

## STATE REVENUE AND OTHER LEGISLATION AMENDMENT (BUDGET MEASURES) BILL 2008

### Second Reading

**The Hon. PENNY SHARPE** (Parliamentary Secretary) [3.04 p.m.], on behalf of the Hon. Eric Roozendaal: 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.

On 11 November I announced a range of measures to ensure the State's financial position remained strong and to maintain the State's AAA credit rating.

A number of those initiatives will commence on 1 January 2009 and require legislation. This bill implements those measures. This bill also implements some other measures announced in the Mini Budget that require legislation but that will not commence until 1 July 2009.

Schedule 1 of the bill amends the Duties Act 1997 to implement from 1 January 2009 the stamp duty measures announced in the Mini Budget. In particular the schedule:

- defers abolition of stamp duty on unquoted marketable securities from 1 January 2009 to 1 July 2012
- defers abolition of mortgage duty on business loans from 1 July 2009 to 1 July 2012
- defers abolition of transfer duty on business assets other than real property from 1 July 2011 to 1 July 2012
- increases flat rate duties from \$2, \$10 and \$200 to \$10, \$50 and \$500 respectively
- eliminates an unintended consequence under which a liability to duty arose on the termination of strata schemes and community land schemes.

Schedule 2 of the bill amends the First Home Owner Grant Act 2000 to authorise retrospectively to 14 October the payment of the \$7,000 First Home Owner Boost payment to first home buyers purchasing an existing home and the \$14,000 First Home Owner Boost payment to first home buyers purchasing or building a new home. The authorisation to make these payments will cease with the First Home Owner Boost scheme on 30 June 2009.

The schedule also amends the Act to provide for the payment of the \$3000 New South Wales New Home Buyer's Supplement, which was announced in the 11 November mini budget. This payment will be made to first home buyers who contract between 11 November 2008 to 10 November 2009 inclusive to purchase or build a new home. This payment is in addition to the \$7,000 provided by the New South Wales Government under the First Home owners Scheme and the \$14,000 first Home owner Boost payment. This means payments of up to \$24,000 will be available to first home buyers purchasing or building a new home.

This payment is in addition to the existing stamp duty exemption available to purchasers of first homes up to \$500,000 in value.

Schedule 3 of the bill amends land tax legislation to introduce from the 2009 land tax year a premium land tax rate of 2 per cent which will apply to land tax payers with total taxable land holdings above \$2.25 million. The premium rate will only apply to the value of taxable land holdings in excess of \$2.25 million. The land holdings below \$2.25 million of affected land taxpayers will remain subject to land tax at 1.6 per cent.

This measure is expected to affect only around 8,500 land tax payers, or about 5.6 per cent of all land tax payers. The measure does not involve any broadening of the land tax base. Existing exemptions,

including for principal places of residence and for land used for primary production will remain.

Schedule 4 of the bill is designed to recover the costs of ensuring compliance with quality and safety standards in child care centres. I note that other States such as Queensland and Victoria have similar fees in place, and in the context of the mini-budget it is important to have such measures, provided they are reasonable and implemented sensitively.

That is what the Government intends. Extensive consultation with industry and parents on how the fees will be applied and costed will occur through the review of the Children's Services Regulation over the next year. The license fees will not be introduced before 2010, to ensure a thorough discussion.

The schedule also will increase the fees for employers of children in the media and entertainment industry. These fees will help to cover the costs of the Children's Guardian conducting site visits and inspections to ensure the welfare of the children. There has only been one increase in fees since 1993, and that was only to cover the introduction of GST. We believe that these fees are reasonable and in line with consumer price index increases. An exemption from the fees will be allowed where hardship can be shown. The increase in fees will not have an impact on children or their parents.

Schedule 5 increases the hearing fees payable in the Supreme Court under the Civil Procedure Regulation 2005. The revised fee is to be \$345 for individuals and \$690 for corporations to be levied for each half day of hearing time before a judge. In relation to hearings before an associate judge the hearing fee is to be \$311 per half day for individuals and \$622 for corporations. The fee is to be levied on each half day of hearing time required after the second day until the matter concludes.

Taxpayers should not have to subsidise expensive and lengthy civil hearings before the Supreme Court. The massive cost to taxpayers arising from the C7 litigation in the Federal Court has brought into sharp focus the need for Government to ensure that well resourced and corporate litigants should not be able to rely on taxpayers to fund protracted disputes in publicly funded courts.

Litigants that elect to resolve disputes before a court instead of through private arbitration or other alternative dispute resolutions should contribute to the cost of court hearings.

Schedule 6 of the bill amends the State Emergency Service Act 1989 to provide for a contribution scheme to meet the costs of the State 4 Emergency Service similar to the schemes contained in the Fire Brigades Act 1989 and the Rural Fires Act 1997 for the funding of the New South Wales Fire Brigades and Rural Fire Service and any other administrative costs incurred under the authority of the acts.

These changes recognise the outstanding work of the State Emergency Service, and the savings to the insurance industry that their work allows through reduced claims. The changed funding model will be accompanied by the streamlining and simplifying of back office administrative processes to produce efficiencies and further savings among the three services. Again, this will not impact on frontline services or operational capabilities.

Schedule 7 of the bill amends the Human Tissue Act 1983 to provide that regulations may be made authorising the recovery of the costs associated with the supply of blood and blood products to approved health providers.

Public hospitals in New South Wales already pay the costs associated with being supplied blood and blood products. The costs of providing blood and blood products to private hospitals are currently met by the State.

This amendment will allow the Department of Health to recover the costs incurred by the State in supplying blood and blood products to the private health sector.

This measure means that all hospitals in New South Wales will share the cost of collecting, processing and distributing blood and blood products and end the current subsidisation of private hospitals for this service.

In accordance with the aims of the National Blood Agreement, the amendment is explicit that no patient will be charged for the cost of blood.

Schedule 8 of the bill amends the Management of Waters and Waterside Lands Regulations—New South Wales to increase the annual fees for mooring licences for moorings in eastern Sydney

Harbour. Fees will increase from \$111, \$220, \$330 and \$774 to \$138, \$275, \$413 and \$965 respectively.

Schedule 9 of the bill amends the Mining Regulation 2003 to increase the rates of royalty for coal. The tiered structure of coal royalties will be maintained under this initiative in recognition of the importance of the mining industry as an employer in rural areas. The measure does not include a super royalty on coal as has been introduced in other jurisdictions. Royalty rates will increase from 5 per cent, 6 per cent and 7 per cent to 6.2 per cent, 7.2 per cent and 8.2 per cent respectively.

Schedule 10 of the bill amends the Parking Space Levy Act 1992 to increase the parking space levy in category 1 areas from \$950 to \$2,000 a year and in category 2 areas from \$470 to \$710 a year.

The Parking Space Levy seeks to reduce congestion and promote the use of public transport. The funds collected will be used for the construction and maintenance of transport infrastructure that encourages public transport use, such as commuter car parks and extra buses.

Schedule 11 of the bill amends planning legislation to merge the Growth Centres Commission with the Department of Planning to drive key land supply outcomes across New South Wales, and make other changes that better reflect roles and responsibilities.

The Department of Planning will be restructured to have a stronger focus on the statewide accelerated release of land in Greenfield areas and the redevelopment of existing urban areas.

Schedule 12 amends the Private Hospitals Regulation 1996 to increase application fees for licences from \$775 to \$5,320 and to insert a new scale of annual licence fees for private hospitals based on the number of persons licensed to be accommodated. The schedule also increases the fee for transfer of a licence from \$775 to \$2,940. This schedule also amends the Day Procedure Centres Regulation 1996 to increase application fees from \$775 to \$5,320, to increase annual licence fees from \$1415 to \$4,690 and to increase licence transfer fees from \$775 to \$2,940.

Schedule 13 amends the Real Property Regulation 2008 to increase the fee for lodging with the Land Titles Office a transfer of property. This fee will increase from 1 January 2009.

The Victims Support and Rehabilitation Act 1996 requires those persons convicted of an offence punishable by imprisonment to pay a compensation levy. The levy is currently \$70 when the person is convicted on indictment, and \$30 otherwise. That money is paid into the Victims Compensation Fund, from which compensation under the Act is paid to the victims of acts of violence.

The purpose of the compensation levy is to force those persons committing criminal offences to make a personal contribution to the compensation of victims of crime.

Schedule 14 of the bill amends the Victims Support and Rehabilitation Act 1996 to increase the victim compensation levy payable by people convicted of offences punishable by imprisonment from \$30 and \$70 to \$60 and \$140 respectively. It also introduces a provision which indexes these levies to movements in the Sydney Consumer Price Index to ensure these levies maintain their real value.

The levies have not increased for eleven years, and in these tough times, we are making criminals pay their dues.

Schedule 15 amends waste legislation to increase the Waste and Environmental Levy for the Sydney region and the Hunter, Central Coast and Illawarra by \$10 per tonne per year, indexed to the Consumer Price Index from 1 July 2009 until 2015-16. The \$10 increase will replace the \$7 per tonne increase previously scheduled for 1 July 2009.

The amendments set out in the schedule also extend the Waste and Environmental Levy to cover Wollondilly and Blue Mountains local Government areas and coastal local Government areas from the Hunter to the Queensland border. The levy rate will be \$10 per tonne from 1 July 2009 with increases of \$10 per tonne each year. These increases will be indexed to movements in the Consumer Price Index from 1 July 2010 until 2015-16.

I commend the bill to the House.