strong bleatings from The Nationals when it suits them on the value of community, their dislike for big city developers and Collins Street farmers disrupting their community, but their tune changes when things do not suit them. I suggest that there is no group so out of touch than The Nationals. I have criticised the Government and I will continue to do so, but when it comes to out of touch members of this House The Nationals take the cake. The Deputy Leader of the Opposition has forgotten that those coastal communities were his constituency once upon a time. The coast used to be National Party heartland. It is now being taken

over by Independents and, dare I say, in the Byron Shire by a green council, because people are heartily sick of the hypocrisy of The Nationals. I will return to my speech.

The Hon. Duncan Gay: Point of order: It is unparliamentary to cast aspersions on a member without a definitive motion. It is also pretty gutless for the member to do that without my having an opportunity to respond.

The DEPUTY-PRESIDENT (The Hon. Amanda Fazio): Order! Previous Presidents have ruled on numerous occasions that collective insults towards political parties are not unparliamentary. If an insult is a direct attack on another member who was named, that case—

The Hon. Duncan Gay: It was.

The DEPUTY-PRESIDENT (The Hon. Amanda Fazio): Mr Cohen did not refer to any other member by name.

The Hon. Duncan Gay: He referred to me.

The DEPUTY-PRESIDENT (The Hon. Amanda Fazio): Order! In that case the member should not do so unless by way of substantive motion. However, I have ruled that collective insults are not unparliamentary, and Mr Ian Cohen may continue.

Mr IAN COHEN: If there is any personal insult taken, I will withdraw the personal comment and offer the following general comment. With regard to real estate issues and opportunities for housing in coastal National Party held electorates, I find The Nationals extremely hypocritical. I will leave it at that.

The vendor tax operated when people sold their property. If people are aiming to maintain their properties for their family or even to extract a fair rental from their investment, that is a fair call. But here we have massive capital gains opportunities. We have negative gearing opportunities. Everything is set up for people who are investing in property. As has been said before by those who oppose this bill, those opportunities far outstrip the opportunities that people—particularly the average wage earner—have with other forms of investment. As a result of these activities the machinery for ordinary people to buy a house or property extends further and further into the distance. This lack of opportunity is broadening the gap between rich and poor in our society.

Again we see evidence of the rent trap, whereby people are evicted with 60 days notice. It used to be in the community where I live that people were evicted from properties only over Christmas holiday periods. Now it happens all year round. Short-term holiday lettings at high rents in residential areas are ripping apart the social fabric of the community. Properties become party houses, neighbours become abusive, and more rubbish accumulates. It is almost impossible for local authorities to keep up, although they are trying. I am concerned that because of the pressure that has been brought to bear on this Government from the real estate lobby and from people who have no investment in the community other than in their real estate, the Government will cave in and force my local council to allow more people to offer holiday renting. This problem is not peculiar to Byron shire. Manly experiences similar problems. Most coastal councils are faced with the same issue in various forms. The practice leads to an explosion of real estate value for very little productive return to the community.

Where does that leave young people starting out? Basically, they cannot afford to live in the area and, as a result, have to travel great distances to work. Morris Iemma's first statement as Premier was a complete caving in to the property development and real estate industry in New South Wales. It is an absolute abomination that this Labor Government is so weak-kneed that it ignores the concerns of those it purports to represent. Obviously the Government will be supported by the Opposition in this matter. I am pleased that my Greens colleagues and the Hon. Dr Arthur Chesterfield-Evans oppose the Duties Amendment (Abolition of Vendor Duty) Bill, which constitutes a socially regressive direction taken by the Government.

The Hon. HENRY TSANG (Parliamentary Secretary) [3.42 p.m.], in reply: I thank honourable members for their contributions and I commend the bill to the House.

Motion agreed to.

Bill read a second time and passed through remaining stages.

SPORTING VENUES (OFFENDERS BANNING ORDERS) BILL**Second Reading**

The Hon. HENRY TSANG (Parliamentary Secretary) [3.44 p.m.]: I move:

That this bill be now read a second time.

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

Leave granted.

I am pleased to introduce the Sporting Venues (Offenders Banning Orders) Bill 2005.

The purpose of this Bill is to prevent violence and disorder at sporting events by establishing a sports banning orders regime in NSW. These orders will provide for a court to ban persons from attending or being near specific sporting venues where they have been found guilty of certain offences involving violence and disorder at or in connection with certain sporting events.

For many of us sport is part of a way of life. Families and individuals enjoy going to sporting events. What we do not appreciate is the kind of hooligan behaviour that was demonstrated earlier this year during riots at several soccer matches. This kind of behaviour also drags down the public image of the great sporting codes.

In two separate incidents occurring in March and April 2005, supporters from soccer teams Sydney United and Bonnyrigg White Eagles were involved in violent confrontations using flares, fence palings, fireworks and pipe bombs. To date, persons have been charged with offences including riot, violent disorder, assault police and offensive conduct.

In response to the riots, Soccer NSW conducted an independent inquiry chaired by Mr Stepan Kerkyasharian. The Inquiry's Report has now been released and tabled in Parliament. It was good to see that Soccer NSW acknowledged the importance of dealing effectively with the hooligan element.

The Report makes the recommendation for legislative change, proposing that legislation be enacted, covering all sports and applying only to venues where an admission fee is charged to an enclosed area, which permits persons to be banned from future matches.

This Bill represents an important step towards dealing with the hooligans. It will act as a deterrent to people who may become violent at sporting fixtures. When persons are banned, it adds a further deterrent because if they breach a ban, it is a criminal offence.

I would now like to discuss the Bill in more detail.

Clause 4 of the Bill provides for a court to issue an order banning a person from a sporting event if they are found guilty of a sporting event offence, in addition to any other penalty that may be imposed for the offence.

'Sporting Event' is defined in Clause 3 as a sporting event at a venue for which an entry fee is charged or for which club membership is required. Therefore, this Bill does not affect kids playing school sport at the local playing field.

'Sporting Event Offence' is defined to include a range of offences. These include: actual or threatened violence, riot and affray; serious racial vilification pursuant to section 20D of the Anti-Discrimination Act 1977; possession or use of an offensive implement as defined in section 11 B of the Summary Offences Act 1988; and malicious damage to property.

Clause 4 also provides for a court to issue a ban if it is satisfied it will help prevent violence and disorder at or in connection with a sporting event.

'Violence' is defined in Clause 4 to mean violence against persons or property, including threatening violence and behaviour that endangers the life of any person.

'Disorder' includes: the inciting of hatred against an individual or a group of persons in reference to colour, race, nationality and ethnic or national origins; the use of threatening words or threatening or abusive behaviour; and the displaying of any writing or other thing that is threatening or abusive.

Clause 5 provides that a banning order may prohibit the person from entering or coming within the immediate vicinity of any sporting venue and/or any matches of a certain class of any sporting venue, as specified in the order.

Clause 6 provides that bans will have a maximum duration of 5 years for the first ban, and for any subsequent bans, a maximum duration of 10 years. If a banning order is made in addition to a sentence of imprisonment by way of full-time detention, the court may order that the banning order is to commence on the person's release from detention.

Clause 7 provides for a ban to be appealed at the time it is made as part of the general appeals process. The appeal can go to the issue of the ban per se, or to its duration or other terms.

Clause 8 provides that once a banning order has been in place for two-thirds of its duration, the person subject to the order may apply to the issuing court to revoke the ban. In determining this application, the court must have regard for the person's character, the person's conduct since the ban was made, the nature of the offence which led to the ban and any other circumstances which appear relevant.

Where such an application is made and refused, no further application may be made for a period of 6 months.

Clause 9 provides that it is an offence for a person to contravene a banning order. The proposed offence carries a maximum penalty of 6 months imprisonment and/or a 50 penalty unit fine.

Clause 12 provides that the Minister is to review the Act after a period of five years, to determine whether its terms and objectives remain appropriate. A report on the outcome of the review is to be tabled in each House of Parliament within 12 months after the end of the five year period.

The Government is satisfied that the objectives of the Bill are required to be met by legislation. It is considered that a sports banning orders regime will act as a significant deterrent for those that may consider disrupting games by violent or offensive means.

I commend this Bill to the House.

The Hon. MICHAEL GALLACHER (Leader of the Opposition) [3.44 p.m.]: I lead for the Opposition on the Sporting Venues (Offenders Banning Orders) Bill, the purpose of which is to create a system of banning orders for persons convicted of violent and other offences at or in connection with paid sporting events. The orders will enable courts to ban people from attending or being in the vicinity of certain venues when sporting matches are being played. Specifically, a banning order will be sought where a person has been convicted of an offence involving actual or threatened violence, serious racial vilification, possession of an offensive implement or implements or malicious damage to property at or in connection with a sporting event.

The first banning order against a person may last for a maximum of five years, and any subsequent order may last up to a maximum of 10 years. Interestingly, the legislation provides that the subject of the order can apply to have the order revoked once it has been in force for two-thirds of its duration. The person's character and conduct are to be taken into account in any decision relating to revocation of an order. The Minister will review the Act after five years and report on that review to Parliament.

Although the Opposition does not oppose this legislation, I believe it is important to place a couple of concerns on the record. There is no doubt that, particularly in the past couple of years, the incidence of anti-social behaviour—growing into violent behaviour—has increased at a wide variety of sporting events, and for quite a number of years such behaviour has been more prevalent at soccer matches. Many attempts have been made to try to diffuse the anger that exists among opposing soccer groups in this country. One of the most notable, which occurred a couple of years ago, saw ethnic references in the names of soccer teams replaced by geographical or animal references, thus taking away ethnicity. Over time, as has been found with rugby league, even geographical references start to drop away. Very rarely do we hear our rugby league teams referred to by their original names. My team, South Sydney, is now almost always referred to as the Rabbitohs. Similarly, St George is now called the Dragons.

The Hon. Duncan Gay: You hear of the St George Dragons.

The Hon. MICHAEL GALLACHER: Yes, we hear of the St George Dragons, but rarely do we hear the team referred to as St George—that is, the geographical reference. More and more nowadays our teams are referred to by their marketing symbols, and that is consistent with what is happening in the United States of America, where the National Football League has moved away from club names incorporating geographical references to embracing brand names.

The Hon. Melinda Pavey: Like the Swans!

The Hon. MICHAEL GALLACHER: The Swans is one example. Soccer clubs have moved away from their ethnic base. That has been an easier proposition for the professional teams than it has been for amateur teams. Unfortunately, the good name of soccer in this country has been sullied in more recent times, more so by amateur sides than by the professionals. It is important to record, however, that a solid attempt has been made by many in this country to clean up crowd violence and anti-social behaviour in soccer.

I am concerned at the level of violence among spectators creeping into rugby league. I acknowledge that it is only sporadic, but when it occurs one is left with a bad taste in one's mouth. In the past we witnessed brawls at rugby league games, at cricket matches and at many sporting events, but generally they were confined to a small number of people in a particular part of the crowd. Unfortunately, today large numbers of people congregate in various areas of rugby league grounds, and their chants and calls are designed to antagonise other supporters and bring about some level of confrontation between supporters. We must continue to try to eliminate this element.

This bill was much touted as being the answer to our problems through identifying acts of violence at soccer, football and other sporting events. It rode heavily on the success of the United Kingdom experience. I have attended a number of football matches in the United Kingdom. Probably the most notable in terms of conflict between two sides was a Glasgow Rangers and Glasgow Celtic soccer match in the mid 1970s. Previously I had only been to rugby league games at glorious Redfern Oval—I hope it continues to reign supreme in that part of Sydney for many years to come—where a good crowd would be considered to be 5,000 or 6,000 people. The famous Ibrox stadium—looking at a sectarian divide of Glasgow, it is on the Protestant side of the River Clyde—is a relatively small stadium but it had more than 100,000 people crammed in without room to move an inch, let alone move around with the freeness that we enjoy at Australian football matches. This drove home the differences between the United Kingdom experience and the Australian experience.

Much of the success in curbing violence in the United Kingdom has been at the premier league division. That is where much of the targeting of hoodlum activity has taken place over the last couple of years, although it has also occurred in the first, second and third divisions in England and in Scotland. Many of the supporters are season ticket holders. It is very hard to walk up to the turnstiles and buy a ticket for the game. You have to be a season ticket holder to get into those sporting events. A person going to any football match in Australia, other than a grand final or semi-final, would find it very easy to buy a ticket and go through the turnstiles. So we are talking about two totally different scenarios in terms of the ability of police in the United Kingdom to take away season tickets and stop people from entering the ground.

A great deal of the security at our sporting events is provided by private security firms, with a smattering of police officers, depending on the determined risk of the game. Under current arrangements, a police officer who attends a rugby league match today in a particular area may not be at the next game where the team is playing. Officers might be drawn from Penrith today, Bondi tomorrow and another part of Sydney for the next match. How can police remember the face of people banned from an earlier game? There is not a huge collection of photographs for every police officer to look at to identify faces. Technology can be used to spot people in the crowd but I think there is a lot more hype in this bill than actual effectiveness. No doubt we will hear about arrests being made, particularly of people who are in registered clubs supporter groups for various football organisations—whether soccer or rugby league. The membership may be torn up and there may be an opportunity to identify them on a random basis. But I do not think that is the answer.

Another point of distinction between the United Kingdom and Australia is that in the United Kingdom most people are soccer supporters or rugby supporters: they support a particular code. I realise that this is a fairly sweeping statement but many people who are fanatical about their teams do not jump around from cricket to tennis to rugby league to other sports; they are content to follow their particular code, which is a passion for them. This bill will allow people to be banned from attending a soccer match but it will not ban them from attending a rugby league match. If people are banned from a soccer match and a rugby league match they can still attend a cricket match and be a hoodlum there. Again, it is more about spin and hype than application. There is no doubt that we have a problem and we need to ensure that, where possible, these people are removed. However, the Government cannot crow too much about the bill being the answer to the hoodlum activity that afflicts some of our games. Society has to continue to put pressure on our children and those attending sporting matches so that unacceptable behaviour is simply not on, and those participating in antisocial violent behaviour become social lepers with whom other people do not want to associate. They are not heroes and they should not be treated as such.

Reverend the Hon. FRED NILE [3.55 p.m.]: The Christian Democratic Party supports the Sporting Venues (Offenders Banning Orders) Bill. In some ways it is a pity that the House has to deal with such a bill but recent events give us no option. The object of the bill is to prevent violence and disorder at sporting events by enabling courts to ban persons from attending at or near specified sporting venues where they have been found guilty of certain offences involving violence or disorder at or in connection with certain sporting events. It will permit a banning order to be sought where a person has been convicted of offences involving actual or threatened violence, serious racial vilification, possession of offensive implements or malicious damage to property at or in connection with a sporting event.

"Sporting events" have been defined in the bill as matches at grounds where an entry fee and/or club membership are required to enter. Most, if not all, of the major violence that has occurred involving a large number of persons at sporting events has occurred at soccer events where there were teams with an ethnic background associated with the nations in Europe from which the supporters came. Because of the bloodshed and disorder that occurred in those countries there has been an unfortunate overflow into the Australian community. Although the Government has introduced the bill to deal with the criminal affects I urge it to deal

with the causes of the violence. There should be more attempts to deal with the ethnic-based sporting teams to curb the anger that they have towards each other and to promote joint activities, not simply sporting activities but community activities.

These ethnic groups—I call them that because there is an ethnic relationship—perhaps could meet in a situation in which they are not competing with each other with a view to creating a community atmosphere. Over the years such things have occurred with an ethnic group promoting, say, a Chinese festival at which all different Chinese groups in the community can share. An Arabic festival is held at which various groups from Iran, Iraq, Egypt and so on can share. That type of activity produces harmony, which would perhaps make implementation of the provisions of the bill unnecessary. As I said, it is a tragedy that we have to deal with this bill. We support the bill and congratulate the Government on introducing it. The Government is often attacked by civil liberties groups. It does not get much praise from that area for introducing what those groups would call law and order legislation.

A first banning order against a person may last for a maximum of five years and any subsequent order a maximum of 10 years. It is to be hoped that following the passage of this legislation the information will be conveyed in an educational program to all those groups that have been involved in the violence so that they know what they face. It is to be hoped that the, shall we say, threat of this legislation will deter people from acting in this way. As well as working from one end by promoting harmony, it will also work from the other through education. Those inclined to act in this way will be made aware that this legislation is in place and that, under the terms of the legislation, if they incite violence they will be banned from future sporting events. There are other aspects of the legislation but I will not go into the details of them. The legislation will be reviewed after five years, and the Minister will report to Parliament on that review. The Christian Democratic Party supports that review process and supports the bill before the House.

The Hon. HENRY TSANG (Parliamentary Secretary) [4.00 p.m.], in reply: I thank honourable members for their contributions to the debate. I commend the bill to the House.

Motion agreed to.

Bill read a second time and passed through remaining stages.

ADJOURNMENT

The Hon. HENRY TSANG (Parliamentary Secretary) [4.01 p.m.]: I move:

That this House do now adjourn.

SWANSEA BRIDGE

The Hon. ROBYN PARKER [4.01 p.m.]: I find community consultation to be lacking by the Roads and Traffic Authority [RTA]. In the past few months I have received telephone calls and correspondence from residents affected by the dual carriageway deviation from the F3 freeway to Raymond Terrace, because of the failure of the RTA to consult with them on the project's time frames and planning provisions. More recently, I have received telephone calls from residents of Lake Macquarie about the closure of the Swansea bridge. I remind honourable members that Swansea bridge has had a chequered history. The Swansea bridge comprises two low level bridges. The original low-level bridge was built in 1955. The Swansea bridge was inadequate and unable to cope with the number of vehicles wishing to use it.

The bridge crosses a channel, which means that marine traffic requires either a high-level bridge or a bridge that opens. At the end the 1980s there was debate about what was to happen with the Swansea bridge in order to increase its capacity to carry vehicular traffic. There needed to be either a duplication of the existing bridge or options such as a tunnel or a high-level bridge. I lived in Swansea at that time and local residents were convinced that duplication of a bridge that was required to open for marine traffic, thereby holding up vehicular traffic, was a ridiculous proposal. They believed that investment in a high-level bridge was necessary.

So strong was the view of the residents and the community in general that the incumbent Labor member for Swansea, Don Bowman, lost his seat to Ivan Welsh in the 1988 election over that very issue. The residents knew that the proposal was ridiculous. That was the view at the time of the 1988 election. The RTA should have done what would be done in other parts of the State, including Sydney: it should have constructed a high-level bridge over the channel so that traffic did not have to stop for boats to pass through. Unfortunately,

apparently contracts had been signed for a duplication of the bridge—and not even a brand-new bridge! What Swansea got, which is what happens in Lake Macquarie and in the Hunter all too often, was a second-rate option—in fact, a second-hand mechanism.

Now it is just one problem after another with one or other of the Swansea bridges. Recently the RTA planned to close the Swansea bridge to marine traffic and vehicles to purge hydrogen gas from the structure, hydrogen gas that could have caused a huge explosion and blown up half of Swansea if it had not been discovered. One would assume that the road closure for such a length of time would have required reasonable notice to community residents. How much notice was given to residents? Only 48 hours! Employees of the Swansea RSL Club had to take shorter meal breaks so they could get home and young people working on the late shift at McDonald's did not have enough time to reorganise their rosters and get home.

People were stranded by the closure of the bridge, which necessitated an 85-kilometre drive around Lake Macquarie in order for people to get to their destinations. It involved a complete reorganisation of their lives and considerable discomfort. A lot of resident anger over the road closures caused the RTA to back-down and open one bridge for some of the time. However, the issue is maintenance work and minimal traffic disruption for residents. People in Swansea are being continually disadvantaged because of poor bridge structure. One of the bridges is now sinking, necessitating closure of the bridge for five weeks while piles were driven in to prevent that from happening. There are numerous problems associated with the channel that the bridges traverse, and there needs to be a concerted effort by the RTA, the Minister for Infrastructure, and Minister for the Hunter, and the Minister to Roads working together to serve their constituents in the Hunter and in Swansea in the same way as we would expect all constituents to be dealt with. We need a proper resolution of this problem for the people in Swansea.

CHINA IN THE SPOTLIGHT

Mr IAN COHEN [4.06 p.m.]: A few weeks ago, in August, I had the pleasure to attend a dinner forum entitled "China in the Spotlight". The main speakers were law Professor Yuan Hongbin, Professor Ching-hsi Chang and Professor Chwei-Liang Chiou. They offered another perspective on the problems within China. Professor Hongbin said that law is about the study or the disposition of justice. He said he would like to say that the justice that exists in the judicial system is the safety net. However, in China that safety net is no longer intact, and the corruption and failure of the judicial system is alarming. There are two systems, two forms of law in China: the one that is written on paper and the other that is put into practice. The one on paper is presented to the international community and other scholars to study. This false image is what represents China's justice system.

What is practised is not justice, but a system that ensures the totalitarian rule of the Chinese Communist Party [CCP]. This is something that has been hidden from the eyes of westerners. When political dissidents, religious activists and spiritual leaders are sentenced to gaol that is the government using the means of the law to persecute those people and to suppress their very basic rights—freedom of speech, freedom of conscience and freedom of belief. There have been many consequences of the corruption in China; there are many fake products, baby formula and fashion. However, the phoniest of all are the statistics. For example, the number of people sentenced to death is a figure decided on by the Chinese Minister of Justice and economic growth figures are decided on by the Chinese Bureau Chief of Statistics. Those figures are not reliable.

Professor Yuan also spoke of the HIV-AIDS crisis in China, where whole villages contracted the disease due to poor villagers donating blood for money. They were infected with AIDS as a result of unhygienic methods used by medical staff. A quarter of the rural labour force is unemployed, so there is a huge group of people moving to the city. They are known as peasant workers. These people are one of the most deprived labour groups in the world. China's most successful businessmen are successful because of the disenfranchised peasant workers in the city; they are accumulating wealth through the misery of these labourers. The professor said that he had witnessed the pollution of the natural environment; that many of the pollutions are irreversible and that his favourite homeland is becoming a place that is not suitable for human habitation.

In the northern area of China the desert area is spreading and the corruption is getting worse in that area. In China it is difficult even to find a clean lake or a clear sky to look at without going into Tibet or to Qinghai Plateau. Professor Ching-hsi Chang is head of economics at the National Taiwan University. His prediction is that China's economy is going to collapse soon. China's economy looks fine, based on official figures and what appears on the surface. It has the highest economic growth rate in the world—more than 9 per cent in recent years.

China seems rich enough to offer high-price bids for merging multinational companies. However, there are two other problems: one is that official government statistics are not reliable, and the second is that despite the "reform and open" policy of the past 25 years the CCP has not changed as a political system. The CCP has not changed its nature in the slightest way. In the banking and financial market, the bad loans are so large that the state banks should have already been sent bankrupt several times over. As for the stock market, it has already collapsed to record low levels. The so-called "economy being overheated" is due to an extremely inefficient use of investment and corrupt practices. Chinese society is in a very dangerous situation and has stepped into an unstable period.

The significant problems are: the largest scale of economic structure adjustment in the world; the largest scale of "lay-off flood" and "unemployment flood" in the world; the most significant urban-rural inequality; the fastest growth of income inequality in the world; severe corruption and economic loss; and severe environmental problems. Then why has the Chinese economy not collapsed? The professor calls this the "real miracle of China's economy". He believes there are five factors for this real miracle. First, Chinese people have the highest saving rate; more than 40 per cent of their income has been saved. Second, China absorbed the second-largest foreign direct investment. Third, the Chinese Government has a tightly restricted monitoring system of information; millions were spent to build the so-called "Golden Shield" system.

Fourth, the CCP is one of the most violent, bloodied and corrupt governments in history. Fifth, the corrupt nature of the CCP will make all good things turn bad. For example, the Australian Government has been one of the most respected countries in observing human rights, but it is only caring about money in its dealings with China. France and Germany are also the same. Many multinational companies are also guilty. All civil societies believe that if China is developing in a healthy manner, its system can be sustained for a long period of time. By not allowing free society, or any sort of freedom of speech or press, China has been able to sustain its corrupt system for such a long period of time. Many in political science espouse the theory that if you have economic growth it will create an economic middle class and a civil society and this then fuels political reform. [*Time expired.*]

SOUTHERN CROSS CINEMA, YOUNG

The Hon. AMANDA FAZIO [4.11 p.m.]: On Saturday 17 September 2005 I had the pleasure of representing the Minister for the Arts, the Hon. Bob Debus, MP, at the Stars of the Silver Screen—the official opening of the Southern Cross Cinema at Young. Also attending the opening were Councillor Gerry Bailey, the Mayor of Young Shire Council; councillors of Young Shire Council, including Councillor Mick Veitch and former mayor Tony Hewson; Councillor Anthony King, the President of the Young and District Arts Council; Mr Alby Schulz, the Federal member for Hume; Ms Marnie Freeman, an indigenous representative; Mr Kim Johnson, the Vice-President of the Young and District Arts Council; Ms Sally Hofman, the Secretary of the Young and District Arts Council; Mr Adrian Manwaring, the Treasurer of the Young and District Arts Council; Mrs Louise Manwaring, a cinema committee member and local solicitor; Mrs Carol Wells, a volunteer co-ordinator; Father Richard Thompson, a local parish priest; Ms Catriona Rowntree, a television celebrity, who volunteered to be the master of ceremonies for the evening; and members of the local community who volunteered their efforts.

A 1996 survey conducted by the Local Government and Shires Associations of New South Wales discovered that cinema was one of the most sought-after entertainment activities. Yet, at that time more than 50 per cent of towns in the State, including Young, had limited or no access to cinema or film. A whole generation has grown up in many country areas without direct access to the world culture of cinema and to our own vital Australian cinema industry—and Young was one of these towns. Probably few would remember the drive-in or cinema in the area, which both closed years ago. For decades, if the people of Young wanted to go to the cinema, the nearest was 80 kilometres away, in Cowra. The people of Young decided to do something about this lack of community and cultural facilities. The project is a great example of how the three tiers of government and the local community can work together to provide a much-needed community facility.

During his term as mayor Tony Hewson raised the idea of the Southern Cross Hall being acquired by the council and utilised as a community facility. This initial proposal was not taken up. In 2000 Kim Johnson and Anthony King met to discuss the establishment of a cinema and cultural centre for Young. The Young District Arts Council auspiced the project, which had an estimated budget of \$600,000. In February 2002 a grant of \$75,000 was received from the New South Wales Ministry of Arts, and in April 2002 a grant of \$237,000 was received from the Federal Department Transport and Regional Services. In 2002 the Young District Arts Council co-ordinated the renovation of a then disused hall into an arts centre, initially focusing on a cinema. The

Southern Cross Hall was purchased from the Catholic Church in the name of Young Shire Council and leased to the Young District Arts Council in April 2002. The following month a public meeting was organised by the Young District Arts Council to determine the level of support for the project in Young. More than 200 people attended the meeting.

The first community-working bee was held in July 2002. During the next three years approximately 300 community-minded people gave their time to the project. I had the privilege of meeting many of those volunteers at the opening. Construction started in November 2002, and builder Malcolm Blair and a team from Work for the Dole participated. In February 2003 a second grant of \$55,000 was received from the State Ministry of the Arts. In August 2003 the ANZ Bank donated \$2,000. In November 2003 Young Shire Council donated \$50,000 and provided a loan of \$50,000, in addition to the \$100,000 previously granted. In March 2004 a test screening of *Spiderman* was held for members of the Young District Arts Council, followed by the first public screening of *Lord of the Rings—Return of the King*.

The Southern Cross Hall is the only venue in the town of Young with raked seating, and it is a first-class venue. Movie screenings continued from March 2004 onwards on Friday and Saturday nights, and eventually some weekend matinees and mid-week screenings were shown. In November 2004 Sydney Opera House Baby Proms performed at the hall and in January 2005 Young District Arts Council was recognised for its great work with the presentation of a Cultural Award on Australia Day. The inaugural Hilltops Music Festival was held in July this year and was an outstanding success. Already Southern Cross Hall has been used for the holding of conferences, a music festival, concerts, dancing, and an artist's workshop, and has provided a meeting place for local groups. It has also been used for community fundraisers and for the showing of more than 500 films. It is run almost entirely by volunteers who continue to give of their time and efforts to enrich the cultural fabric of their town. These volunteers deserve recognition for their dedication and commitment to providing the residents of Young with a great community and cultural resource.

The opening night was a great success. A number of local musicians and singers performed and the screening of *Harvey Krumpet* was enjoyed by all. I thank the organisers for their hospitality and for being involved in such a worthwhile project. I also extend my thanks to the Ministry for the Arts for its grant, to the Federal Government for providing funding, and to Young Shire Council for supporting the project. I also thank the New South Wales Film and Television Office, which gave invaluable technical advice on the best way to establish a cinema in the existing building. The hall, which was previously used as a community hall by the Catholic Church, had run into disrepair. This is a great way to refurbish an historic building and provide a good cultural facility for the people of Young.

PENSHURST RAILWAY STATION ACCESS

MR TOM BELL HOME CARE SERVICES

The Hon. JOHN RYAN [4.16 p.m.]: We are all aware of the need for easy access facilities on railway stations. I bring to the attention of the House the efforts of a councillor on Kogarah Municipal Council who has been working to have easy access facilities installed at Penshurst railway station. Easy access facilities have already been installed at Hurstville, Kogarah and Rockdale railway stations. However, for some reason such facilities have not been installed at Penshurst railway station, notwithstanding the fact that the station is only accessible by very steep and inaccessible stairs. As a result, families with young children, people with mobility problems and people in wheelchairs have enormous difficulties accessing Penshurst railway station. Councillor Mark Coure, who is one of my colleagues in the Liberal Party, has made it his mission to have easy access facilities installed at Penshurst railway station.

As soon as Councillor Coure was elected to Kogarah council, he brought before council a motion that called on council to write to the member for Georges River seeking his support and requesting him to write to the Minister for Transport Services to request that he prioritise the works to be carried out to upgrade Penshurst railway station. The motion also requested the Minister to investigate the upgrading of Oatley railway station to include a lift to improve access for the elderly, disabled and parents with prams. Councillor Coure also collected more than 1,000 signatures on a petition presented to the Government to have these facilities installed. Last year the councillor invited the then shadow Minister for Transport Services, my colleague the Leader of the Opposition, to visit Penshurst railway station to inspect the facilities there.

At that time Councillor Coure called upon the Minister to install easy access facilities at the railway station. Fortunately for the community, due very much to the lobbying of my colleague Councillor Mark Coure,

the Government announced in the recent budget that easy access facilities will be installed at Penshurst railway station. Councillor Coure is concerned that, notwithstanding an announcement in the budget and many promises by the Labor Government, still there has been no indication that these much-needed facilities will be delivered for his community. He has therefore asked me to bring the matter to the attention of the House, to ensure the Government expedites the provision of easy access facilities at Penshurst railway station, and to bring to fruition his efforts to have these much-needed facilities installed in his local area.

Earlier this week I also brought to the attention of the House the plight of a former home care client, Mr Tom Bell, who lives at Oatlands. Mr. Bell has been virtually living in a wheelchair for four months because he has been unable to access home care services. I have brought his need for home care services to the attention of the House on previous occasions. Mr Bell is about 60 years of age and is afflicted by a debilitating illness, but he can live quite independently in his home provided he has home care services that get him out of bed, provide him with a shower and adjust some support hose that he requires.

Unfortunately, home care services have decided that because of the hours required—largely complicated by a need for an additional person because of occupational health and safety requirements—they have refused him a service. Now his only other option of a service is to either go on living in his wheelchair and getting himself in and out of his wheelchair, which he can do but it causes him some injury, or to go into a nursing home. He sought to bring these matters to the attention of the media last year. I was about to go over to his home with a Channel 9 news crew to conduct a media interview with him when the journalist, who was due to interview me and was on his way to Mr Bell's house, said he would seek some reaction from the Government. About 10 minutes later I was in contact with the journalist who told me that the interview would be cancelled because somebody from the Government—I do not know if it was someone from the Department of Ageing, Disability and Home Care or the Minister's office, but it was the weekend, so someone from the Minister's office would probably have been the most accessible person—had made some of the grubbiest allegations I have heard made with regard to a home care client who requires help and assistance.

Unfortunately, when I was discussing these allegations with Mr Bell, we were overheard by one of his carers, who then decided to no longer be available to be one of his volunteer carers. I am very concerned about these allegations and the impact they have had on Mr Bell and I call upon the Minister to ensure that whoever was the source of these allegations receives the appropriate reprimand and that the allegations are refuted. [*Time expired.*]

AUSTRALIAN LABOR PARTY ATTITUDE TOWARD ABORIGINAL PEOPLE

The Hon. Dr ARTHUR CHESTERFIELD-EVANS [4.21 p.m.]: I voted for urgency on the motion by the Hon. Catherine Cusack which condemned Labor's attitude to Aboriginal people, as I felt it was important to discuss it. Unfortunately, I was unable to speak to the motion and therefore I want to mention it in this debate. The motion stated:

That this House do now adjourn to discuss the following matter of urgency:

The Australian Labor Party's attitude toward Aboriginal people.

The Liberals are condemning Labor, but I wanted to refer to the initial motion that led to the Redfern inquiry. The Hon. Greg Pearce said:

I move:

1. That a select committee be appointed to inquire into and report on the riot that occurred at Redfern on 15 January 2004 and in particular:
 - (a) resources available to NSW Police on 15 February 2004 as well as the normal resourcing of the Redfern Local Area Command,
 - (b) available strategies for managing major public disorder incidents,
 - (c) assaults on police in the Redfern area in recent years,
 - (d) the ongoing delays in the redevelopment of "The Block",
 - (e) policies of the Police Media Unit, and
 - (f) any other matters arising from these terms of reference.

The motion went on to say:

4. That the committee have leave to sit during any adjournment of the House, to adjourn from place to place, to make visits of inspection within New South Wales, and have power to take evidence and to send for persons, papers, records and things, and to report from time to time.

There was no concern for Aboriginal people in that motion. Mr Brogden, the then Leader of the Opposition, had said that the Block should be bulldozed—again, not sympathetic to Aboriginal people. In view of the motion proposed by the Hon. Greg Pearce, I spoke to Aden Ridgeway and amended the motion to address the underlying problems of Redfern and Waterloo. I got the numbers from the crossbench and the amendment went through. The Government, whether it liked it or not, took it with good grace and the matter went to the Standing Committee on Social Issues for an inquiry. Now we have the issue of a loose remark by Minister Sartor allowing the Liberals to conclude that the entire Labor Party has a bad attitude.

I am not here to condone Minister Sartor's remark. He asked Mick Mundine to "get his black arse here", and then tried to mitigate it by saying he would take his "white arse there". He is clearly of the view that the word "arse" does not matter, and perhaps it cannot be used as a racist term because everyone has one. I am informed that the term "black" is more offensive in some States than in others, and worse in the Northern Territory than in New South Wales, but "black arse" is especially offensive, notwithstanding Sartor's belated effort to talk of his "white arse".

The most charitable explanation is that Frank may have been trying to use the vernacular on the particular radio station to effect a familiarity, but came badly unstuck. He apologised to Mick Mundine, and Mick accepted his apology, which is gentlemanly of him. But Frank really should know better. Frank is also something of a second offender. He uses the developer-capital model for building Sydney, which assumes that the only way that anything can be done is to get private capital and come to some sort of agreement that private interests will do things for public benefit in return for being chosen to make a lot of money. On 8 March 2005 Aden Ridgeway gave an adjournment speech in the Senate about Frank Sartor's tactless remark that after the redevelopment of the Block there would be "hardly a black face on the Block". Effectively, that remark stated that if a person did not have money then that person would not be able live close to the CBD, and that money would determine whether they did. In other words, the Government will not override economic force.

The idea that the Aboriginal people would simply be pushed from their traditional home in Redfern was naturally deeply offensive to them. But despite those two gaffes, neither Mick Mundine nor Aden Ridgeway said the Minister should resign. Frank at least apologised profusely. Certainly there is some hypocrisy in the calls from the Liberals. No one would dispute that Frank has an oversized ego and is patronising to many people, but I do not believe that he is racist; he made a gaffe. Speaking of silly gaffes, another one led to the resignation of John Brogden, which is perhaps why the Liberals are so sensitive about the issue. I believe that John Brogden also is basically a decent man, although he was untried in the sense that Conrad described Lord Jim.

John Brogden made a tasteless remark and made a pass at two women, who happened to be journalists, but I believe the reporters got it right: the reporters did not write a story. The adage "in vino veritas" suggests that in wine there is truth; in other words, that when one is disinhibited by alcohol one speaks what one actually thinks. I am not quite sure that is correct. If one becomes disinhibited, I think one goes back to the level experienced before becoming disinhibited. [*Time expired.*]

COOKS RIVER HISTORY

The Hon. KAYEE GRIFFIN [4.26 p.m.]: On Saturday 10 September I attended the Cooks River Forum at the Sydney Olympic Sporting Club. This forum was organised by the Hurlstone Park Community Group. The group was formed by local residents who actively support the ongoing improvement of the local area, and in particular the Cooks River. Listening to the issues raised by residents has prompted me to look at the river's history again. The Cooks River is an important part of our history. Having lived in the local area for the whole of my life, I have seen the river and its environs change dramatically over the years. The Cooks River is only 23 kilometres long and is located in the densely populated inner south-western suburbs of Sydney.

Back in 1788 the river and its surrounding area were mostly undisturbed. Governor Phillip estimated that there were approximately 1,500 Aboriginal people living in the area at this time. The local Aboriginal people relied heavily on the area for their everyday living. They used the river and its surrounds for fishing, gathering and hunting. From time to time they also cleared some of the bushland to make it easier to hunt and travel. This did not disturb the local habitation or the river's ecology. The local Aboriginal people depended on the river's continued existence in order for them to maintain their way of life. However, early settlers did not believe that the land along the Cooks River would be fruitful. They thought the water was too shallow and that it would not sustain new populations. Reverend Richard Johnson received a grant of 250 acres of land at Canterbury, which today stretches along the river from Garnet Street, Hurlstone Park, to Croydon Avenue, Ashbury.

Whilst it is not certain if the Reverend actually lived on the land, he did hire an overseer, several labourers and convicts, to cultivate the land. The grants awarded along the river tended to be very large land grants as most of the area was used for grazing, timber and food production. The major industries for the area were lime burning and fishing, especially around the mouth of the river and in Botany Bay. The early settlers faced ongoing problems caused by regular flooding and caterpillar plagues. However, this did not discourage them. Demand for the land grew. This was partly due to the fact that food was so expensive in Sydney and families had to become self-sufficient and live off the land. The earliest evidence of a bridge crossing the river was in 1810, when Governor Macquarie wrote:

After resting for half an hour at Mrs Laycocks, we pursued our journey to Canterbury; thus crossing Cooks River twice over a very slender bad bridge within two miles of Mrs Laycocks Farm.

It is believed that the bridge that Governor Macquarie mentioned was located at the end of Beamish Street, Campsie. In the 1830s the area had exploded and there were now three bridge crossings in operation, these being Unwin's Bridge at Tempe, Prout's Bridge—which replaced a punt at Canterbury—and the dam at Tempe, which continued along the Cooks River Road, or the Princes Highway as we now know it. Today the river is home to more than 400,000 people and more than 20,000 commercial and industrial premises.

It is not surprising that over the years the river and its environs have changed dramatically. These changes made the Cooks River a very polluted waterway. The river was closed to fishing and it was clogged with stormwater and household wastes. It even suffered from industrial pollution. It has been very distressing over the years for residents to see such changes in their local environment. The degradation of the river and its environs has been the subject of much debate over many years. There have been wide-ranging discussions between Government, local councils and community groups about the most appropriate ways of resolving these environmental issues. The New South Wales Government has implemented a number of initiatives to assist with the improvement of the Cooks River.

As of November last year, \$3,706,540 was granted to fund the Cooks River Foreshore Improvement Program [CRFIP]. The Cooks River Foreshore Improvement Program was established by the Department of Infrastructure, Planning and Natural Resources in 2003. The New South Wales Government committed \$2 million over four years to assist local government to improve the river. This included improving access to the river, recreational opportunities and conservation work. Round two of the CRFIP grants in May this year saw \$496,870 approved for projects such as the Cooks River bike path improvement works, Wollie Creek bush regeneration, Cooks River restoration and the development of plans for open space and access. Through the Environment Protection Authority [EPA], the State Government continues to implement programs to improve the state of the river, including the promotion of education and awareness.

The ongoing hard work and commitment shown by the local councils, the Department of Planning, the Environment Protection Authority and the Sydney-Metro Catchment Authority, in conjunction with local residents, will ensure that the Cooks River continues to be seen as an important part of the local environment.

Motion agreed to.

The House adjourned at 4.30 p.m. until Thursday 22 September 2005 at 11.00 a.m.
